

Stakeholder Management

THIRTEEN

Some topics on the exam might seem easy to you—so much so that you might be inclined to skip studying them. Does the topic of stakeholders fall into this category for you? Before you dismiss the importance of this knowledge area, take note of an example of one person who failed the exam because he did not understand proper project management. His method of managing projects was simply to tell people what to do. And because he always worked with the same four people, he didn't think in terms of large projects (those that include hundreds or thousands of stakeholders) and how having so many stakeholders involved would significantly impact a project. In his job, he acted as both a project manager and a subject matter expert, assigning work to a small group of people as well as to himself. During the exam, he thought only in terms of his personal experience, rather than the best practices of project management.

In reality, the project manager needs to be the expert in project management, while relying on certain stakeholders to serve as experts in what needs to be done and how it should be accomplished. A project manager is much like an orchestra conductor in that regard. As the leader of the orchestra, the conductor doesn't play any of the instruments, but rather provides the sheet music and the guidance to help the musicians put on a great performance. Similarly, a project manager does not do all the work activities within a project—that is the job of the project team. The project manager facilitates, motivates, coordinates, and integrates all of those work activities into a successful outcome. Because he didn't think in this way, the person described in the previous paragraph answered questions incorrectly across all knowledge areas on the exam. His failure to understand the importance of planning, managing, and continuously evaluating stakeholder engagement had a huge impact on his understanding of project management.

What about you? Do you properly involve stakeholders on your projects? Have you had any complaints from key stakeholders about your projects? Have you ever delivered a product, only to discover the stakeholders are not using it? Your projects won't be successful without significant, continuous interactions with stakeholders. Your team can build a great product or service, but if you are not in close contact with the stakeholders who will use it, you may not realize you have missed the mark until it is too late.

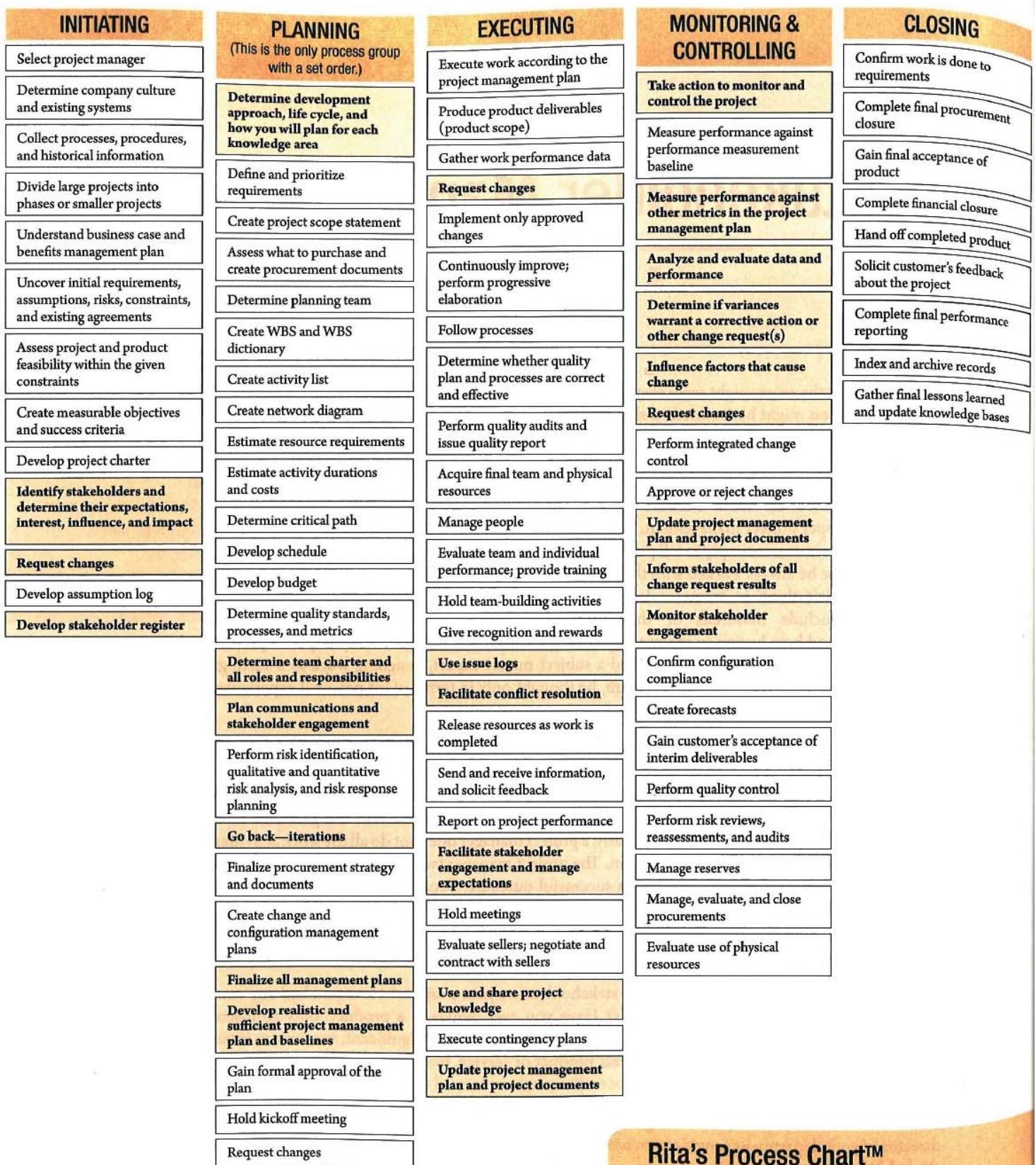
Let's think about another scenario. Imagine you are assigned as the project manager for a new project. The director of your department provides you with a 200-page scope of work and a charter, and tells you to get started. What do you do next?

QUICKTEST

- Stakeholder definition
- Stakeholder management process
- Stakeholder involvement
- Stakeholder analysis
- Stakeholder register
- Stakeholder expectations
- Stakeholder engagement
- Stakeholder engagement plan
- Stakeholder engagement assessment matrix
- Stakes

Stakeholder Management

THIRTEEN



Rita's Process Chart™
Stakeholder Management
Where are we in the project management process?

Before you answer that question—and before you take the exam—you need to make sure you understand a simple concept: proper project management requires you to identify all stakeholders, analyze their power, interest, and level of engagement, elicit their requirements and expectations (for product, project, project management, quality, communications, etc.), and then evaluate and incorporate all of that information into the product and project scope as needed. You cannot simply accept a scope of work or project charter without considering the project's stakeholders and their requirements. And stakeholder involvement doesn't end there: engaging stakeholders should take place throughout the life of the project. This means you need to build and maintain positive relationships with stakeholders, and make sure they continue to be involved in the project at the level necessary to make it a success.

