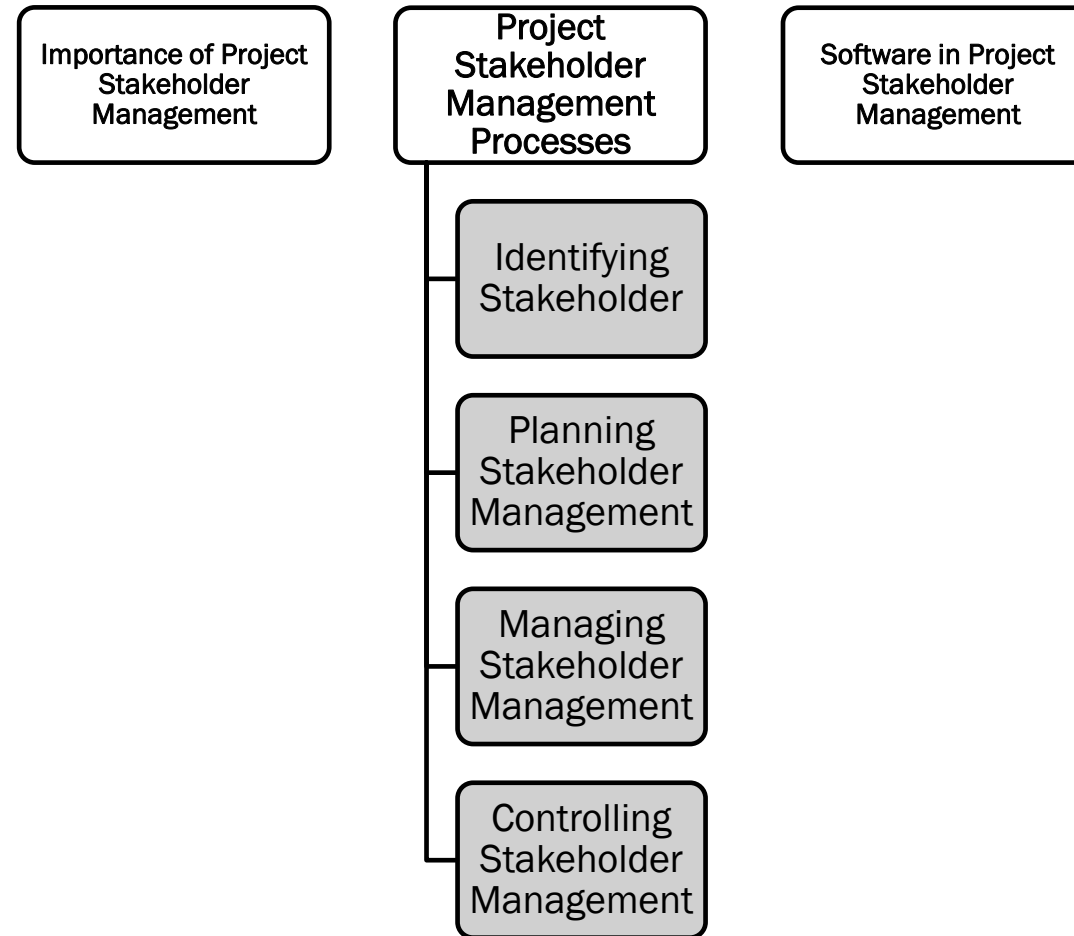


**Note:**  
Adapted from slide of the textbook: Schwalbe, Kathy. *Managing Information Technology Project – Eight Edition*. Boston, MA: Thomson Course Technology, 2016.  
See the text itself for full citations.

# IT PROJECT MANAGEMENT

WEEK 12: PROJECT  
STAKEHOLDER MANAGEMENT

# MIND MAP



# LEARNING OBJECTIVES

- a. Understand the importance of project stakeholder management throughout the life of a project
- b. Describe the project stakeholder management processes
  1. Discuss the process of identifying stakeholders, how to create a stakeholder register, and how to perform a stakeholder analysis
  2. Describe the contents of a stakeholder management plan
  3. Understand the process of managing stakeholder engagement and how to use an issue log effectively
  4. Explain methods for controlling stakeholder engagement
- c. Discuss types of software available to assist in project stakeholder management



# **A: IMPORTANCE OF PROJECT STAKEHOLDER MANAGEMENT**



# IMPORTANCE OF PROJECT STAKEHOLDER MANAGEMENT

- Because stakeholder management is so important to project success, the Project Management Institute decided to create an entire knowledge area devoted to it as part of the Fifth Edition of the PMBOK® Guide in 2013
- The purpose of project stakeholder management is to identify all people or organizations affected by a project, to analyze stakeholder expectations, and to effectively engage stakeholders
- Projects often cause changes in organizations, and some people may lose their jobs when a project is completed. Project managers might be viewed as enemies if the project resulted in job losses for some stakeholders
- By contrast, they could be viewed as allies if they lead a project that helps increase profits, produce new jobs, or increase pay for certain stakeholders

