

## Stakeholder Management

Stakeholders are individuals (or groups) who have a vested interest in your project and who are directly or indirectly affected by it. Examples of stakeholders include the project sponsor, customers, user groups, suppliers, your line manager, senior executives, team members, shareholders, government bodies, the compliance department, and the public.

For the purpose of this exercise we will leave your team members to one side and focus on the senior stakeholders who are managers with authority to allocate resources (people, money, time, materials and services) and set priorities on behalf of their department or organization. They will often be the people who are part of the steering committee and who can make or break a strategic change.

In order for you and your project to be successful, you need the support of as many of your stakeholders as possible – and especially those who are more senior. You need their buy-in to effectively progress the project. As an example, your sponsor's support is vital as he or she has the power to withhold finances and stop its funding if the project starts to deviate from the plan or if the business case gets adversely affected. A good relationship with the end users (or user representatives) is equally important as you are dependent on them for accurate requirements specifications, acceptance criteria and user acceptance testing. If the users are not supportive of the project they will care less about the final product and quality will most definitely suffer as a result.

The exercise below will help you uncover who your stakeholders are, how influential and supportive they each are and what you can do to optimize the way you interact with them. Ideally you would want a strong and trustworthy relationship with all of your main stakeholders.

### Step 1 ...

Make a list of all the stakeholders on your project.

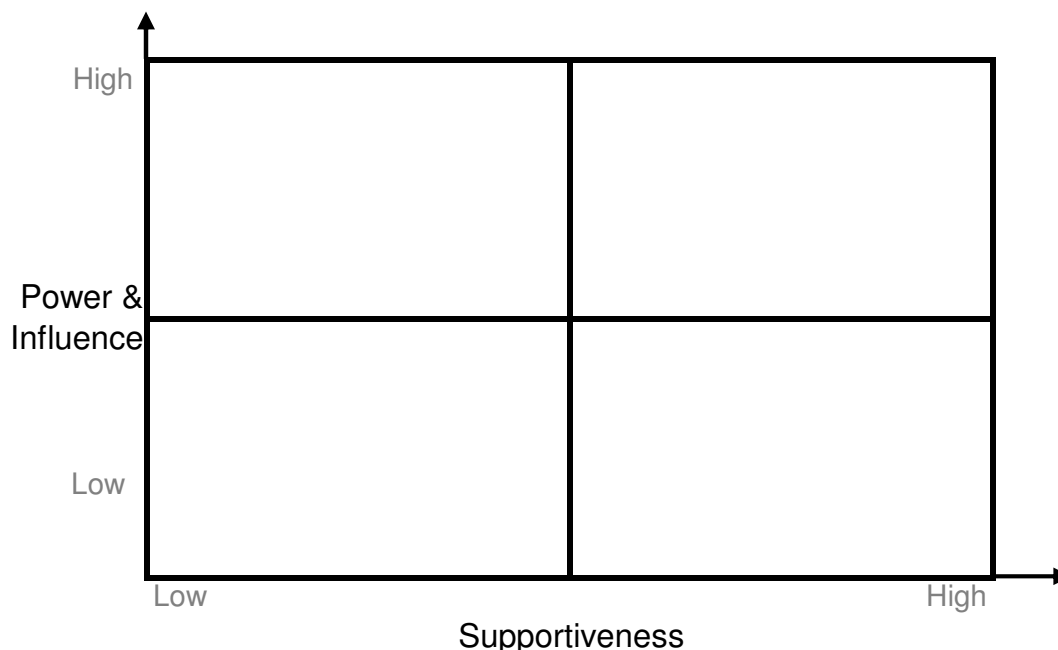
Think of all the people who are affected by your work, who have influence or power over it or who have an interest in its successful or unsuccessful conclusion. Who are the people with authority to allocate time, money, people, materials and services to your project? Who are the people who are responsible for signing off the requirements and who will ultimately need to accept the products you are producing?

You now have a list of people, groups or organizations that are affected by your project. Some will have the power and influence to block it or advance it and some will be very supportive of your work whilst others will not. The ideal is for all of your stakeholders to be supportive of you. You cannot easily change how much power other people have over your project, but you *can* change how supportive they are.

## Step 2 ...

Map out your key stakeholders on the power/support grid below.

Add their names to the grid and classify them by their power over your project and by their support in your work.



### High power/High support

People who have a lot of power and are very supportive of the project and your work are your closest allies. They view the ideas and purposes of the project positively and have the power to influence others. They are happy to spend time with you and to help resolve problems. They genuinely want the project to succeed. Communicate new ideas to this group first as they can help improve them and promote them to others. This is also the group to go to if you have major risks or issues which the project team cannot handle or resolve on its own. Make sure you nurture these relationships so that they continue to work in your favor.

### High power/Low support

People who have a lot of power and influence but who are less supportive or against your work, have the power to negatively influence others and could derail your project if you do not win them over. Be flawless and pragmatic when communicating with this group and spend effort building honest relationships. Listen to their concerns and make a genuine effort to understand their viewpoint and the cause of their reservations. Speak to them as an equal and do not be daunted by their power or skepticism. There will generally be a good reason for their lack of support, and if you manage to get to the root cause and address it, the dynamics of your project could dramatically change for the better.