TRICKS
OF THE
TRADE

If you have access to the *PMBOK® Guide*, review it for the word "stakeholders," and you will see just how many references occur. Think about whether the requisite involvement of stakeholders is different from what happens on your projects, and make note of your gaps.

The following should help you understand how each part of stakeholder management fits into the overall project management process:

The Stakeholder Management Process	Done During
Identify Stakeholders	Initiating process group
Plan Stakeholder Engagement	Planning process group
Manage Stakeholder Engagement	Executing process group
Monitor Stakeholder Engagement	Monitoring and controlling process group

Stakeholder Involvement in Projects

Let's look at how you should involve stakeholders throughout the life of a project. Some of this discussion touches on processes that fall outside the stakeholder management process, such as Collect Requirements, Plan Communications Management, Manage Communications, and Plan Resource Management. This demonstrates the important role stakeholders play in all aspects of projects.

So, what should you do with stakeholders throughout a project?

- **Identify all of them.** The first step in working with stakeholders is identifying all of them as early as possible. Stakeholders discovered later in the project will likely request changes, which can impact the project and lead to delays.
- **Determine their requirements.** This is neither easy nor fast, but the project manager must make every effort to obtain as many requirements as possible before work begins. This applies to plan-driven projects as well as change-driven ones. The level of detail of the requirements may differ between plan-driven and change-driven projects, but it's still essential to determine as many requirements as possible up front for both. Do you try to do this? Many project managers do not even attempt it.

To understand why this is important, think about the effects of starting a project without all the requirements. Those effects would likely include changes, delays, and possible failure. How would it look if you had to say to your sponsor, "I did not know about that stakeholder's requirement. Now that I know, I need to extend the schedule to accommodate their needs or cut another stakeholder's needs out of the project." This is just bad project management, and it can be avoided with proper stakeholder management.

There are many ways to make sure you have the requirements—from just asking if you do, to conducting requirements reviews, to explaining to people what the negative consequences to the company and the project will be if a requirement is found later.

- **Determine their expectations.** What are expectations? They are beliefs about (or mental pictures of) the future. These expectations include what stakeholders think will happen to them, their department, and the company as a whole as a result of the project. Expectations tend to be much more ambiguous than stated requirements, or they may be undefined requirements. They may be intentionally or unintentionally hidden. For example, expectations that your project will not interrupt other work, or that your project will produce dramatic improvements could affect project success. Naturally, expectations that go unidentified will have major impacts across all constraints. Once captured, expectations are analyzed and may be converted to requirements and become part of the project.
A difference between what a stakeholder thinks will happen and what actually happens might cause conflicts, rework, and changes. Why wait for a change? Why not prevent as many changes as possible by asking stakeholders what they expect and clarifying any expectations that are not accurate or that are poorly defined? This might involve walking stakeholders through what will occur to make sure there are no undiscovered expectations or requirements that could be unrealistic.
- **Determine their interest.** It's important to determine the level of interest each stakeholder has in the project. Does the stakeholder care about the project? Are they likely to be engaged? Once you gather and analyze that information, you can use it to plan out a strategy for maintaining or increasing that stakeholder's interest and level of engagement. You may also find that certain stakeholders are especially interested in working on a particular part of the project—to learn new skills or prove their skills—or that you need attention and support from a key stakeholder for deliverable reviews and acceptance. A great project manager will determine each stakeholder's interests and engagement related to the project, and will structure the work, roles, and responsibilities to maximize engagement.
- **Determine their level of influence.** To some degree, each stakeholder will be able to negatively or positively affect a project. This is their level of influence, and it should be identified and managed.
- **Determine their level of authority** Each stakeholder's level of authority will impact their effect on the work and outcome of the project.
- **Plan to engage stakeholders.** Project management focuses on planning before taking action. You need to plan ahead! How will you keep stakeholders involved in the project? How will you engage with them about their interests, influence, and expectations? How will you include them in project decision-making?
- **Plan how you will communicate with them.** Planning communications with your stakeholders is critical and is related to stakeholder engagement. How can you keep stakeholders involved and get them to communicate their thoughts and concerns if you haven't planned out how information will be shared on the project? Remember that poor communications are the most frequent cause of problems on projects, so careful communication planning can help prevent problems.
- **Manage their expectations, influence, and engagement.** Involving stakeholders doesn't end during initiating or planning. You need to work with them and manage relationships throughout the life of the project.
- **Communicate with them.** Stakeholders are included in project presentations and receive project information, including progress reports, updates, changes to the project management plan, and changes to the project documents, when appropriate.
- **Monitor communications and stakeholder engagement.** Good communication and relationships with stakeholders are critical to success, so it's essential to monitor these two areas on the project. You need to determine if and where communication and/or relationships are breaking down, and then adjust your approach as necessary.

**TRICKS
OF THE
TRADE**

A key to your success as a project manager is how you handle stakeholder relationships. Stakeholders must be involved, and their involvement must be managed by the project manager. That involvement may range from minor to extensive, depending on the needs of the project and the performing organization. In preparing for the exam, use the following list to help you evaluate your understanding of stakeholder involvement and identify any gaps that may impact how you answer questions. If you are unable to check two or more of the following items, you should spend more time researching this topic.

How the Project Manager Should Involve Stakeholders on the Project

Place ✓ Here If
You Do It; Study
Areas Unchecked

- 1 List all stakeholders by name; this can include individuals as well as groups.
- 2 Determine all the stakeholders' requirements.
- 3 Determine stakeholders' interest in being involved in the project and in the outcomes of the project.
- 4 Determine stakeholders' level of influence on the project.
- 5 Determine stakeholders' expectations, and turn them into requirements as appropriate.
- 6 Determine when stakeholders will be involved in the project and to what extent.
- 7 Get stakeholders to sign off that the requirements are finalized.
- 8 Assess stakeholders' knowledge and skills.
- 9 Analyze the project to evaluate whether stakeholders' needs will be met.
- 10 Let stakeholders know which requirements will be met, which requirements and expectations will not be met, and why.
- 11 Get and keep stakeholders involved in the project by assigning them project work or responsibilities, such as the role of risk response owner.
- 12 Manage and influence the stakeholders' involvement, engagement, and expectations.
- 13 Make the best use of stakeholders' expertise.
- 14 Communicate to stakeholders what they need to know (when they need to know it).
- 15 Make sure stakeholders know what they need to communicate to the project manager and other stakeholders.
- 16 Involve stakeholders, as necessary, in change management and approval.
- 17 Involve stakeholders in the creation of lessons learned.
- 18 Get stakeholders' sign-off and formal acceptance of interim deliverables during the project and at project or phase closing.
- 19 Reassess stakeholders' involvement, and make changes throughout the project as needed.
- 20 Ensure a common understanding of the project objectives, deliverables, work, and acceptance criteria.
- 21 Ask stakeholders to let you know about problems in project communications and relationships.

