

ICT Project Management

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Unit 13: Project Stakeholders Management

Key stakeholders can make or break the success of a project. Even if all the deliverables are met and the objectives are satisfied, if your key stakeholders aren't happy, nobody's happy.

- ✓ Project Stakeholder Management includes the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution.
- ✓ The processes support the work of the project team to analyze stakeholder expectations, assess the degree to which they impact or are impacted by the project, and develop strategies to effectively engage stakeholders in support of project decisions and the planning and execution of the work of the project.

Who can be a project stakeholder?

- That's a long list. Some examples are as follows.
 - Project manager and project team members
 - External customers
 - Contractors and subcontractors
 - Investors
 - Suppliers
 - Government agencies

Importance of Stakeholder Management

- ✓ Identifying the right people and groups, developing a keen understanding of stakeholders, and managing engagement and communication with them are critical for a product's overall success.
- ✓ In addition, key stakeholders have a great deal of influence over resources, budget, and other necessary components, which you need to bring a product to market.
- ✓ Stakeholder management is undoubtedly an important part of an effective project relationship.
- ✓ Stakeholder management involves establishing a healthy relationship and understanding of all the stakeholders and how their work is contributing to the overall project success.
- ✓ You must keep this in mind at all times - stakeholders can provide constraints or requirements based on information from their experiences, past projects, and deliveries.
- ✓ On the other hand managing your stakeholders will also help you uncover the potential pitfalls and risks for your project.

In short,

When stakeholders are adequately engaged, their influence spreads far and wide. Some of the ways stakeholders are important to a project are as follows:

1. Providing expertise
2. Reducing and uncovering Risk
3. Increasing project success
4. Granting project acceptance

13.1. Project Stakeholder Management Process

The Project Stakeholder Management processes are:

1. **Identify Stakeholders:** Process of identifying project stakeholders regularly and analyzing and documenting relevant information regarding their interests, involvement, interdependencies, influence, and potential impact on project success.
2. **Plan Stakeholder Engagement:** Process of developing approaches to involve project stakeholders based on their needs, expectation, interests, and potential impact on the project.
3. **Manage Stakeholder Engagement:** Process of communicating and working with stakeholders to meet their needs and expectations, address issues, and foster appropriate stakeholder engagement involvement.
4. **Monitor Stakeholder Engagement:** Process of monitoring project stakeholder relationships and tailoring strategies for engaging stakeholders through the modification of engagement strategies and plans.

13.2. Identify Stakeholder

Identify Stakeholders is the process of identifying project stakeholders regularly and analyzing and documenting relevant information regarding their interests, involvement, interdependencies, influence, and potential impact on project success.

- ✓ This process enables the project team to identify the appropriate focus for engagement of each stakeholder or group of stakeholders.
- ✓ This process is performed periodically throughout the project as needed.

This process occurs for the first time in a project either prior to or at the same time the project charter is developed and approved.

- ✓ It is repeated as necessary, but should be performed at the start of each phase and when a significant change in the project or the organization occurs.
- ✓ Each time the identification process is repeated, the project management plan components and project documents should be consulted to identify relevant project stakeholders

