CSIT214/CSIT883 IT Project Management

Stakeholder management

Project management framework (review)

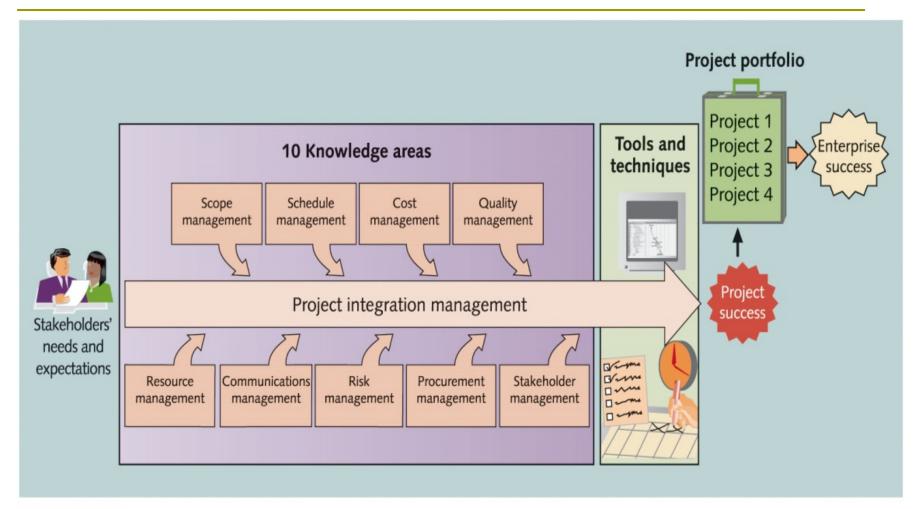


FIGURE 1-2 Project management framework

Importance of Project Stakeholder Management

- Because stakeholder management is so important to project success, the Project Management Institute decided to create an entire knowledge area devoted to it in 2013
 - The purpose of project stakeholder management is to identify all people or organizations affected by a project, to analyze stakeholder expectations, and to effectively engage stakeholders
- Projects often cause changes in organizations, and some people may lose their jobs when a project is completed
 - Project managers might be viewed as enemies
 - By contrast, they could be viewed as allies if they lead a project that helps increase profits, produce new jobs, or increase pay for certain stakeholders
- In any case, project managers must learn to identify, understand, and work with a variety of stakeholders

What is Project Stakeholder Management?

- Project stakeholder management processes
 - **Identifying stakeholders**: identifying everyone involved in the project or affected by it, and determining the best ways to manage relationships with them
- Planning stakeholder management: determining strategies to effectively engage stakeholders
- Managing stakeholder engagement: communicating and working with project stakeholders to satisfy their needs and expectations, resolving issues, and fostering engagement in project decisions and activities
- **Monitoring stakeholder engagement**: monitoring stakeholder relationships and adjusting plans and strategies for engaging stakeholders as needed.

- Stakeholders can be internal to the organization or external.
- Internal project stakeholders generally include the project sponsor, project team, support staff, and internal customers for the project
- Other internal stakeholders include top management, other functional managers, and other project managers because organizations have limited resources
- External project stakeholders include the project's customers (if they
 are external to the organization), competitors, suppliers, and other
 external groups that are potentially involved in the project or
 affected by it, such as government officials and concerned citizens

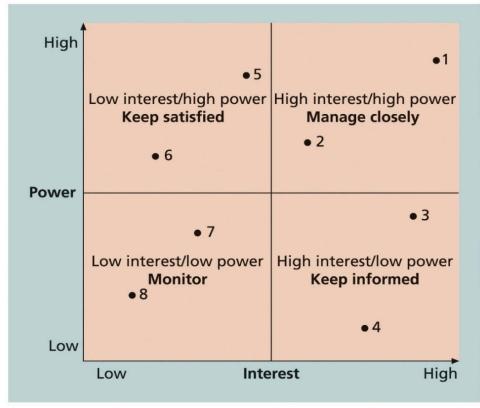
- A stakeholder register includes basic information on stakeholders
- <u>Identification information</u>: stakeholders' names, positions, locations, roles in the project, and contact information
- <u>Assessment information</u>: stakeholders' major requirements and expectations, potential influences, and phases of the project in which stakeholders have the most interest
- <u>Stakeholder classification</u>: is the stakeholder internal or external to the organization? Is the stakeholder a supporter of the project or resistant to it?