Identify Stakeholders PAGE 507

Process Identify Stakeholders
Process Group Initiating
Knowledge Area Stakeholder Management

The first stakeholders are likely those who identify a problem or need. They may be involved in developing business documents for a project to provide a solution. The business case and benefits management plan, created before project initiating, may include lists of stakeholders who will benefit from or be affected by the project. An ongoing, focused effort to identify stakeholders should continue from this point throughout the project.

Why is it so essential to identify all stakeholders? (If you get the answer right, you could answer two more questions correctly on the exam.) Any stakeholders who are missed will likely be found later. When they are discovered, they will probably request changes, which may cause delays. Changes made later in the project are much more costly and harder to integrate than those made earlier. Identifying all stakeholders helps to create a project that considers all the interests, influence, and interdependencies of stakeholders. That said, changes within a project or organization may introduce new stakeholders, or a project manager may simply miss stakeholders in the initial identification. It's important, therefore, to reassess the list of stakeholders throughout the project to determine whether new ones should be added and, if so, what that will mean for the project.

Many project managers fail to consider the broad range of potential stakeholders. Remember, stakeholders are any people or organizations whose interests may be positively or negatively impacted by the project or its product, as well as anyone who can exert positive or negative influence over the project. This diverse group can include the sponsor, team members, senior management, subject matter experts, end users of the product or service, other departments or groups within the organization, functional or operational managers, vendors, consultants, regulatory agencies, customers, financial institutions, and many more. If the project includes procurements, the parties to the contract(s) are also stakeholders.

Keep in mind that you don't need to do the work of identifying stakeholders alone! The project team should be involved in this process. You can also consult subject matter experts, project managers in the organization who have worked on similar projects, and professional associations. And as new stakeholders are identified, they may be able to suggest other stakeholders to add to the list.

The following tools and techniques can be used during the Identify Stakeholders process.

Questionnaires and Surveys PAGE 511 Stakeholders, team members, and subject matter experts may be asked to name other potential stakeholders and to provide input regarding management of particular stakeholders or stakeholder groups.

Brainstorming and Brain Writing¹ PAGE 511 Participants may take part in brainstorming sessions to help identify additional stakeholders. Brain writing is an individual effort, while brainstorming involves a group of people interacting and working together.

Stakeholder Analysis PAGE 512 There are many factors to consider when analyzing stakeholders. Consider their roles and responsibilities on the project, as well as their level of authority and influence within the organization. Every stakeholder has expectations and attitudes toward the project that must be uncovered. You must also determine how interested they are in the project. What is at stake for them?

Examples of stakes include the following:

- **Ownership** The stakeholder may have to sell property for the new freeway expansion that is proposed.
- **Knowledge** The stakeholder may be the expert who designed a legacy inventory management system that is being replaced.
- **Rights** The stakeholder may be concerned that the new development will endanger the community by destroying the watershed.
- **Rights** A government official may be responsible for ensuring that the safety practices on the construction site comply with state and federal laws.
- **Interest** The community may be concerned that additional traffic will come into their residential neighborhood if the new commuter rail stop does not have adequate parking facilities.
- **Contribution** The resource manager may be concerned that team members they must provide to the project will not be able to complete their normal operational work with the addition of project work.

Document Analysis PAGE 512 Using this technique involves assessing all project documents and reviewing any lessons learned as well as other historical information (organizational process assets) from past projects. This analysis can be used to identify stakeholders and to collect information about the stakeholders and their stakes in the project.

Stakeholder Mapping PAGE 512 In addition to analyzing each stakeholder's potential impact and influence, you need to identify ways to manage them effectively. Stakeholder mapping, which groups stakeholders into categories, is a data representation technique that project managers use to analyze and plan how the project team will build relationships with stakeholders. Creating a stakeholder map with categories and classifications can help you determine how to prioritize your efforts to engage stakeholders on the project.

The following are examples of stakeholder mapping:

- **Power/interest grid²** This grid is used to group stakeholders based on their level of power and their interest in the project's outcome. Variations of this tool emphasize other stakeholder attributes, such as power/influence or impact/influence.
- **Stakeholder cube³** This three-dimensional model is used to represent aspects or dimensions of a stakeholder group.
- **Salience model⁴** This model is used to group stakeholders based on need for attention, authority level, or level of involvement.

Stakeholders can also be grouped by directions of influence (upward, downward, outward, and sideward).

Outputs of Identify Stakeholders PAGE 514 The Identify Stakeholders process results in a stakeholder register, change requests, and updates to the project management plan and project documents such as the assumption log, issue log, and the risk register. These outputs are outlined in the following sections.

Stakeholder Register Information about stakeholders is compiled in the stakeholder register, a key output of the Identify Stakeholders process. The stakeholder register may include each stakeholder's name, title, supervisor, project role, contact information, major requirements and expectations, assessment information, impact and influence, attitude about the project, stakeholder classification, and other relevant information. Figure 13.1 shows an example of a stakeholder register.

Stakeholder Management

THIRTEEN

Stakeholder Register									
Project Title: _____						Project Number: _____			
ID	Name	Title	Contact Information	Major Requirements	Main Expectations	Roles/Responsibilities	Assessment Data Results		
							Influence (1 to 5)	Power (1 to 5)	Interest (1 to 5)
1									
2									
3									
4									

FIGURE 13.1 Sample stakeholder register

The stakeholder register is an important input to the Plan Stakeholder Engagement process, as well as to several other planning processes, including Plan Communications Management. Remember that the register will be added to and updated throughout the life of the project.

Change Requests As additional stakeholders are identified after the first iteration of stakeholder identification, changes to the project management plan and/or project documents may be required to reflect plans to manage their involvement and meet their needs. Project plans that may be impacted include the requirements, communications, risk, and stakeholder engagement plans.

Project Management Plan Updates The identification of new stakeholders, or new information about known stakeholders, may prompt changes in the project's approach to stakeholder engagement, or risk, requirements, or communications management.

Project Documents Updates Assumptions about stakeholders may be updated in the assumption log. The issue log and risk register may also be updated to include issues or risks associated with project stakeholders.

Plan Stakeholder Engagement PAGE 516

Process Plan Stakeholder Engagement
Process Group Planning
Knowledge Area Stakeholder Management

Managing the impact, relationships, and engagement of the stakeholders identified and analyzed during the previous process is essential to project success, but it can take a lot of time. That's why it's so important, as is the case with much of project management, to think and plan ahead before taking action.