In some cases you may come across people who are opposed to the project for political reasons but who otherwise have no issue with you or the way the project is being run. If that is the case, seek to discuss this openly and ask how they believe you can best navigate through that situation. If there is nothing you can do to change the situation, be tactful and discuss it with the project sponsor or executive. A stakeholder who is opposed to the project as a matter of principle is someone who you would rather avoid having in a key position and on your steering committee.

### **Low power/High support**

People who have little power but who are in favor of the project and your work are important to keep informed as they are often very helpful with the detail of the project. Maintain your good relationships and ensure they are kept in the loop of project progress and issues, but do not spend unnecessary time with them. If you are pressed for time make sure you spend it with those stakeholders who have relatively more power and influence than this group.

### **Low power/Low support**

People who have little power and who are not supportive of your work can be a real nuisance. Keep these people informed and do what is reasonable to gain their support but do not otherwise spend unnecessary time with them or trouble them with excessive communication. If you focus on winning over the support of the high powered stakeholders, this group will often follow suit.

## Questions ...

Look at the power/support grid you filled in and reflect on it.

- Are your stakeholders generally supportive or not very supportive of your project?
- Which people do you tend to spend the majority of your time with?
- What are you doing on a daily basis to build relationships and win the support of your stakeholders?

You now have a good understanding of who your stakeholders are and where your time is best spent. To build rapport and gain the support of these stakeholders, you need to tailor the frequency and the way you interact with each one of them.

You need to know who they are, what makes them tick and how/what/when they want to be communicated to. The best way to find that out is to spend time with each person and build a relationship based on honesty and trust. People are normally quite open about their views, and asking them about their opinion is the first step in gaining their trust.

Below is a list of questions which can help you understand and get to know who each of your stakeholders are. Note, that most of the questions should only be asked in an indirect manner.

- What is their interest in the outcome of the project? Why might they want to see it succeed or fail?
- What is worrying them about the current project? Are there any risks which they think you are not mitigating or issues you are not addressing?
- Are they happy with the frequency and content of project communication and status reports?
- Which information in particular are they after and how would they like it communicated? (Face-to-face, email, telephone, weekly report etc.)
- Have they been involved in similar change projects before? If so, which lessons did they learn and how can you best leverage their knowledge?
- Who influences their opinions generally and who influences their opinion of you?
- What could make them be more supportive of you and your project?

### Step 3 ...

Spend time with each of your key stakeholders to understand their motives, thoughts and communication needs. Try to answer most of the questions listed above.

Record your notes in a table or matrix, as illustrated below, listing the stakeholder's names on the left hand side and the information you gather on the right. Consider adding the following fields across the top to better structure the information: "Level of Power & Influence", "Level of Supportiveness", "Interest/Stake in Project", "Success Criteria", "Concerns", "Communication Needs" and "Knowledge/Expertise".

Stakeholder Analysis Matrix								
Stakeholder Name	Power / Influence	Supportiveness	Interest / Stake	Success Criteria	Concerns	Communication Needs	Knowledge / Expertise	Action
Name 1	High	Medim				Formal / Written		
Name 2	Medium	Low						
Name 3	High	High				Informal / verbal		
Name 4	Low	High						

Once you have carried out these steps you will have a good understanding of who your stakeholders are, how they relate to your project, what each of them is looking for and what makes them tick.

The next step is to plan your communication so that you can win stakeholders around or further improve their support in your project.

### Step 4 ...

Look through your list of stakeholders and the information you have gathered about each one of them. Determine which level of support you want from them and the role you would like each of them to play (if any). That is, decide if you want something different from each stakeholder than what you are getting today.

### Questions ...

- Which stakeholders are most important for you to maintain or win further support from? Mark them as priority 1 on your sheet.
- Which actions do you need to take to maintain or improve your relationship with the stakeholders you have marked as priority 1?
- In which ways can you better utilize and leverage the goodwill you have from the most supportive stakeholders?
- What can you do to win over the non supportive stakeholders? What is the root cause of their skepticism and what can you do to address it?
- Update the stakeholder analysis sheet with the actions you will take.

**In summary**, the key to stakeholder management is to first and foremost understand each stakeholder's interest in your project and to spend sufficient time gaining and maintaining the support of those stakeholders that matter the most to the success of your project.

The best way to gain and maintain a stakeholder's support is to listen to and respect that person and to appreciate his or her motives and needs.

Make sure you always keep the most influential and supportive stakeholders abreast of project progress, risks and issues and do not hesitate to ask them for help when needed.

Pay attention to stakeholders who have a lot of power and influence but who are not supportive of the project. Approach them with honesty and openness and listen to their concerns. When they sense that you have integrity and that you are doing your best to accommodate everyone's needs they will soon start to respect you and support you.

### Step 5 ...

In addition to the individual strategies you have devised for each stakeholder above, seek to always use best general principles for building trusting and lasting relationships when communicating and interacting with people. The principles are listed in the next section.