Generally, 2 Types of Stakeholders

1. Internal project stakeholders:

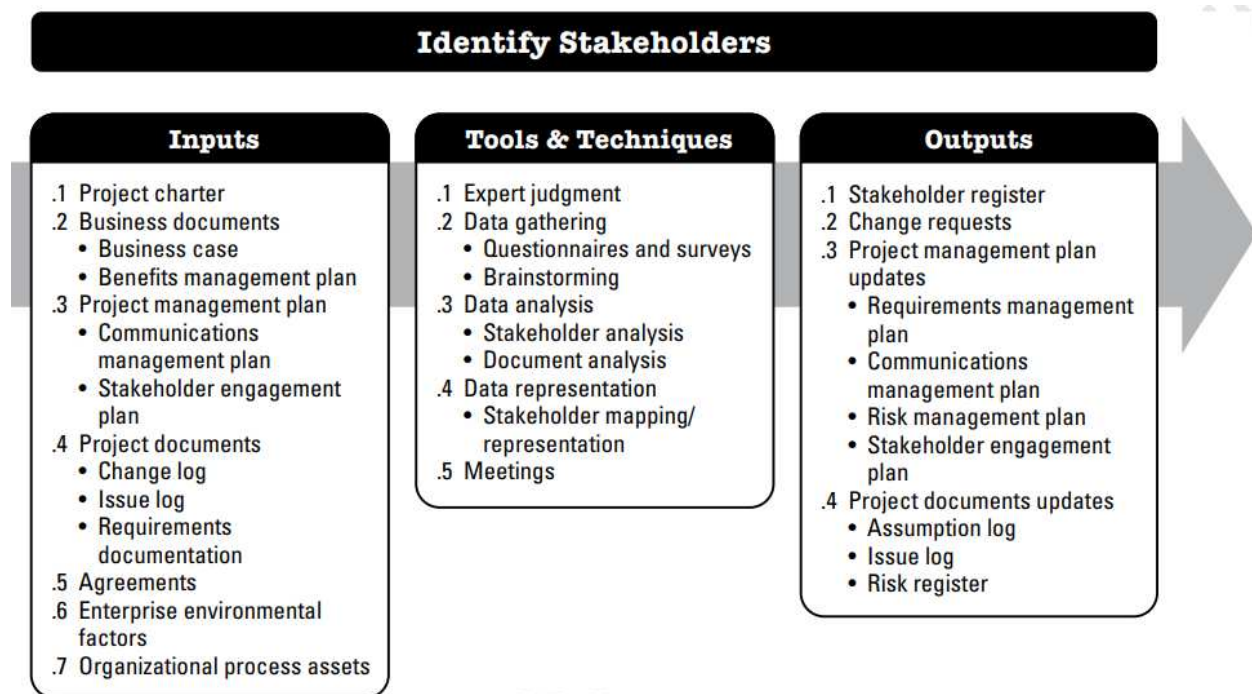
✓ Includes

- Project sponsor
- Project team,
- support staff, and
- Internal customers for the project.
- Top management,
- Other functional managers, and
- Other project managers etc

2. External project stakeholders:

✓ Includes

- Project's customers (if they are external to the organization),
- Competitors,
- Government
- Media
- Local Communities
- Suppliers, and
- Other external groups that are potentially involved in the project or affected by it.

Inputs, Tools and Techniques & Outputs of the process: *Identify Stakeholders***Figure:** Inputs, Tools and Techniques & Outputs of the process: *Identify Stakeholders***Tools and Techniques**

Data Analysis

- Data analysis techniques that can be used for stakeholder identification process includes *stakeholder analysis* and *document analysis*.

Stakeholder analysis:

- Stakeholder analysis results in a list of stakeholders and relevant information such as their positions in the organization, roles on the project, “stakes,” expectations, attitudes (their levels of support for the project), and their interest in information about the project.

Stakeholders’ stakes can include but are not limited to a combination of:

- **Interest.** A person or group can be affected by a decision related to the project or its outcomes.
- **Rights (legal or moral rights).** Legal rights, such as occupational health and safety, may be defined in the legislation framework of a country. Moral rights may involve concepts of protection of historical sites or environmental sustainability.
- **Ownership.** A person or group has a legal title to an asset or a property.
- **Knowledge.** Specialist knowledge, which can benefit the project through more effective delivery of project objectives, organizational outcomes, or knowledge of the power structures of the organization.
- **Contribution.** Provision of funds or other resources, including human resources, or providing support for the project in more intangible ways, such as advocacy in the form of promoting the objectives of the project or acting as a buffer between the project and the power structures of the organization and its polit.

Document analysis

- It is consists of reviewing and assessing any relevant documented information.
- In this process, document analysis is used to elicit requirements by analyzing existing documentation and identifying information relevant to the requirements.

Examples of documents that may be analyzed include but are not limited to:

- ✓ Agreements
- ✓ Business plans
- ✓ Business process or interface documentation
- ✓ Business rules repositories
- ✓ Current process flows
- ✓ Marketing literature
- ✓ Problem/issue logs
- ✓ Policies and procedures
- ✓ Regulatory documentation such as laws, codes, or ordinances, etc.
- ✓ Requests for proposal
- ✓ Use cases

13.3. Plan Stakeholder Management

Plan Stakeholder Engagement is the process of developing approaches to involve project stakeholders based on their needs, expectations, interests, and potential impact on the project.

- ✓ This process provides an actionable plan to interact effectively with stakeholders.
- ✓ This process is performed periodically throughout the project as needed.

An effective plan that recognizes the diverse information needs of the project's stakeholders is developed early in the project life cycle and is reviewed and updated regularly as the stakeholder community changes.