Stakeholders can be an asset or a problem on the project, depending on how well the project is planned. To effectively manage relationships with this many people, you need to develop a stakeholder engagement plan. You need to think ahead about how the project will impact stakeholders, how you and the project team will interact with stakeholders, how you will involve stakeholders in making decisions, how you will manage their expectations, and how you can keep them satisfied—to ensure they are an asset on the project.

Planning stakeholder engagement requires you to strategize about your approach to stakeholder involvement, and develop actionable plans. This means you should schedule time to get to know your stakeholders and to check in with them throughout the project. If you know your stakeholders well, you'll have more success managing their engagement and will be better able to predict what engagement will look like throughout the project.

Now you may be thinking, "I have hundreds of stakeholders on my project, located all over the world. How can I possibly build and maintain relationships with them?" This is exactly why you need a plan. You may not be able to have a close relationship with every stakeholder, but you can't afford not to have relationships with key stakeholders and as many project team members as you are able. It's also important for you to plan ways in which you and your team members can develop relationships with stakeholders who are not a part of the project team.

Keep in mind, the closer you are to stakeholders, the more comfortable they will be coming to you with problems and concerns, and the easier it will be for you to pick up on verbal and nonverbal cues that can tell you when something might be wrong. This can be an early warning system for problems on your project. How do you build positive and powerful relationships with your stakeholders? The same way you have built them with your friends and family: by spending time getting to know them and allowing them to get to know you. The more time you spend with someone, the better you'll be able to ascertain their impressions and concerns.

Exercise What are the characteristics that define a good relationship? Take a few minutes to think about this. Draw on your experience with your family, friends, coworkers, and others.

Characteristics of a Good Relationship

Answer Some possible answers are listed here. You may have come up with different or additional characteristics.

Characteristics of a Good Relationship

Trust	Sincerity
Honesty	Respect
Good communication	Concern
Interest	Empathy

As you plan how you will get to know your stakeholders, remember that these are the qualities you want to nurture in your relationships with them.

Stakeholder Management

THIRTEEN

During planning, you need to determine which stakeholders will require most of your time and effort. These decisions require you to think about the role of each stakeholder, the environment within which they operate, and the specific needs of your project. If there are any procurements in place, you will need to coordinate with the procurement department to plan stakeholder engagement efforts related to parties of the contract.

To plan stakeholder engagement, you will need the details of what has already been planned and documented in plans including resource and communications management, information from the stakeholder register, and any relevant information from past similar projects.

Let's consider an example. Imagine you are managing a project to replace the online application process for open positions in your company. Your sponsor is the human resources director, who wants to streamline the process and encourage candidates with advanced technical experience to apply for jobs. Even though your stakeholders include anyone who is a potential job candidate (possibly millions of people), there are a few key stakeholders with whom you will plan to spend most of your time: your sponsor and the managers in the company who evaluate candidates. As the project team is designing and building the new website to satisfy stakeholder requirements, you will want to receive frequent feedback from your key stakeholders about how the design meets their expectations. You might also identify a few newly hired employees who could help the team understand problems with the existing application process. Your stakeholder engagement plan might include formal review meetings where you discuss progress and get feedback on the progress of the website development.

Your experience on other projects and historical records of similar projects can help you anticipate and plan to meet stakeholder needs on the project. However, you should make use of the expertise of others as well. If you'll be working with a stakeholder for the first time, talk to another project manager or team member who knows this person. Meet with professional organizations, consultants, and subject matter experts to hear valuable insight on working with various stakeholders and stakeholder groups. Ask questions about how best to work with the stakeholders, and then meet with them as soon as possible to initiate these important relationships. Make sure the stakeholders themselves understand how important it is for you to meet their needs, and encourage them to communicate frequently as the planning and project work proceed. These preliminary meetings and conversations are critical for you to get an impression of how best to work with each stakeholder.

Not every stakeholder will be as engaged in the project as you might like, and some might be more engaged than you would wish. Stakeholder engagement can range from unaware of or resistant to the project to neutral to supportive or even interested in taking a leading role on the project. Think about each stakeholder's attitude and interest in the project, as this will help you determine the level of engagement required to make the project successful. You should also consider how much engagement you require from stakeholders during each phase of the project. You may require some stakeholders to be more involved during planning, for example, while others will take on a more prominent role during executing. Identify and analyze variances between the current and desired level of engagement, and work with the team to identify ways to achieve the right engagement level.

The project manager will need to choose tools and techniques to plan stakeholder engagement that are appropriate for the project.

Stakeholder Engagement Assessment Matrix⁵ PAGE 521 A stakeholder engagement assessment matrix is a data representation tool used to compare stakeholders' current and desired level of engagement (see fig. 13.2). The stakeholder engagement plan documents how adjustments to stakeholders' level of engagement will be achieved. This matrix is revisited as the project progresses, to evaluate ongoing stakeholder engagement. Analysis of updates to this matrix may indicate the need to further plan or alter the stakeholder engagement strategy.

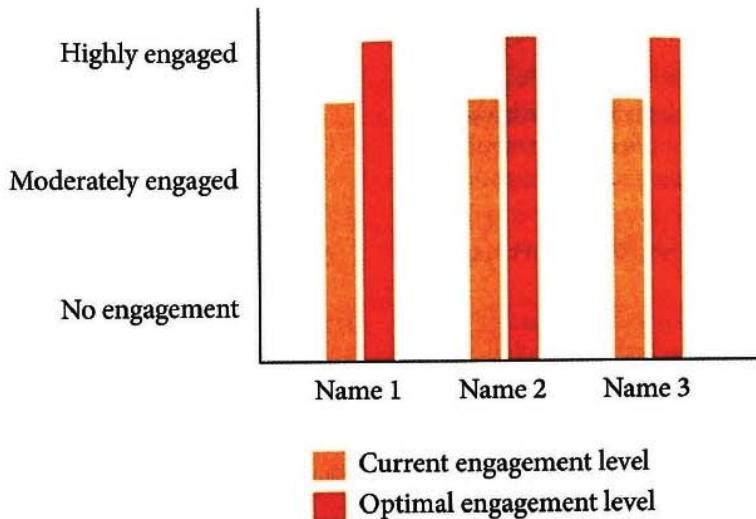


FIGURE 13.2 Stakeholder engagement assessment matrix

Assumption and Constraint Analysis and Root Cause Analysis PAGE 521 Evaluating assumptions about stakeholders' attitudes toward the project enables the team to determine actions necessary to adjust stakeholders' levels of engagement to benefit the project. Analysis of project constraints can provide insight into determining strategies to adjust stakeholders' levels of engagement.

Root cause analysis is a way for the project manager and team to analyze the cause of the current level of stakeholder support and engagement. Doing so will help them determine how best to facilitate a change to bring the stakeholders' engagement level to what is desired.