In any case, project managers must learn to identify, understand, and work with a variety of stakeholders

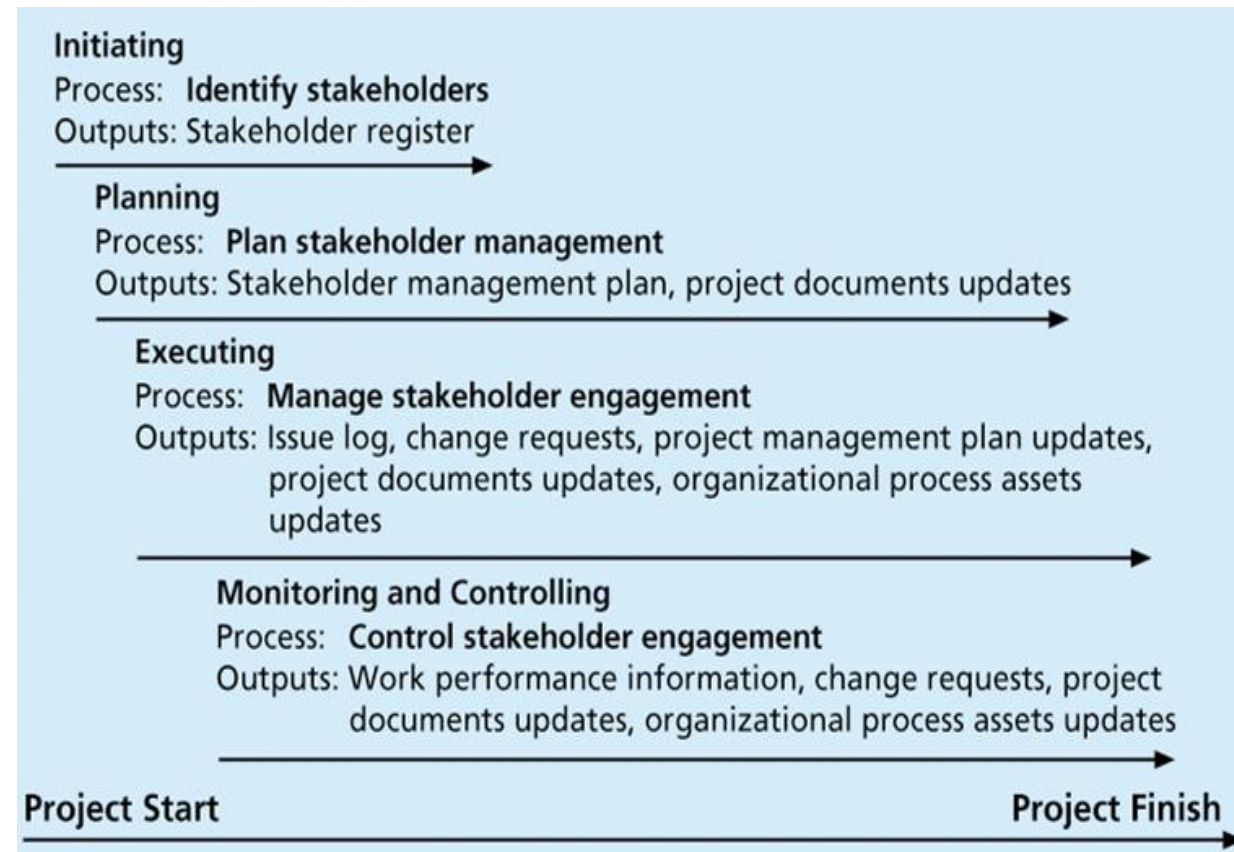


# **B: PROJECT STAKEHOLDER MANAGEMENT PROCESSES**



# PROJECT STAKEHOLDER MANAGEMENT PROCESSES

- **Identifying stakeholders:** Identifying everyone involved in the project or affected by it and determining the best ways to manage relationships with them.
- **Planning stakeholder management:** Determining **strategies** to effectively engage stakeholders
- **Managing stakeholder engagement:** Communicating and working with project stakeholders to **satisfy their needs and expectations, resolving issues, and fostering engagement** in project decisions and activities
- **Controlling stakeholder engagement:** **Monitoring stakeholder relationships and adjusting plans** and strategies for engaging stakeholders as needed