Name	Position	Internal/ External	Project Role	Contact Information
Stephen	VP of Operations	Internal	Project sponsor	stephen@globaloil.com
Betsy	CFO	Internal	Senior manager, approves funds	betsy@globaloil.com
Chien	CIO	Internal	Senior manager, PM's boss	chien@globaloil.com
Ryan	IT analyst	Internal	Team member	ryan@globaloil.com
Lori	Director, Accounting	Internal	Senior manager	lori@globaloil.com
Sanjay	Director, Refineries	Internal	Senior manager of largest refinery	sanjay@globaloil.com
Debra	Consultant	External	Project manager	debra@gmail.com
Suppliers	Suppliers	External	Supply software	suppliers@gmail.com

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After identifying key project stakeholders, you can use different classification models to determine an approach for managing stakeholder relationships

• A power/interest grid can be used to group stakeholders based on their level of authority (power) and their level of concern (interest) for project outcomes



Source: Kathy Schwalbe, *An Introduction to Project Management*, Fourth Edition (2012)

FIGURE 13-2 Power/interest grid

Stakeholder engagement levels

- Unaware: unaware of the project and its potential impacts on them
- Resistant: aware of the project yet resistant to change
- Neutral: aware of the project yet neither supportive nor resistant
- Supportive: aware of the project and supportive of change
- Leading: aware of the project and its potential impacts and actively engaged in helping it succeed

Planning Stakeholder Management

- ☐ After identifying and analyzing stakeholders, project teams should develop a plan for management them
 - May be formal or informal, based on the needs of the project
- ☐ The stakeholder management plan can include:
 - Current and desired engagement levels
 - Interrelationships between stakeholders
 - Communication requirements
 - Potential management strategies for each stakeholders
 - Methods for updating the stakeholder management plan

Planning Stakeholder Management

- Because a stakeholder management plan often includes sensitive information, it should not be part of the official project documents, which are normally available for all stakeholders to review
 - In many cases, only project managers and a few other team members should prepare the stakeholder management plan
 - Parts of the stakeholder management plan are not written down, and if they are, distribution is strictly limited

Managing Stakeholder Engagement

- □ Project sponsors often rank scope, time, and cost goals in order of importance and provide guidelines on how to balance the triple constraint
- ☐ This ranking can be shown in an expectations management matrix to help clarify expectations
- Understanding the stakeholders' expectations can help in managing issues
 - Issues should be documented in an issue log, a tool used to document, monitor, and track issues that need resolution
 - Unresolved issues can be a major source of conflict and result in stakeholder expectations not being met
 - Issue logs can address other knowledge areas as well

Managing Stakeholder Engagement

Measure of Success	Priority	Expectations	Guidelines
Scope	1	The scope statement clearly defines mandatory requirements and optional requirements.	Focus on meeting mandatory requirements before considering optional ones. In this case, following corporate IT standards is optional.
Time	1	There is little give in the project completion date. The schedule is very realistic.	The project sponsor must be alerted if any issues might affect meeting schedule goals.
Cost	3	This project is crucial to the organization. If you can clearly justify the need for more funds, they can be made available.	There are strict rules for project expenditures and escalation procedures. Cost is very important, but it takes a back seat to meeting schedule and then scope goals.
Technology/ standards	2	There are several potential solutions available, but only one that meets all of the sponsor's technical requirements, especially for accounting.	While corporate IT standards are important, an exception makes sense in this case.

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Managing Stakeholder Engagement

Issue #	Descriptio n	Impact	Date Report ed	Report ed By	Assign ed to	Priority (H/M/L)	Due Date	Status	Comments
1	Need requireme nts categorize d as mandatory and optional	Cannot do much without it	Feb. 4	Ryan	Stephe n	Н	Feb. 8	Closed	Requirements clearly labeled
2	Need shorter list of potential suppliers —no more than 10	Will delay evaluati on without it	Feb. 6	Debra	Ryan	Н	Feb. 12	Open	Almost finished; needed requirements categorized first
Etc.									

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Monitoring Stakeholder Engagement

- ☐ You cannot control stakeholders, but you can control their level of engagement
 - Engagement involves a dialogue in which people seek understanding and solutions to issues of mutual concern