STAKEHOLDER MANAGEMENT FRAMEWORK FOR AI PROJECTS

AI Leadership & Project Management Masterclass

Curtin University

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STAKEHOLDER MANAGEMENT FRAMEWORK FOR AI PROJECTS

Know Who Matters, What They Care About, and How to Engage Them

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When to Use This Framework

Use this framework when:

- **Designing an AI project** - who needs to support this?
- **Pitching to leadership** - what does each stakeholder actually care about?
- **Building adoption** - how do you engage different people?
- **Facing resistance** - who's blocking progress and why?
- **Scaling a pilot** - whose buy-in do you need?

The Core Insight

Different stakeholders care about different things.

The CEO cares about ROI. The data scientist cares about technical feasibility. The operations manager cares about team adoption. The customer cares about speed and privacy.

If you pitch the same thing to everyone, you'll lose half of them. If you tailor your message to what each person actually cares about, everyone cooperates.

Your job isn't to convince everyone of the same thing. Your job is to find what matters to each stakeholder and show how your project addresses it.
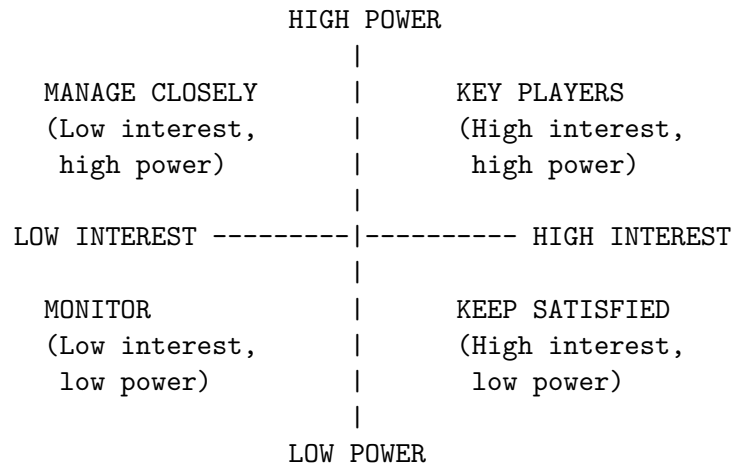

The Three Steps

STEP 1: MAP YOUR STAKEHOLDERS

Identify everyone who can affect your project:

Power-Interest Matrix:

```
                  HIGH POWER
                      |
   MANAGE CLOSELY     |      KEY PLAYERS
    (Low interest,    |       (High interest,
     high power)      |        high power)
                      |
  LOW INTEREST --------|---------- HIGH INTEREST
                      |
   MONITOR            |      KEEP SATISFIED
    (Low interest,    |       (High interest,
     low power)       |        low power)
                      |
                  LOW POWER
```

Map your stakeholders:

- **Key Players** (Manage Closely): CEO, CFO, your boss

    – These people can kill the project or scale it
    – Need to engage frequently, address concerns directly

- **Keep Satisfied** (Manage): Operations manager, customers, team leads

    – Important for adoption and success, but not final decision-makers
    – Satisfy their key concerns, keep them informed

- **Monitor** (Keep Informed): End users, other departments

    – Not directly involved but affected by the project
    – Keep them informed so they don't become resisters

- **Low Priority** (Minimal Engagement): People far from the project

    – Acknowledge but don't over-invest here

Example RetailFlow AI Project:

Stakeholder	Power	Interest	Category	Action
CEO	High	High	Key Player	Weekly updates, decision involvement
CFO	High	Medium	Manage Closely	Monthly budget reviews, ROI tracking

Stakeholder	Power	Interest	Category	Action
Data Scientist	Medium	High	Manage Closely	Weekly technical check-ins
Operations Manager	Medium	High	Keep Satisfied	Weekly team feedback, adoption support
Customer Service Team	Low	High	Keep Satisfied	Training, feedback loops
Customers	Medium	Medium	Keep Satisfied	Communication about new system
IT Security	High	Medium	Manage Closely	Architecture reviews, compliance sign-off

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STEP 2: UNDERSTAND WHAT EACH STAKEHOLDER CARES ABOUT

Don't assume. Ask.

For each key stakeholder, understand:

Their Success Metric: - CEO: ROI, timeline, competitive advantage - CFO: Budget compliance, cost per unit, payback period - Data Scientist: Technical feasibility, data quality, realistic timeline - Operations Manager: Team morale, adoption, operational reality - Customer: Speed, accuracy, privacy, choice - IT Security: Data protection, compliance, vendor vetting

Their Biggest Fear: - CEO: "We'll waste $150K and I'll look bad to the board" - CFO: "Projects always overrun. We'll spend $150K then ask for another $75K" - Data Scientist: "Management wants magic in 3 months. Data quality is poor. I'll build something that fails" - Operations Manager: "Leadership will force AI on my team without listening. My team will resist. I'll be blamed when it fails" - Customer: "AI will waste my time. The company is using AI to save money on ME. They'll misuse my data" - IT Security: "Customer data will be exposed. We'll violate regulations. IT will be blamed"

Their Real Objection (vs. Stated Objection): - If they say: "AI can't handle this" → Real concern might be "I don't trust management" or "I fear job loss" - If they say: "The timeline is too aggressive" → Real concern might be "I don't have the skills" or "I've seen this fail before" - If they say: "The cost is too high" → Real concern might be "I don't see the value" or "I'm worried about my budget next year"

How to Find Out: - Ask open questions: "What's your biggest concern about this project?" - Listen for what they don't say: Fear usually comes out as objections - Test your understanding: "It sounds like you're worried about X. Is that right?"

