Chapter 13 Project Stakeholders Management

Stakeholders

In project management, a **stakeholder** is any individual, group, or organization that has an interest or is affected by the outcome of the project. Stakeholders can influence the project's direction, decision-making, and overall success. Effective stakeholder management is essential to ensure project alignment and avoid potential conflicts or miscommunications.

Types of Stakeholders in Project Management:

Stakeholders can be categorized into various types based on their involvement, influence, and interest in the project. Here's a breakdown of common types of stakeholders:

1. Internal Stakeholders

These stakeholders are part of the organization that is managing or executing the project.

- **Project Team:** Individuals working directly on the project, such as developers, designers, engineers, and other technical staff.
- **Project Manager:** Responsible for planning, executing, and delivering the project successfully.
- **Employees:** Internal staff not directly involved in the project but impacted by its results or outcomes.
- **Managers and Executives:** Organizational leaders who make decisions about the project’s goals, resources, and outcomes.

2. External Stakeholders

These are individuals or organizations outside the project team that are affected by the project or have an interest in its outcomes.

- **Clients/Customers:** The primary recipients of the project’s deliverables, products, or services. Their needs and expectations drive the project.
- **Suppliers and Vendors:** External companies that provide goods, services, or resources required for the project.
- **Regulatory Bodies:** Government or industry authorities that impose rules, regulations, or standards that the project must adhere to.
- **Investors or Shareholders:** Individuals or organizations that have a financial stake in the project’s success or failure.
- **Contractors/Consultants:** Third-party experts hired to provide specialized services, such as legal advice or construction expertise.

3. Positive Stakeholders

These stakeholders are directly or indirectly supportive of the project and benefit from its success.

- **Project Team Members:** Direct contributors to the project's success.

- **End Users:** Those who will ultimately use or benefit from the project deliverables.
- **Sponsors:** Senior executives or individuals who support and fund the project and have an interest in its success.

4. Negative Stakeholders

These stakeholders may oppose the project or have concerns that could hinder its success.

- **Competitors:** Organizations or individuals who may be negatively affected by the project's outcome (e.g., if the project involves a new product that competes with their own).
- **Opponents or Critics:** Groups or individuals who do not support the project and may try to block or challenge it, either due to its impact on their interests or concerns about its direction.

5. Key Stakeholders

These are stakeholders whose opinions, feedback, or involvement are crucial for the success of the project. They often have significant influence and can impact key project decisions.

- **Project Sponsor:** The person who provides the necessary resources and support, often with a vested interest in the project's success.
- **Executive Leadership:** High-level management who make strategic decisions that affect the project.
- **Key Clients or Customers:** Those who are the primary audience for the project's deliverables.

Project Stakeholder Management

Project Stakeholder Management is the process of identifying, analyzing, engaging, and managing individuals or groups who have an interest or influence in a project. It ensures that stakeholders' expectations and concerns are addressed to enhance project success.

Best Practices for Effective Stakeholder Management

✔ **Early Identification & Engagement** – Engage stakeholders from the start to manage expectations.
✔ **Clear & Open Communication** – Use reports, meetings, and presentations to update stakeholders.
✔ **Conflict Resolution** – Address stakeholder concerns through negotiation and problem-solving.
✔ **Regular Monitoring** – Keep track of stakeholder satisfaction and adjust strategies accordingly.

Processes in Project Stakeholder Management

Project Stakeholder Management consists of **four key processes** according to the **PMBOK (Project Management Body of Knowledge)** guide. Each process has **specific inputs, tools & techniques, and outputs**, ensuring stakeholders are effectively identified, engaged, and managed throughout the project lifecycle.

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1. Identify Stakeholders

Definition: The process of identifying individuals, groups, or organizations that may affect or be affected by the project and documenting relevant information.

Inputs:

✅ **Project Charter** – Defines high-level stakeholders.
✅ **Business Documents** – Includes business case and benefits management plan.
✅ **Project Management Plan** – Contains communication and stakeholder engagement plans.
✅ **Agreements** – Contracts and legal documents may define stakeholders.
✅ **Enterprise Environmental Factors (EEF)** – Industry regulations, market conditions, and culture.
✅ **Organizational Process Assets (OPA)** – Lessons learned, templates, and past stakeholder records.

Tools & Techniques:

🛠️ **Stakeholder Analysis** – Identifies stakeholder interests, influence, and power.
🛠️ **Power-Interest Grid** – Classifies stakeholders into categories based on their power and interest levels.
🛠️ **Meetings & Expert Judgment** – Engages experienced individuals to identify key stakeholders.
🛠️ **Data Gathering Techniques** – Surveys, interviews, and brainstorming sessions.

Outputs:

📌 **Stakeholder Register** – A document listing stakeholders, their influence, and communication preferences.
📌 **Change Requests** – If new stakeholders impact the project scope or resources.
📌 **Project Management Plan Updates** – Updates to communication, risk, and stakeholder engagement plans.

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2. Plan Stakeholder Engagement

Definition: Developing a strategy to engage stakeholders effectively based on their needs, expectations, and influence.