Exercise If you've never planned stakeholder involvement on a project before, it can be difficult to imagine how you would go about doing this on an individual level. Think about the various stakeholders involved on a large project. How would you plan to manage the involvement of the stakeholders listed here?

Stakeholder Description	Options for Managing Stakeholder Involvement
High interest in the project, low influence, highly knowledgeable expert on high-risk areas	
Low interest, the source of major requirements on the project (high influence), not easy to work with	
High interest, high influence, not a supporter of the project	
High interest, high influence, a supporter of the project	
Moderate interest, high influence, completing many activities on the project, a supporter of the project	

Stakeholder Management

THIRTEEN

Stakeholder Description	Options for Managing Stakeholder Involvement
Moderate interest, high influence because the stakeholder has identified a large number of potential risks for the project, a supporter of the project	
Moderate interest, nervous about completing assigned activities	

Answer Listed here are some suggestions for how you might plan to manage the involvement of these stakeholders. These are generalized descriptions and answers, but if you do not work on large projects in your real world, reviewing the following information will help you better understand the work that needs to be done for large projects.

Stakeholder Description	Options for Managing Stakeholder Involvement
High interest in the project, low influence, highly knowledgeable expert on high-risk areas	Invite the stakeholder to participate in analyzing the risks on the project.
Low interest, the source of major requirements on the project (high influence), not easy to work with	Determine why the interest is low. Ask the stakeholder about their engagement preferences and how they would like to be involved with the project. Identify ways to elicit requirements as efficiently as possible. Make sure requirements are clearly captured and approved by the stakeholder as accurate. Send reports.
High interest, high influence, not a supporter of the project	Ask why the stakeholder is not a supporter. Use your understanding to base your plan for engaging this stakeholder on dealing with those reasons.
High interest, high influence, a supporter of the project	Ask the stakeholder what is most important to them, involve the stakeholder in team meetings, report project performance to this person, and include information as the stakeholder requests.
Moderate interest, high influence, completing many activities on the project, a supporter of the project	Invite the stakeholder to officially join the project management team. Identify the stakeholder's preferred level of involvement; use this information to continue to get their support throughout the life of the project.

Stakeholder Description	Options for Managing Stakeholder Involvement
Moderate interest, high influence because the stakeholder has identified a large number of potential risks for the project, a supporter of the project	Plan to meet with the stakeholder periodically throughout the project to potentially identify any other risks. Keep the stakeholder informed about the effectiveness of risk efforts, and involve the stakeholder in risk reviews and audits.
Moderate interest, nervous about completing assigned activities	Plan to find and forward relevant literature to help the stakeholder, and arrange for training if necessary.

Stakeholder Engagement Plan PAGE 522 The result, or output, of this process is the stakeholder engagement plan. The plan documents the existing and desired levels of engagement for all stakeholders, including plans to achieve the desired levels. It also provides details about ways in which stakeholders will be involved in the project, and it includes guidelines and metrics for monitoring and evaluating how well the plan is meeting the needs of stakeholders and the project.

TRICKS OF THE TRADE

Stakeholder engagement plans generally have a component that addresses how communication will be used on the project to help manage stakeholder engagement and expectations. This means that the stakeholder engagement plan and the communications management plan can be repositories of some similar information about stakeholder communication requirements and who needs to receive what information on a project. But the two plans each have a different focus. The communications management plan emphasizes the details about the technology, methods, and models of communication—the what, when, and how of communication. The stakeholder engagement plan, on the other hand, explains the why of communications—why stakeholders need to receive certain information, and how the sharing of that information will help in managing stakeholder engagement and expectations. As you might expect, portions of these two plans are often created together.

Keep in mind that the stakeholder engagement plan will likely require adjustment throughout the project. We've already discussed how you'll need to reevaluate your list of stakeholders during the project. The discovery of new stakeholders may require changes to the plan, and there may be changes on the project that require less or more involvement from various stakeholders.

Be careful with information about stakeholders! Think carefully before you share the stakeholder engagement plan, your stakeholder register, or other verbal and written communication about stakeholders. Consider all the potentially sensitive information you might be documenting about stakeholders' attitudes and personalities, or obstacles or challenges related to working with a stakeholder. Given how important it is to maintain good relationships with stakeholders, consider how damaging it would be to your project for someone to find a list of stakeholders along with negative comments about some (particularly if the person looking at the list is *on* that list). As the project manager, you always want to maintain a positive attitude toward your stakeholders, even those who are resistant or difficult to work with. A good leader is encouraging and supportive of everyone involved with the project. This means that when you discover an obstacle or challenge associated with a stakeholder, you may decide not to share it with others and not to write it down: so, small portions of your stakeholder engagement plan may reside only in your mind.

Manage Stakeholder Engagement PAGE 523

Process Manage Stakeholder Engagement
Process Group Executing
Knowledge Area Stakeholder Management

To meet stakeholder needs, resolve their issues, and make sure they remain interested and active in the project, it's essential to encourage stakeholder engagement and manage their expectations. Although this is an executing process, managing stakeholder engagement is ongoing throughout the life of the project. When was the last time you did something like the following scenario?

A project manager knows a particular stakeholder is dissatisfied because one of his requests was not included in the scope of the project. The rest of the stakeholders agreed upon the scope, but the project manager anticipates this person will continue pressing to add his request. The project manager schedules a meeting with the stakeholder to talk about why this request was not a high priority for the other stakeholders and to suggest this stakeholder build a business case for it being included in another project.

How about this situation?

During requirements gathering, a stakeholder expressed concern about how much the project would impact her department's other work. The project manager contacts her to say, "I have kept your concern in mind while planning the project. You know there is little probability we could do this project without impacting your department, but because of your concerns, I have put together a report telling you when we will impact your department's regular work." As the project moves forward, the project manager continues to check in with the stakeholder to discuss any unforeseen impacts.

Or this one?

A project manager notices that a stakeholder who used to provide helpful input regularly has become less involved in the project lately. The project manager touches base with the stakeholder to say, "I've really missed getting your feedback on the status reports. I've always appreciated your comments. Is there a reason you've been holding back lately? Is there anything I can do to get you more involved again?"

Why bother doing such work? Such actions are proactive, and let the stakeholders know that their input is important and that their needs and concerns are being considered, even if they are not agreed to. These efforts are much more likely to encourage stakeholder support of the project, and also serve the valuable role of keeping open communication channels with the stakeholders so they can inform the project manager of potential changes, newly discovered risks, and other information.

Do you think you don't have time in your real world to do these things? As with many other areas of project management, such efforts can actually help you be more efficient by reducing the amount of time you are forced to spend dealing with problems. When taking the exam, assume, unless stated otherwise, that the project manager has followed the best practices of project management. Therefore, the project manager has time to continuously encourage stakeholder engagement and manage expectations.