Inputs, tools and techniques, and outputs of the process: Plan Stakeholder management

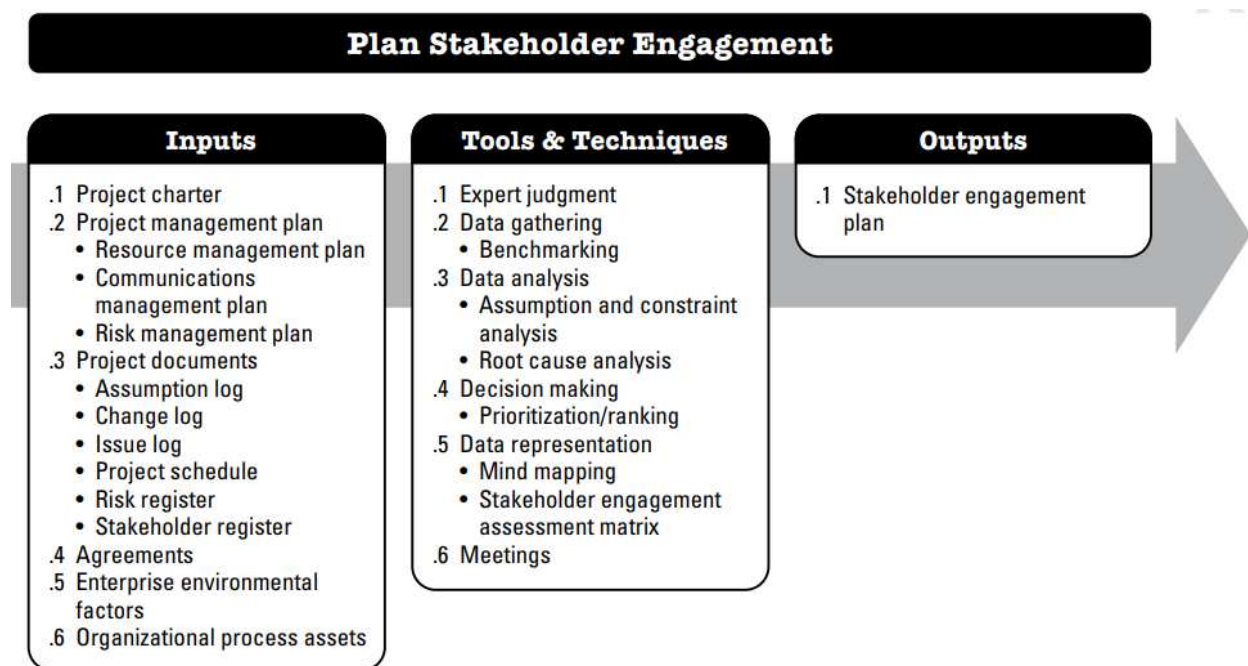


Figure: Inputs, tools and techniques, and outputs of the process: *Plan Stakeholder management*

Stakeholder engagement assessment matrix.

A stakeholder engagement assessment matrix supports comparison between the current engagement levels of stakeholders and the desired engagement levels required for successful project delivery.

- ✓ It helps to identify potential gaps in the involvement of stakeholders.

The engagement level of stakeholders can be classified as follows:

- **Unaware.** Unaware of the project and potential impacts.
- **Resistant.** Aware of the project and potential impacts but resistant to any changes that may occur as a result of the work or outcomes of the project. These stakeholders will be unsupportive of the work or outcomes of the project.
- **Neutral.** Aware of the project, but neither supportive nor unsupportive.

- **Supportive.** Aware of the project and potential impacts and supportive of the work and its outcomes.
- **Leading.** Aware of the project and potential impacts and actively engaged in ensuring that the project is a success

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Stakeholder 1	C			D	
Stakeholder 2			C	D	
Stakeholder 3				D C	

Figure: Stakeholder Engagement Assessment Matrix [Reference: PMBOK]

Where, C → Represents the current engagement level of each stakeholder and

D → Indicates the level that the project team has assessed as essential to ensure project success (desired).

The gap between current and desired for each stakeholder will direct the level of communications necessary to effectively engage the stakeholder. The closing of this gap between current and desired is an essential element of monitoring stakeholder engagement.

Example of a Stakeholder Engagement Assessment Matrix

In this example, we are looking at the stakeholders of a Finance software transformation project.

- ✓ The list of stakeholders consists of:
 - Chief financial officer (sponsor),
 - Chief executive officer,
 - Chief information officer,
 - Head of accounting,
 - Head of regulatory reporting,
 - Users of the new systems,
 - IT architects,
 - Internal Audit,
 - External Auditors, etc.

When creating the stakeholder engagement assessment matrix, e.g. in the process ‘plan stakeholder engagement’, a project manager should refer to the stakeholder engagement plan for the desired level of engagement.