Inputs:

✅ **Stakeholder Register** – Contains identified stakeholders.
✅ **Project Management Plan** – Communication, risk, and resource management plans.
✅ **Enterprise Environmental Factors (EEF)** – Organizational culture, market conditions.
✅ **Organizational Process Assets (OPA)** – Policies, guidelines, lessons learned from past projects.

Tools & Techniques:

🛠️ **Stakeholder Engagement Assessment Matrix** – Compares current vs. desired stakeholder engagement levels.
🛠️ **Communication Models & Strategies** – Defines the best way to interact with stakeholders.
🛠️ **Meetings & Workshops** – Gather feedback and set expectations.
🛠️ **Data Representation Techniques** – Mind maps, influence-impact matrices.

Outputs:

📌 **Stakeholder Engagement Plan** – A formal strategy for stakeholder communication and involvement.
📌 **Project Management Plan Updates** – Refinement of the communication and risk management plans.

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3. Manage Stakeholder Engagement

Definition: The process of actively engaging stakeholders to gain support and manage their expectations.

Inputs:

✅ **Stakeholder Engagement Plan** – Provides strategies for engaging stakeholders.
✅ **Project Management Plan** – Communication and change management guidelines.
✅ **Project Documents** – Stakeholder register, issue log, change log.
✅ **Enterprise Environmental Factors (EEF)** – Market trends, political conditions.

Tools & Techniques:

🛠️ **Communication Skills** – Active listening, conflict resolution, and feedback mechanisms.
🛠️ **Interpersonal & Team Skills** – Relationship building and stakeholder negotiation.
🛠️ **Feedback Collection** – Surveys, one-on-one meetings, and group discussions.
🛠️ **Conflict Management & Negotiation** – Addressing stakeholder concerns proactively.

Outputs:

📌 **Issue Log** – Documents stakeholder concerns and resolutions.
📌 **Change Requests** – If stakeholder feedback leads to modifications.
📌 **Project Documents Updates** – Updates to stakeholder register and lessons learned.

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4. Monitor Stakeholder Engagement

Definition: The process of tracking stakeholder relationships and adjusting engagement strategies to maximize support and minimize resistance.

Inputs:

✅ **Project Management Plan** – Stakeholder engagement, communication, and risk plans.
✅ **Project Documents** – Stakeholder register, issue log, lessons learned.
✅ **Work Performance Data** – Stakeholder feedback, meeting records.

Tools & Techniques:

🛠️ **Stakeholder Engagement Matrix** – Assesses engagement levels over time.
🛠️ **Meetings & Feedback Mechanisms** – Stakeholder interviews, discussions.
🛠️ **Data Analysis** – Root cause analysis to address dissatisfaction.
🛠️ **Decision Making** – Multicriteria decision analysis to prioritize stakeholder needs.

Outputs:

📌 **Work Performance Information** – Status of stakeholder engagement activities.
📌 **Change Requests** – If modifications to the engagement strategy are needed.
📌 **Project Management Plan Updates** – Refinements in communication, risk, and stakeholder management plans.

Question:What is stakeholder analysis? Describe about any one of the classification models used for stakeholders analysis with example

Stakeholder Analysis

Stakeholder Analysis is the process of **identifying, assessing, and prioritizing stakeholders** based on their influence, interest, and impact on a project. It helps project managers develop appropriate engagement strategies to manage stakeholder expectations effectively.

Stakeholder Classification Models

There are several models used to classify stakeholders, including:

- **Power-Interest Grid**
- **Salience Model**
- **Stakeholder Influence vs. Impact Matrix**
- **Mendelow's Matrix**

Among these, one of the most commonly used models is the **Power-Interest Grid**.

Power-Interest Grid (Stakeholder Mapping)

The **Power-Interest Grid** classifies stakeholders based on two key factors:

1. **Power** – The stakeholder's ability to influence the project.
2. **Interest** – The stakeholder's level of concern or involvement in the project.

This model helps project managers **prioritize stakeholders** and determine engagement strategies accordingly.

Stakeholder Categories in the Power-Interest Grid

Category	Description	Engagement Strategy
High Power, High Interest	Key decision-makers and highly invested stakeholders.	Actively manage and keep fully engaged.
High Power, Low Interest	Influential stakeholders but not highly concerned with project details.	Keep satisfied but avoid overwhelming them.
Low Power, High Interest	Stakeholders with strong interest but limited influence.	Keep informed and address concerns.
Low Power, Low Interest	Minimal impact and involvement in the project.	Monitor with minimal effort.

Example of Power-Interest Grid in a Construction Project

Stakeholder	Power	Interest	Category & Strategy

Stakeholder	Power	Interest	Category & Strategy
Government Regulatory Agency	High	High	**Key Players – Engage Closely**
Investors	High	Low	**Keep Satisfied – Provide Periodic Updates**
Local Community	Low	High	**Keep Informed – Address Concerns**
General Public	Low	Low	**Monitor – No Major Action Needed**

Question: what is stakeholder? what kind of stakeholders are there in an ICT project? explain with examples

What is a Stakeholder?

A **stakeholder** is any individual, group, or organization that has an **interest in or can be affected by a project**. Stakeholders can either **positively or negatively** influence the project's progress, decision-making, and outcome.