The project manager reviews the stakeholder engagement plan, other management plans, and project documents, such as the stakeholder register, issue log, and change log, to find and address any issues that could be impacting stakeholder engagement. This review may identify sources of confusion or misunderstanding. For example, a deferred or rejected change request could decrease the engagement level of stakeholders who supported the change.

Given how important good communication is to stakeholder management, it's also critical to follow the communications management plan. How can you keep people involved and informed if you're not communicating with them? Managing stakeholder engagement also requires attention to stakeholders' needs while work is being done. And it's essential for the project manager to maintain trust, help resolve conflicts, prevent problems, foster agreement among stakeholders to meet the needs of the project, and

generally encourage stakeholder support of the project and the outcome of the project. This requires the use of interpersonal and team skills such as political and cultural awareness, negotiating, and conflict management.

The Manage Stakeholder Engagement process can result in requested changes to the project or product scope as well as updates to the stakeholder engagement plan and communications management plan. It can also lead to updates to project documents, such as the change log and stakeholder register. The issue log may need to be updated to document stakeholders' concerns and their final resolution. Lessons learned may be documented to reflect the results of efforts to engage stakeholders.

Monitor Stakeholder Engagement PAGE 530

Process Monitor Stakeholder Engagement
Process Group Monitoring & Controlling
Knowledge Area Stakeholder Management

Maintaining stakeholder relationships and monitoring stakeholder engagement are ongoing responsibilities of the project manager. Monitoring stakeholder engagement will help you understand stakeholder perceptions of project progress. This will allow you to make minor adjustments to ensure continuous stakeholder engagement and support. In addition to evaluating stakeholder engagement and improving and refining strategies for engagement, this process also involves reassessing the stakeholder register, updating stakeholder information, adding stakeholders as appropriate, and noting when a particular stakeholder's involvement is no longer necessary.

Components of the project management plan that are inputs to this process include the resource management plan (remember that all team members are also stakeholders), the communications management plan, and the stakeholder engagement plan. In addition to these plans, the issue log tracks any concerns, disagreements, confusion, or unresolved questions that arise during the project. This log can provide direct or indirect information about stakeholder engagement. Other project documents include the lessons learned register and the risk register. Note the inclusion of the risk register as an input here. It is important to realize that a lack of stakeholder engagement adds risk to the successful completion of the project. Such risks must be identified and managed.

It is important to know that monitoring stakeholder engagement requires you to collect and analyze data. For example, work performance data from the Direct and Manage Project Work process in integration includes measurements of project performance and the engagement levels of specific stakeholders. That data is then used to compare actual engagement efforts against the project management plan to look for variances. Any variances may indicate a potential problem with stakeholder engagement. The stakeholder management plan specifies how this work of analysis and evaluation will be accomplished, who should be involved, how the results should be documented and presented, and how changes will be handled.

How do you analyze the work performance data related to relationships? You should have established in your stakeholder engagement plan some measurable performance metrics regarding stakeholder engagement. You might, for example, use a data analysis technique, such as root cause or alternatives analysis, to assess stakeholder engagement. You could also use the stakeholder engagement assessment matrix to further analyze stakeholder engagement levels. These types of tools will help you figure out if adjustments or changes need to be made to maintain stakeholder engagement.

Work performance data and metrics are useful in giving you information about the quality of relationships, but keep in mind that some of your assessment will also be subjective. For example, if an activity is behind schedule because a stakeholder hasn't provided needed information, the percent complete data will reflect the delay. This might point to a lack of stakeholder engagement or a problem with a relationship on the project. These indicators require the project manager to clarify and analyze the problem, and then work to correct or improve the situation. If the stakeholder in this example is not returning phone calls, the project manager will want to find out why. If the stakeholder is engaged, but having difficulty providing the

information or getting the work done, the project manager may need to revise the strategy for engaging this stakeholder and reevaluate the work assignment or the time estimate. This type of assessment can be immensely helpful in monitoring stakeholder engagement.

Communication plays a large part in helping you discover and correct relationship problems. To maintain strong relationships, you need to spend time talking with the stakeholders and develop ways to listen and gather information on their ongoing (and evolving) feelings about the project and other stakeholders. To get feedback, you can of course ask direct questions like, "How do you think things are going?" But assessing success and the strength of relationships often requires a more complex and subtle form of communication. This is when interpersonal skills can really make a difference. To further understand how stakeholders feel, use techniques such as active listening, perception of body language, leadership, facilitation, and emotional intelligence. These skills will help identify issues or concerns that need your attention.

To experience this for yourself, spend a day or two really paying attention to the responses you get to the question, "How are you?" Ask the cashier at your local coffee shop, a virtual team member, the person sitting next to you at work, your sponsor, and people on your project team. Most of the time, people will probably give you a positive response: "I'm doing fine, thanks." Then, try asking follow-up questions such as, "How are sales this week?" or "Are you keeping busy?" You may hear a less positive, but more honest answer: "Well, things are a little tough this week," or "I am so overwhelmed with work I don't think I'll ever get a day off." To get a more detailed (and, often, more accurate) answer, you'll need to spend more time, ask a series of questions, and pay attention to nonverbal cues where possible. This is where all the effort you have put into building stakeholder relationships will come into play: the better your relationship, the more likely the person will tell you the truth. Even so, you may have to probe to get honest status updates and learn what people really think about the project. Sometimes people are reluctant to share bad or difficult news, especially if it is bad news about the project you are managing. It will help if you make it clear to everyone on the project that you want them to come to you with their concerns.

As you learn about problems or issues from individual stakeholders, consolidate the information, look for patterns, and make adjustments as necessary. Your conversations may also reveal the need for a change request. These changes could be recommendations for solving a problem, risk mitigation suggestions to prevent future potential problems, or ways to improve engagement of various stakeholders. The Monitor Stakeholder Engagement process results in work performance information (an analysis of the work performance data gathered through your stakeholder engagement efforts) and possibly updates to the project management plan and project documents, such as the issue log and the stakeholder, risk, and lessons learned registers.

This brings us to the end of the Stakeholder Management chapter. For the exam, keep in mind that stakeholders are important throughout the life of the project. You need to identify all of them as early as possible, and periodically reevaluate the stakeholder list. You also need to plan how to manage their expectations, engagement, and influence, and then follow that plan and adapt it throughout the life of the project.

