

A background image featuring a complex network diagram. It consists of numerous small, semi-transparent teal and black dots connected by thin, light grey lines, creating a dense, web-like pattern that fills the entire frame. The dots vary in size and opacity, and the lines are thin and light grey, giving the impression of a digital or social network.

Stakeholder Analysis

A vital but often neglected part of running a successful project

Stakeholder – what does that mean?



“A stakeholder is any person or party that can ruin your day”

- Unknown (but probably a battle-scarred project manager)

“Individuals and organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or successful project completion”

- Project Management Institute (PMI®), 1996

Fulfilling stakeholder expectations is an often implicit and poorly defined requirement – as important as all other requirements we may have to deal with(!)

Stakeholders – friend or foe?



- Your project always have stakeholders, like it or not
- They may have different and conflicting interests and be hard to deal with
- But using the time-honored Ostridge method to deal with stakeholders does NOT work – that will almost guarantee a failed project
- So, we really need to:
 - Identify stakeholders
 - Describe each stakeholder's interest (stake), expectations and impact on project
 - Use stakeholder info to EXPLICIT describe how we want to deal with the stakeholders



Stakeholder analysis (1)



- Not dealing explicitly and openly with your shareholders is as bad as trying to do a project without explicit and well-defined requirements
- The article describes some tools for finding and analyzing a project's stakeholders and their role/interests in the project
- Stakeholder analysis is carried out with the stakeholders view in mind
- Think of the outcome of doing stakeholder analysis as an explicit contract between the project and each stakeholder
- The contract must describe the obligations and rightful expectations between the project and each individual stakeholder, as seen from both sides

Stakeholder analysis – an *ongoing* thing (2)

- It's all about removing all assumptions about the stakeholder relationships and replacing them with explicit agreements
- To do that, open and **maintain an open dialogue** with each stakeholder about key issues
 - What are your expectations of this project?
 - How does the successful completion of the project benefit you?
 - May the interests of other stakeholders' conflict with your interests?
 - Which other stakeholders may have interests that conflict with your interests?
- It's an **ongoing** discussion – stakeholders will often adjust their view of the project over time

The stakeholder contract

- For each identified stakeholder you should define/describe
 - What the stakeholder needs/can expect from the project
 - What the project needs/can expect from the stakeholder
- It's a mutual agreement that serves to remove all doubt, or misalignment, with respect to expectations between stakeholder and project
- The contract must define the **what** (information, resources), the **who** (participants, responsible) and **when** (at which events or milestones in the project)

Stakeholders and risk management

- Once you have identified your stakeholders and their interests, needs and obligations you should use the resulting information
- Do a risk analysis for each stakeholder relationship
 - What are the risks (of failed expectations and unfulfilled obligations)
 - What will you do to
 - Prevent situations where the project fails to uphold its obligations
 - Mitigate situations where the project fails to uphold its obligations
 - Mitigate situations where the stakeholder fails to uphold its obligations
- Be as open as you can about the risks and possible ways of dealing with them if come to play out
- Make the risk analysis (or at least the identified prevention/mitigation actions) part of the contract

The project-stakeholder contract – a 2-way thing!



Interesting elements of a contract

- Rights and obligations
- Resources
 - Information
 - Physical assets
 - Personnel
 - Arbitration (decisions)
- Priorities
- Risks
 - Prevention
 - Mitigation



Assorted notes

- Remember that the project, and its' individual members, are also stakeholders – you also have rightful expectations as well as obligations to keep
- View stakeholder analysis/management as an opportunity to open and maintain a dialogue with the stakeholders about risks and how to deal with them