Types of Stakeholders in an ICT Project

In an **ICT (Information and Communication Technology) project**, stakeholders can be classified into the following categories:

1. Primary Stakeholders (Directly Affected)

These stakeholders are **actively involved** in the project and directly impacted by its success or failure.

Stakeholder	Role & Impact	Example in ICT Project
Project Sponsor	Provides funding, approves scope, and ensures business alignment.	The CEO of a company funding an ERP system implementation.
Project Manager	Oversees planning, execution, and delivery of the ICT project.	The IT manager leading the migration to a cloud-based system.
Development Team	Designs, codes, and tests software and ICT solutions.	A team of software engineers building a mobile banking app.
End Users	The people who use the system and whose feedback is crucial.	Employees using a new HR management system.
Clients/Customers	External stakeholders who use the final product or service.	Online shoppers using an e-commerce website.

2. Secondary Stakeholders (Indirectly Affected)

These stakeholders are **not directly involved** in the project but have an indirect interest or influence.

Stakeholder	Role & Impact	Example in ICT Project

Stakeholder	Role & Impact	Example in ICT Project
Regulatory Authorities	Ensure compliance with legal and security requirements.	Data Protection Agency enforcing GDPR compliance in a cloud project.
Suppliers & Vendors	Provide hardware, software, and third-party services.	A cloud hosting provider like AWS or Azure.
Investors & Shareholders	Expect financial returns and business growth.	A venture capital firm funding a startup's new AI software.
IT Support & Maintenance Teams	Ensure system stability, updates, and security.	The cybersecurity team managing firewall security for a new network.

3. Key Influencers & External Stakeholders

These stakeholders have a **significant impact** on decision-making but may not be actively involved in daily project activities.

Stakeholder	Role & Impact	Example in ICT Project
Competitors	Influence market trends and push for innovation.	Apple monitoring Samsung's latest smartphone technology.
Media & Public Relations	Affect public perception and project reputation.	Tech journalists reviewing a new mobile application.
Industry Experts & Consultants	Provide specialized knowledge to guide decisions.	A cybersecurity consultant advising on cloud security.

Power Gird Matrix

Power/Interest Grid (Stakeholder Analysis Matrix) in Project Management

Definition:

The **Power/Interest Grid** (also known as the **Power-Interest Matrix**) is a stakeholder analysis tool used in project management to categorize stakeholders based on their **level of power** (influence) and **level of interest** in the project. This helps project managers prioritize stakeholder engagement and communication strategies effectively.

Four Quadrants of the Power/Interest Grid

Stakeholders are categorized into four groups based on their **power** and **interest** levels:

1. High Power – High Interest (Manage Closely)

✅ These stakeholders have a **strong influence** on project decisions and a **high interest** in the project outcome.

✅ They should be actively involved in decision-making and receive **frequent communication**.

🔹 **Examples:**

- Project Sponsor
- Senior Executives
- Major Clients
- Key Investors

📌 **Strategy:** Engage them **closely**, involve them in key decisions, and provide **detailed** updates.

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2. High Power – Low Interest (Keep Satisfied)

✅ These stakeholders **can impact** the project but are **not highly interested** in day-to-day details.
✅ They need to be **kept informed**, but not overwhelmed with unnecessary details.

🔹 **Examples:**

- Regulatory Authorities
- Senior Management (not directly involved in the project)
- External Partners

📌 **Strategy: Keep them satisfied** with periodic updates and involve them when critical decisions arise.

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3. Low Power – High Interest (Keep Informed)

✅ These stakeholders have **low influence** on project decisions but are **highly interested** in the project's progress.
✅ They should be kept **updated** and their concerns addressed.

🔹 **Examples:**

- End Users
- Junior Employees
- Community Groups

📌 **Strategy: Keep them informed** through regular updates, newsletters, or meetings, but without overloading them.

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4. Low Power – Low Interest (Monitor with Minimal Effort)

✅ These stakeholders **do not have much influence** over the project and **are not very interested** in its outcomes.
✅ They require only **basic communication** to keep them informed.

🔹 **Examples:**

- General Public
- Low-level Suppliers

- Minor Shareholders

📌 **Strategy: Monitor them** occasionally and provide general updates as needed.

Power/Interest Grid Representation:

	High Power	**Low Power**
High Interest	**Manage Closely** (e.g., Sponsors, Clients)	**Keep Informed** (e.g., End Users, Employees)
Low Interest	**Keep Satisfied** (e.g., Government, Senior Management)	**Monitor with Minimal Effort** (e.g., Minor Suppliers)

Benefits of Using the Power/Interest Grid

✔ **Helps prioritize stakeholder engagement** based on influence and interest.
✔ **Improves communication planning** by focusing efforts on the right stakeholders.
✔ **Reduces conflicts** by ensuring key stakeholders are actively managed.
✔ **Enhances project success** by aligning stakeholder expectations.

Conclusion:

The **Power/Interest Grid** is a simple yet powerful tool for project managers to **identify, categorize, and manage stakeholders effectively**. By using this matrix, project teams can **engage the right people at the right time** and ensure smooth project execution. 🚀