Practice Exam

1. The product of your project is a human resource application that will help the company with hiring and onboarding new employees. The team will be working on requirements affecting the needs of some of the stakeholders throughout the project. The requirements of other stakeholders will only come into play during a small part of toward the end of the project. When do stakeholders have the most influence on a project?
 - A. At the beginning of the project
 - B. In the middle of the project
 - C. At the end of the project
 - D. Throughout the project
2. The project has been going well, except for the number of changes being made. The product of the project is being installed into seven different departments within the company and will greatly improve departmental performance when operational. The team has selected the appropriate processes for use on the project. The project manager is a technical expert and has been trained in communications and managing people. Which of the following is the most likely cause of the project changes?
 - A. The project manager was not trained in understanding the company environment.
 - B. The project should have more management oversight since it will result in such great benefits to the company.
 - C. The project should have used more of the project management processes.
 - D. Some stakeholders were not identified.
3. You have been tentatively assigned to a project that has not yet received final approval. Several stakeholders who will likely be involved or impacted by the project have already been identified. Stakeholders can be identified during which project management process groups?
 - A. Initiating, planning, executing, and monitoring and controlling
 - B. Initiating and planning
 - C. Planning and monitoring and controlling
 - D. Monitoring and controlling and closing
4. A particular stakeholder has a reputation for requesting many changes on projects. You'll be working with this stakeholder, as you've just been assigned as project manager of a project with which he'll also be involved. The newly approved project will create a website that has a couple of features the stakeholder's clients will use. However, the clients in this business unit will use the site only occasionally. What is the best approach you can take at the beginning of the project to manage this situation?
 - A. Say no to the stakeholder a few times to dissuade him from submitting more changes.
 - B. Get the stakeholder involved in the project as early as possible.
 - C. Talk to the stakeholder's manager to find ways of directing the stakeholder's activities to another project.
 - D. Ask that the stakeholder be changed to one who will better represent those using the core functionality of the new website.
5. Which of the following statements best describes how stakeholders are involved on a project?
 - A. They help to determine the project schedule, deliverables, and requirements.
 - B. They help to determine the project constraints and product deliverables.
 - C. They help to determine the resource needs and resource constraints on the project.
 - D. They approve the project charter, help provide assumptions, and create the management plans.

Stakeholder Management

THIRTEEN

6. You know that some groups within your organization are going to provide input to requirements that may impact your ability to develop a realistic schedule. Managing stakeholder expectations is always important, but achieving stakeholder satisfaction will be more critical with some groups than with others. All the following are parts of the team's stakeholder management effort except:

- A. Determining stakeholders' needs
- B. Identifying stakeholders
- C. Giving stakeholders added value
- D. Managing stakeholders' expectations

7. You are managing a project to develop an organization's new website. The site will be highly complex and interactive, and neither your project team nor the client has much experience with this type of website development.

The timeline is extremely aggressive. Any delay will be costly for both your firm and the client. You and the project sponsor have achieved agreement and sign-off on both the project charter and the project management plan. Client personnel have been kept fully informed of the project's progress through status reports and regular meetings. The project is on schedule and within budget, and a final perfunctory review has been scheduled.

Suddenly you hear that the entire effort may be cancelled because the product being developed is totally unacceptable. What is the most likely cause of this situation?

- A. A key stakeholder was not adequately engaged in the project.
- B. The project charter and project management plan were not thoroughly explained to or adequately reviewed by the client.
- C. Communications arrangements were inadequate and did not provide the required information to interested parties.
- D. The project sponsor failed to provide adequate support for the project.

8. A project manager wants to more extensively involve the stakeholders on the project. The project team is colocated, so face-to-face communication with these stakeholders is usually possible, although not all external stakeholders are available to meet in person. Which of the following would be the best way for the project manager to involve the stakeholders more extensively?

- A. Have the stakeholders periodically review the list of project requirements.
- B. Invite the stakeholders to attend project status meetings.
- C. Send status reports to the stakeholders.
- D. Update the stakeholders on the status of all project changes.

9. You are working on a project that requires the use of a stakeholder engagement assessment matrix. This tool can be used to identify:

- A. Additional stakeholders
- B. Variances from anticipated stakeholder involvement
- C. Key relationships between stakeholders
- D. Skill levels of stakeholders

10. A primary goal of your project is to decrease the amount of time it takes for service technicians to help customers resolve issues via an online chat function. The current process includes correctly verifying client authentication information, assessing the problem, and then solving it. The team thinks a technical fix is needed to improve the chat functionality to support the goal of decreasing the time required to resolve customer problems. The customer service representatives think the process is at fault. A few team members have also expressed concern that the customer service representatives are interfering with their work by trying to take on a larger role than is appropriate for the project. The tension among stakeholders is escalating, and leadership is concerned. There has been discussion about who should assign roles for the project. The role of each stakeholder is determined by:

- A. The stakeholder and the sponsor
- B. The project manager and the sponsor
- C. The team and the project manager
- D. The project manager and the stakeholder

11. You are managing a project to update an existing payroll application. You have identified and analyzed your stakeholders and taken measures to ensure positive stakeholder engagement and to ensure that requirements will meet project objectives. The stakeholder register has been an important part of much of this effort. What is a stakeholder register?

- A. A process of systematically gathering and analyzing quantitative and qualitative information to determine whose interests must be taken into account throughout the project
- B. A project document containing assessment and classification information regarding identified stakeholders
- C. An approach to increase the support and minimize negative impacts of stakeholders
- D. A table that links requirements to project objectives

12. The team is working on the development of a new product that is designed to appeal to individuals of all ages throughout the world. Because of the diversity of the stakeholder base, the team has decided to group stakeholders by category, in order to plan effective stakeholder engagement strategies. Which of the following tools will be most beneficial in this effort?

- A. Resource breakdown structure, prioritization, multicriteria decision analysis
- B. Salience model, traceability matrix, prioritization
- C. Power/interest grid, stakeholder cube, salience model
- D. Benefits management plan, focus group, power/interest grid

13. The project manager is trying to recall a stakeholder's preferred communication method. Where can she find that information?

- A. RACI chart
- B. Stakeholder engagement assessment matrix
- C. Stakeholder engagement plan
- D. Resource management plan

14. You are planning a project to develop a website for a large medical center. The site will be used by patients, medical professionals, support staff, and insurance company representatives. Which tools will best help you determine the current attitudes of stakeholders toward the project and the level of engagement you will need from each of these groups?