STEP 3: DEVELOP YOUR ENGAGEMENT STRATEGY

For each Key Player, create a specific plan:

Who: [Name], [Role] **Their concern:** [What keeps them up at night] **Their metric for success:** [What would make them happy]

Our approach: - **Message:** What does this person need to hear? - **Frequency:** How often do we communicate? - **Format:** How do they prefer to receive information? - **Involvement:** What role do they play in the project?

Example:

Who: CEO (VP of Operations) **Concern:** "We'll waste money and I'll look bad to the board" **Success metric:** ROI, clear timeline, risk management

Approach: - **Message:** "This pilot tests the key assumptions before we invest big money. We learn fast and decide based on data." - **Frequency:** Monthly steering committee meetings - **Format:** Data-driven updates with clear metrics (what's working, what we learned, what's next) - **Involvement:** Approves go/no-go decisions, reviews major risks, makes final scale decision

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Who: Data Scientist **Concern:** "Timeline is unrealistic. Data is bad. I'll be blamed when it fails" **Success metric:** Realistic timeline, data quality support, respect for technical constraints

Approach: - **Message:** "We're budgeting time for data work. We're not rushing to meet a CEO deadline. You have veto power on technical decisions." - **Frequency:** Weekly check-ins on technical progress - **Format:** Technical deep-dives, not just status updates. Time to surface concerns early. - **Involvement:** Co-designs the technical approach, flags risks, makes technical recommendations

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Who: Operations Manager (Customer Service) **Concern:** "Leadership will force this on my team without asking. My team will resist. I'll be blamed" **Success metric:** Team morale preserved, adoption happens voluntarily, operations team has voice

Approach: - **Message:** "Your team is co-designing this. You have veto power. We're not doing this TO you, we're doing this WITH you." - **Frequency:** Weekly team check-ins, feedback loops, celebration of wins - **Format:** In-person conversations, team meetings, not just emails - **Involvement:** Co-leads the pilot, owns team adoption, gives regular feedback on what's working

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Stakeholder Checklist

Before Your Project Starts

- ☐ **Identify all Key Players** - Who can kill this project? Who can scale it?
- ☐ **Understand what they care about** - Ask, don't assume
- ☐ **Know their fears** - What could go wrong from their perspective?
- ☐ **Create engagement strategy for each** - Specific message, frequency, involvement
- ☐ **Communicate the plan** - Tell them how you'll engage them

During Your Project

- ☐ **Deliver on your engagement promises** - Monthly updates mean monthly, not "when we have time"
- ☐ **Listen for new concerns** - Fears evolve as the project progresses
- ☐ **Celebrate stakeholder wins** - "CEO approved the budget" is a win. Recognize it.
- ☐ **Adjust your approach** - If someone's still skeptical, change your message, not your patience
- ☐ **Keep everyone in the loop** - Silence breeds rumors and fear

When You Encounter Resistance

- ☐ **Diagnose the real concern** - Don't just respond to stated objections
- ☐ **Address the fear, not the objection** - If they fear job loss, talk about that (not "the AI won't replace you because...")
- ☐ **Involve them in the solution** - "Help me address your concern" is stronger than "Let me convince you"
- ☐ **Give them power** - Veto power, decision-making role, voice in design

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The Six Key Stakeholders (RetailFlow Example)

1. EXECUTIVE SPONSOR / CEO

What they care about: - ROI and business value - Timeline and competitive pressure - Risk and reputation

How to win them over: - Lead with business impact, not technology - Show clear metrics and decision points - Demonstrate risk management ("We pilot before we scale")

Common concern: "This will fail and I'll look bad"

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2. CFO / FINANCE

What they care about: - Budget compliance - ROI timeline - Cost per unit - Alternatives comparison

How to win them over: - Detailed budget breakdown - Conservative ROI calculation - Contingency planning - Clear alternatives ("Why AI vs. hiring more staff?")

Common concern: "Tech projects always overrun"

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3. DATA SCIENTIST / AI ENGINEER

What they care about: - Technical feasibility - Data quality - Realistic timeline - Clear scope

How to win them over: - Realistic expectations (8 weeks for data + model, not 2 weeks) - Clear scope ("You're building X, not Y") - Data quality budget upfront - No pressure on deadlines

Common concern: "Management wants magic. Data is bad. I'll fail publicly"

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4. OPERATIONS MANAGER (Customer Service)

What they care about: - Team morale and job security - Operational reality - Having a voice in decisions - Support and training

How to win them over: - Partnership ("You're co-designing this") - Job security ("No layoffs") - Real voice ("You have veto power") - Transparency ("Here's what's happening, here's why")

Common concern: "This will be forced on us without asking"

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5. IT SECURITY MANAGER

What they care about: - Data security and privacy - Regulatory compliance - System stability - Liability and accountability

How to win them over: - Data protection plan (data stays on our servers, encrypted) - Compliance review upfront - Vendor vetting (SOC2, security certifications) - Involvement in architecture decisions

Common concern: "Customer data will be exposed"

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6. END USER / CUSTOMER

What they care about: - Speed (is this faster than the alternative?) - Accuracy (does it give me the right answer?) - Privacy (what are you doing with my data?) - Choice (can I talk to a human if I want?)

How to win them over: - Lead with customer benefit, not company benefit - Address privacy unprompted - Offer human escalation - Show speed/accuracy improvements clearly

Common concern: "This is cheaper for you, not better for me"

Remember

Stakeholder management is the difference between: - A technically perfect project that nobody uses or supports - A good project with enthusiastic support and adoption

Your job as PM isn't just to deliver the project. It's to bring the organization along with you.

Invest in understanding what each stakeholder actually cares about. Then show them how your project addresses it.

That's how you get buy-in, adoption, and success.