The desired level (“D”) of engagement is then incorporated into the stakeholder engagement matrix:

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Chief financial officer (sponsor)					D
Chief executive officer				D	
Chief information officer				D	
Head of accounting				D	
Head of regulatory reporting				D	
Users of the new system				D	
IT architects				D	
Internal Audit			D		
External Auditors			D		

When monitoring the actual stakeholder engagement, the project manager adds the observed current level (“C”) of engagement for each stakeholder:

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Chief financial officer (sponsor)					C D
Chief executive officer			C	D	
Chief information officer				C D	

Head of accounting				C D	
Head of regulatory reporting			C	D	
Users of the new system		C		D	
IT architects			C	D	
Internal Audit			C D		
External Auditors	C		D		

13.4. Manage Stakeholder Engagement

Manage Stakeholder Engagement is the process of communicating and working with stakeholders to meet their needs and expectations, address issues, and foster appropriate stakeholder involvement.

- ✓ This process allows the project manager to increase support and minimize resistance from stakeholders.
- ✓ This process is performed throughout the project.

Manage Stakeholder Engagement involves activities such as:

- ✓ Engaging stakeholders at appropriate project stages to obtain, confirm, or maintain their continued commitment to the success of the project.
- ✓ Managing stakeholder expectations through negotiation and communication.
- ✓ Addressing any risks or potential concerns related to stakeholder management and anticipating future issues that may be raised by stakeholders.
- ✓ Clarifying and resolving issues that have been identified.

Managing stakeholder engagement helps to ensure that stakeholders clearly understand the project goals, objectives, benefits, and risks for the project, as well as how their contribution will enhance project success.

Inputs, tools and techniques, and outputs of the process: *Manage Stakeholder Engagement*

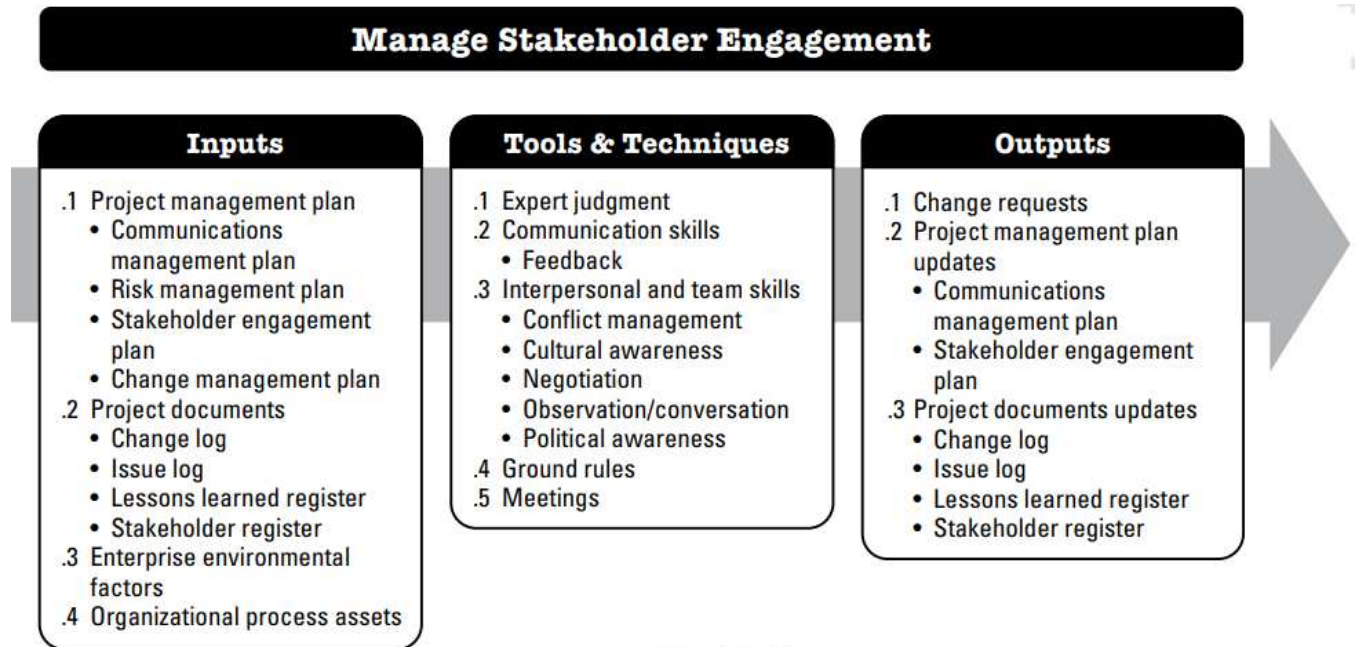


Figure: Inputs, tools and techniques, and outputs of the process: *Manage Stakeholder Engagement*

13.5. Monitor / Control Stakeholder Management

Monitor Stakeholder Engagement is the process of monitoring project stakeholder relationships and tailoring strategies for engaging stakeholders through modification of engagement strategies and plans.

