

# PROJECT STAKEHOLDER MANAGEMENT

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## 2 IMPORTANCE OF PROJECT STAKEHOLDER MANAGEMENT

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- Because stakeholder management is so important to project success, the Project Management Institute decided to create an entire knowledge area devoted to it as part of the Fifth Edition of the PMBOK® Guide 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



### 3 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
- **Controlling stakeholder engagement:** Monitoring stakeholder relationships and adjusting plans and strategies for engaging stakeholders as needed

# IDENTIFYING STAKEHOLDERS

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- *Internal* project stakeholders generally include the project sponsor, project team, support staff, and internal customers for the project.
- *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



## 5 STAKEHOLDER REGISTER

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



## 6 SAMPLE STAKEHOLDER REGISTER

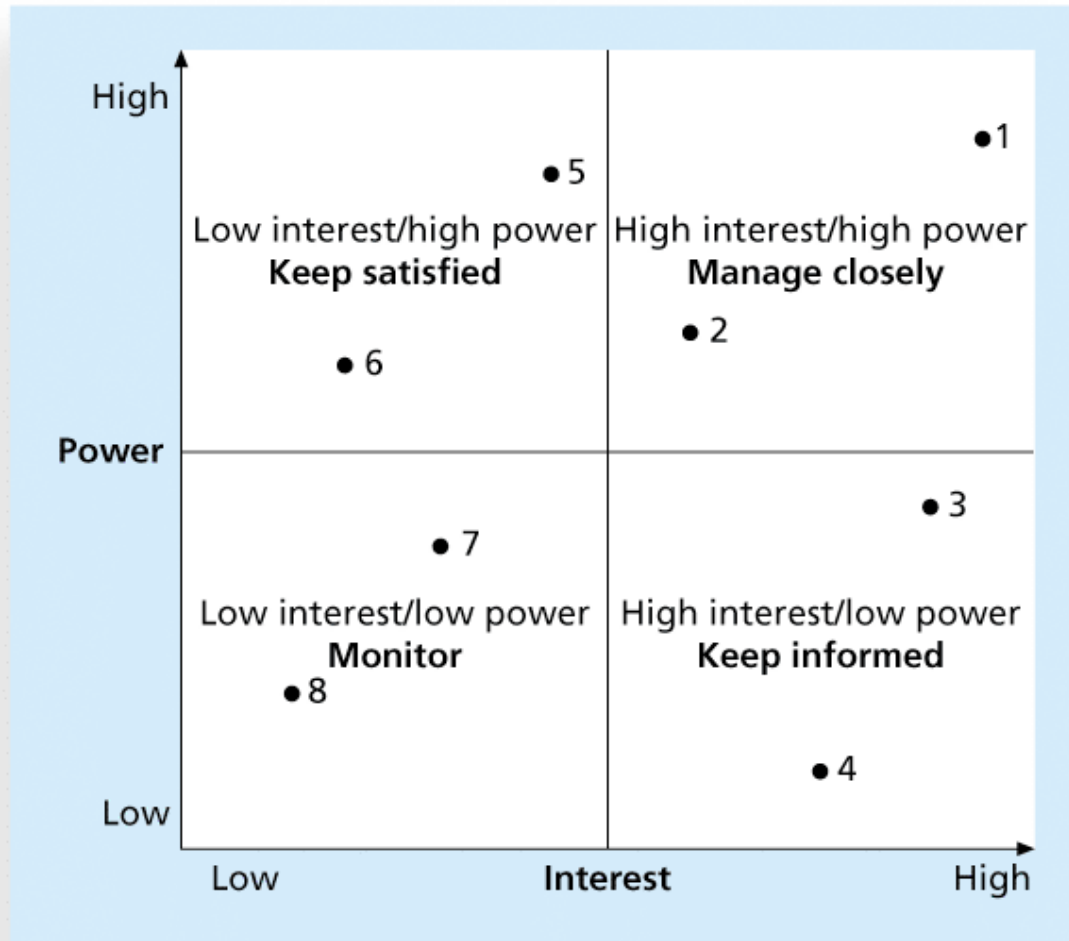
Name	Position	Internal/ External	Project Role	Contact Information
Stephen	VP of Operations	Internal	Project sponsor	stephen@globaloil.com
Betsy	CFO	Internal	Senior manager, approves funds	betsy@globaloil.com
Chien	CIO	Internal	Senior manager, PM's boss	chien@globaloil.com
Ryan	IT analyst	Internal	Team 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

## 7 CLASSIFYING STAKEHOLDERS

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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

## 8 POWER/INTEREST GRID





## 9 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

# 10 PLANNING STAKEHOLDER MANAGEMENT

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- After identifying and analyzing stakeholders, project teams should develop a plan for management them
- 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

# SAMPLE STAKEHOLDER ANALYSIS

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Name	Power/ Interest	Current Engagement	Potential Management Strategies
Stephen	High/high	Leading	Stephen can seem intimidating due to his physical stature and deep voice, but he has a great personality and sense of humor. He previously led a similar refinery upgrade program at another company and knows what he wants. Manage closely and ask for his advice as needed. He likes short, frequent updates in person.
Chien	High/ medium	Resistant	Chien is a very organized yet hardheaded man. He has been pushing corporate IT standards, and the system the PM and sponsor (Debra and Stephen) like best goes against those standards, even though it's the best solution for this project and the company as a whole. Need to convince him that this is okay and that people still respect his work and position.
Ryan	Medium/ high	Supportive	Ryan has been with the company for several years and is well respected, but he feels threatened by Debra. He also resents her getting paid more than he does. He wants to please his boss, Chien, first and foremost. Need to convince him that the suggested solution is in everyone's best interest.
Betsy	High/low	Neutral	Very professional, logical person. Gets along well with Chien. She has supported Debra in approving past projects with strong business cases. Provide detailed financial justification for the suggested solution to keep her satisfied. Also ask her to talk to Chien on Debra's behalf.

## 12 MANAGING STAKEHOLDER ENGAGEMENT

- Project success is often measured in terms of customer/sponsor satisfaction
- 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





# 13 EXPECTATIONS MANAGEMENT MATRIX

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.

# 14 ISSUE LOGS

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- 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

A close-up, horizontal view of a wooden floor. The floor is composed of numerous vertical wooden planks, likely pine or a similar softwood, showing a warm, light brown tone. The planks are separated by thin, dark lines, creating a rhythmic pattern across the image. The wood grain is visible, with some knots and natural variations in color. The lighting is even, highlighting the texture of the wood.

# CONTROLLING STAKEHOLDER ENGAGEMENT

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- 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
  - Many teachers are familiar with various techniques for engaging students
  - It is important to set the proper tone at the start of a class or project



# 17 CHAPTER SUMMARY

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- Managing stakeholders is now the tenth knowledge area in the PMBOK® Guide.
- Processes include:
  - Identify stakeholders
  - Plan stakeholder management
  - Manage stakeholder engagement
  - Control stakeholder engagement