- A. Stakeholder register and stakeholder engagement assessment matrix
- B. Trend analysis and requirements traceability matrix
- C. Data analysis and resource management plan
- D. Assumption and constraint analysis

Stakeholder Management

THIRTEEN

15. The key objective of stakeholder management is:
 - A. Communication
 - B. Coordination
 - C. Satisfaction
 - D. Relationships

16. As project manager, you are unable to allocate as much time as you would like to interact with your stakeholders. Which of the following stakeholders will you make it a priority to get to know?
 - A. The stakeholder who is an expert on the product of the project, but is not interested in implementing it in his department
 - B. The manager of the department that will use the product of the project, who is known to be resistant to change
 - C. The project sponsor, with whom you have successfully worked on many projects
 - D. The department employee who is unfamiliar with the product of the project, but open to the positive impacts he believes the product will have on his work environment

17. A stakeholder's belief about or mental picture of the future is a(n):
 - A. Requirement
 - B. Heuristic
 - C. Expectation
 - D. Constraint

18. The degree to which a particular stakeholder may be able to positively or negatively affect a project is their:
 - A. Level of engagement
 - B. Level of interest
 - C. Level of commitment
 - D. Level of influence

19. In an effort to identify stakeholders who may be affected by your project, you're looking over the organizational structure of your client's company. As you identify stakeholders on the organizational chart, you request meetings with each stakeholder. You'll document the information you learn about each stakeholder in the stakeholder register. This register can then be used as an input to which of the following processes?
 - A. Plan Risk Management and Collect Requirements
 - B. Perform Integrated Change Control and Plan Communications Management
 - C. Plan Quality Management and Manage Quality
 - D. Identify Risks and Develop Project Charter

20. A project manager on a multinational website implementation project is at a party and talks to friends who will be heavy users of this new website when the project is complete and the site is rolled out. They describe some annoying aspects of the current website. The project manager takes this feedback to the sponsor, and encourages design and scope changes. Which of the following best describes what the project manager has done?
 - A. Scope validation
 - B. Integrated change control
 - C. Stakeholder analysis
 - D. Scope planning

Answers

1. Answer A

Explanation Stakeholders have an impact throughout the project, but they must be identified and involved at the beginning of the project in order to determine their requirements and expectations. This means that even stakeholders who play a smaller role or whose requirements are addressed later in the project are included early. If this effort is not done early, the results may be expensive changes and/or dissatisfaction later in the project.

2. Answer D

Explanation It is important to look for the choice that would solve the real problem. The most likely root cause is that stakeholders were missed and, as a result, their requirements were not identified. Those stakeholders are now requesting changes to accommodate their needs. There is no reason to think that training, management oversight, or a need for more processes are factors contributing to the number of changes.

3. Answer A

Explanation Stakeholders can be identified throughout the project. However, the earlier stakeholders are identified, the better for the project. If all the stakeholders' needs and requirements are taken into account before plans are finalized and project work is begun, fewer changes will be needed later in the project, when they will be more costly.

4. Answer B

Explanation By definition, stakeholders can impact or be impacted by the project. The project manager may not choose who to recognize as a stakeholder. Although this particular individual may be difficult, the project manager cannot avoid him, because he has a stake in the project. The project manager can say no, but this does not solve the root cause of the problem. There may be some good ideas within those change requests.

The only choice that deals with the problem is getting the stakeholder involved in the project as soon as possible. Changes generally arise due to lack of input at the beginning of the project. If the project manager begins effective communication with this stakeholder early, there is a much better chance his changes will be discovered during the planning process, when they will have less of an impact on the project.

5. Answer B

Explanation The project manager determines the project schedule through schedule development. The team and other stakeholders provide the inputs. Since it is also the project manager's role to determine resource needs and create management plans, the choices including those roles cannot be best. The project sponsor approves the project charter, not the stakeholders. Stakeholders do, however, help determine project constraints and product deliverables. Notice how tricky questions can be if you do not read them correctly! Watch for this in other questions, and pay close attention to the wording.

6. Answer C

Explanation Identifying all the stakeholders, determining their needs, and managing their expectations are all parts of good stakeholder management. Giving stakeholders added value (including extras not documented in the requirements) is known as gold plating. This is not effective stakeholder or quality management.

Stakeholder Management THIRTEEN

7. Answer A

Explanation A single high-level executive can end an entire project if they are not satisfied with the results, even if that person has, by choice, been only tangentially involved in the project. It is critical to ensure that all the final decision makers are identified and engaged early in a project in order to ensure that their concerns are addressed.

8. Answer A

Explanation It seems like all of these are good ideas, but having the stakeholders review the list of project requirements helps discover errors and changes, and would therefore be considered the best choice.

9. Answer B

Explanation The stakeholder engagement assessment matrix can be used to compare the actual engagement levels (involvement) of individual stakeholders versus the desired levels of engagement needed to optimize the plan. Any discrepancies can be analyzed, and efforts to adjust the engagement levels can be implemented.

10. Answer D

Explanation The role of each stakeholder is determined by the project manager and the stakeholder. It is important that stakeholders have input into what they will be contributing to the project. The role of the project manager is not to tell people what to do!

11. Answer B

Explanation Gathering and analyzing information to determine whose interests must be considered is part of stakeholder identification and analysis. Increasing support and minimizing negative impacts of stakeholders is a part of stakeholder management. Linking requirements to project objectives is included in a requirement traceability matrix. A stakeholder register is a document that includes assessment and classification information related to identified stakeholders.

12. Answer C

Explanation The power/interest grid, stakeholder cube, and salience model are ways of representing data about stakeholder groups, enabling the team to plan how to engage and manage all of the stakeholders effectively.

13. Answer C

Explanation Stakeholders' individual communication requirements are documented in the stakeholder engagement plan.

14. Answer A

Explanation The stakeholder register contains information including the stakeholders' requirements and expectations, as well as their levels of interest and influence. The stakeholder engagement assessment matrix graphically illustrates the current and desired levels of stakeholder engagement. This information can be used to determine actions required to close gaps between those levels.

15. Answer C

Explanation While communication, coordination, and development of relationships are parts of stakeholder management, collectively they contribute to the main objective of this process—stakeholder satisfaction.

T H I R T E E N Stakeholder Management

16. Answer B

Explanation As the department manager, this person is a key stakeholder, and yields a lot of influence over other stakeholders in her department. The fact that she is resistant to change indicates she will need some personal reassurance from the project manager, or she may exert her influence to derail the project.

17. Answer C

Explanation Expectations are not as direct or straightforward as requirements. Nonetheless, they are important to recognize and address to ensure stakeholder satisfaction with the project. Therefore, the project manager must do additional work to uncover the expectations of stakeholders.

18. Answer D

Explanation This question is referring to levels of influence. Each stakeholder's level of influence may be based on status within the organization, seniority, or other factors. The level of influence of each stakeholder should be identified and managed throughout the project.

19. Answer A

Explanation Of the choices listed, the stakeholder register is an input to Collect Requirements, Plan Quality Management, Plan Communications Management, Plan Risk Management, and Identify Risks. Be sure you understand why it is important in each of these processes.

20. Answer C

Explanation The project manager has performed stakeholder analysis by learning stakeholder requirements, and making recommendations to fulfill those requirements. Scope validation is a control function related to gaining customer acceptance of deliverables. Integrated change control relates to looking for multiple impacts of changes. Scope planning creates a scope management plan.