- ✓ This process maintains or increases the efficiency and effectiveness of stakeholder engagement activities as the project evolves and its environment changes.
- ✓ This process compares the stakeholder management plan with the results from engaging stakeholders.
- ✓ If stakeholder engagement is not occurring as desired a change request is initiated.
- ✓ You will notice that the artifacts used to control stakeholder engagement are similar to those used to control communications.
- ✓ These two (control communication management and control stakeholder management) processes are very tightly linked. They may occur simultaneously without much distinction between the two. However, there are times when the focus is explicitly on how to most effectively engage and manage stakeholders, or how to most effectively communicate.
- ✓ This process is performed throughout the project.

Inputs, tools and techniques, and outputs of the process: Monitor / Control Stakeholder Engagement

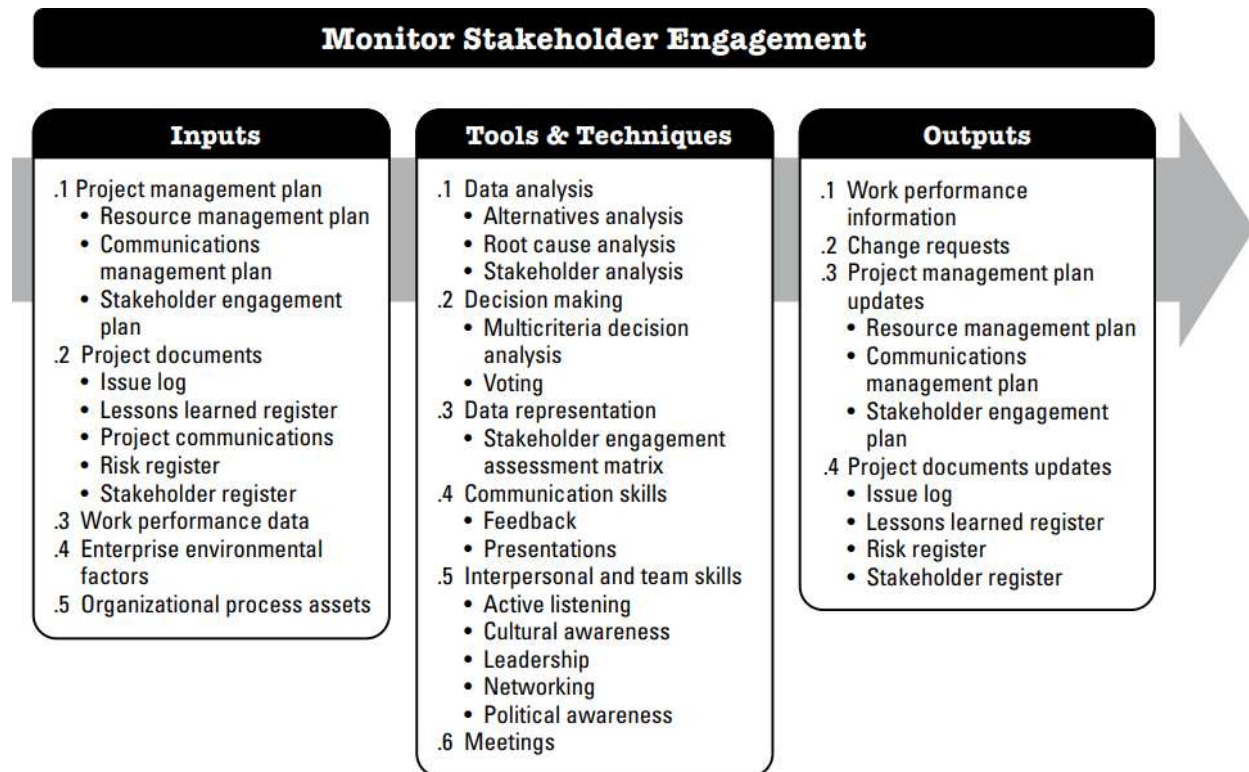


Figure: Inputs, tools and techniques, and outputs of the process: *Monitor / Control Stakeholder Engagement*. [All the images related to Input, Tools & Techniques and Outputs of regarding process in this course are taken from the A Guide to PMBOK 6th Edition]

****End of Chapter 13****

*****Best Wishes*****