# 1. IDENTIFYING STAKEHOLDERS

- Internal project stakeholders generally include the **project sponsor, project team, support staff, and internal customers** for the project. Other internal stakeholders include **top management, other functional managers, and other project managers** because organizations have limited resources.
- External project stakeholders include the **project's customers** (if they are external to the organization), **competitors, suppliers,** and other **external groups** that are potentially involved in the project or affected by it, such as government officials and concerned citizens.
- Additional Stakeholders: [Project stakeholder](#) lists other stakeholders including:
  - Program director
  - Project manager's family
  - Labor unions
  - Potential customers
- It is also necessary to focus on stakeholders with the most direct ties to a project, for example only key suppliers
- Output : Stakeholder Register



# STAKEHOLDER REGISTER

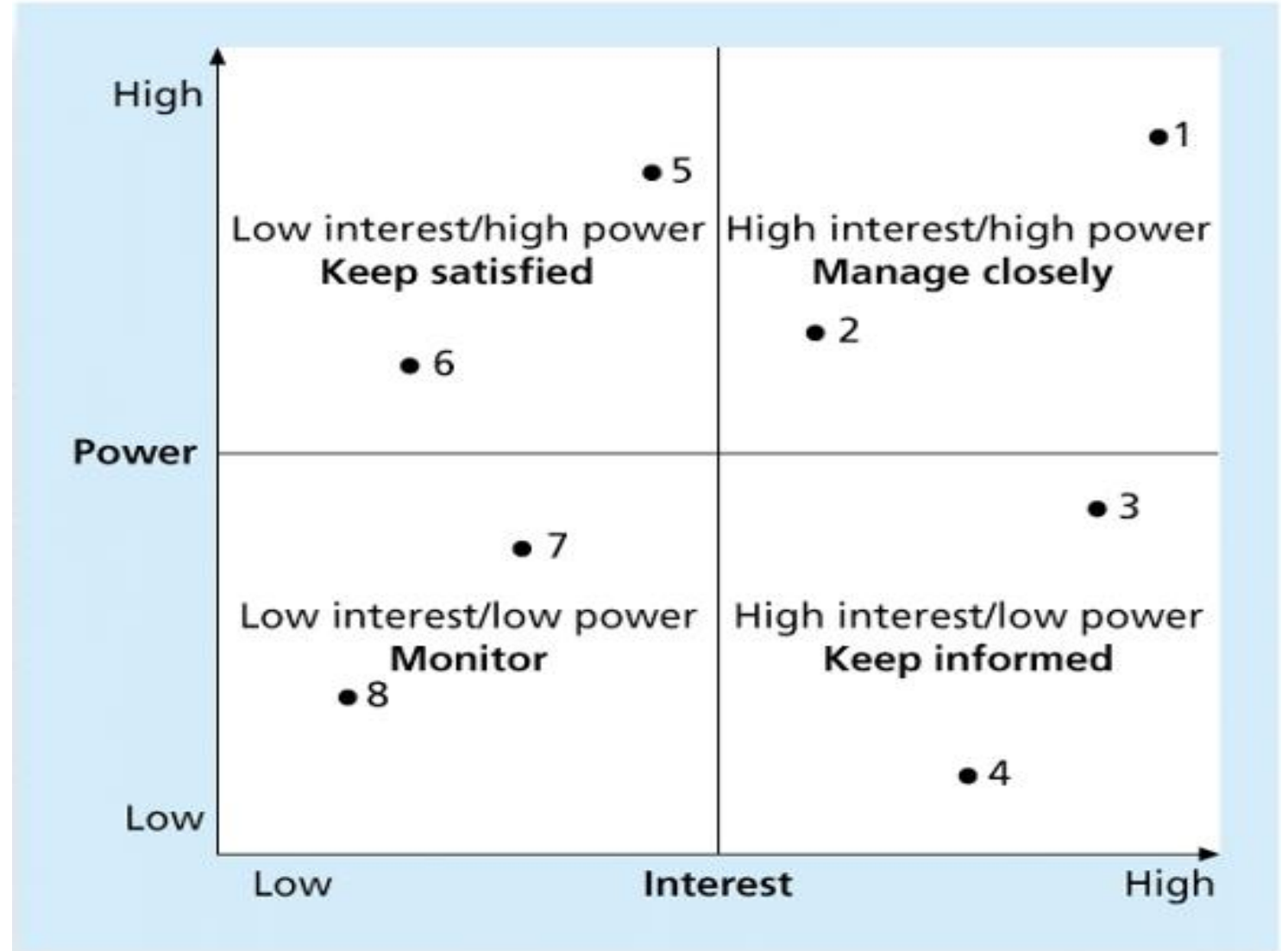
Basic information on stakeholders:

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

Name	Position	Internal/External	Project Role	Contact Information
Stephen	VP of Operations	Internal	Project sponsor	stephen@globaloil.com
Betsy	CFO	Internal	Senior manager, approves funds	betsy@globaloil.com
Chien	CIO	Internal	Senior manager, PM's boss	chien@globaloil.com
Ryan	IT analyst	Internal	Team member	ryan@globaloil.com
Lori	Director, Accounting	Internal	Senior manager	lori@globaloil.com
Sanjay	Director, Refineries	Internal	Senior manager of largest refinery	sanjay@globaloil.com
Debra	Consultant	External	Project manager	debra@globaloil.com
Suppliers	Suppliers	External	Supply software	suppliers@gmail.com

# CLASSIFYING STAKEHOLDERS

- After identifying key project stakeholders, you can use different classification models to **determine an approach for managing stakeholder relationships**
- A **power/interest grid** can be used to group stakeholders based on their level of authority (power) and their level of concern (interest) for project outcomes



# STAKEHOLDER ENGAGEMENT LEVELS

1. **Unaware:** Unaware of the project and its potential impacts on them
2. **Resistant:** Aware of the project yet resistant to change
3. **Neutral:** Aware of the project yet neither supportive nor resistant
4. **Supportive:** Aware of the project and supportive of change
5. **Leading:** Aware of the project and its potential impacts and actively engaged in helping it succeed

## 2. PLANNING STAKEHOLDER MANAGEMENT

- After identifying and analyzing stakeholders, project teams **should develop a plan for management them**
- The stakeholder management plan can include:
  - **Current and desired engagement levels**
  - **Interrelationships** between stakeholders
  - Communication **requirements**
  - **Potential management strategies** for each stakeholders
  - **Methods** for updating the stakeholder management plan

# SENSITIVE INFORMATION

- Because a stakeholder management plan often includes **sensitive information**, it should not be part of the official project documents, which are normally available for all stakeholders to review
- In many cases, only project managers and a few other team members should prepare the stakeholder management plan
- Parts of the stakeholder management plan are not written down, and if they are, distribution is strictly limited

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

Sample Stakeholder Analysis

### 3. MANAGING STAKEHOLDER ENGAGEMENT

- Project success is often measured in terms of customer/sponsor satisfaction
- Project sponsors often **rank scope, time, and cost goals in order of importance** and provide guidelines on how to balance the triple constraint
- This ranking can be shown in an expectations management matrix to help clarify expectations

Measure of Success	Priority	Expectations	Guidelines
Scope	1	The scope statement clearly defines mandatory requirements and optional requirements.	Focus on meeting mandatory requirements before considering optional ones. In this case, following corporate IT standards is optional.
Time	1	There is little give in the project completion date. The schedule is very realistic.	The project sponsor must be alerted if any issues might affect meeting schedule goals.
Cost	3	This project is crucial to the organization. If you can clearly justify the need for more funds, they can be made available.	There are strict rules for project expenditures and escalation procedures. Cost is very important, but it takes a back seat to meeting schedule and then scope goals.
Technology / standards	2	There are several potential solutions available, but only one that meets all of the sponsors technical requirements, especially for accounting.	While corporate IT standards are important, an exception makes sense in this case.

Expectations Management Matrix

# ISSUE LOGS

- Understanding the stakeholders' expectations can help in managing issues
- Issues should be documented in an **issue log**, a tool used to document, monitor, and track issues that need resolution
- Unresolved issues can be a major source of conflict and result in stakeholder expectations not being met
- Issue logs can address other knowledge areas as well

Issue #	Description	Impact	Date Reported	Reported By	Assigned to	Priority (H/M/L)	Due Date	Status	Comments
1	Need requirements categorized as mandatory and optional	Cannot do much without it	February 4	Ryan	Stephen	H	February 8	Closed	Requirements clearly labeled
2	Need shorter list of potential suppliers-no more than 10	Will delay Evaluation without it	February 6	Debra	Ryan	H	February 12	Open	Almost finished; needed requirements categorized first
Etc.									

## 4. CONTROLLING STAKEHOLDER ENGAGEMENT

- You **cannot control stakeholders**, but **you can control their level of engagement**
- Engagement involves a dialogue in which people seek understanding and solutions to issues of mutual concern
- Many teachers are familiar with various techniques for engaging students
- It is important to set the proper tone at the start of a class or project

### Example of Engaging or Not Engaging Students (or Other Stakeholders)

- If a teacher (or manager) does nothing but lecture on the first day of class (or at meetings) or criticizes the first person who offers a comment, students (or workers) will quickly decide that their best strategy is to keep quiet and maybe not even attend the class (or meetings)
- On the other hand, if the teacher (or manager) uses a lot of activities to get all participants to speak or use technology to participate, they will expect to be active participants in future classes (or meetings)



## WAYS TO CONTROL ENGAGEMENT

- Key stakeholders should be invited to **actively participate in a kick-off meeting** rather than merely attending it
- The project manager should **emphasize that a dialogue** is expected at the meeting, including texts or whatever means of communication the stakeholders prefer. The project manager should also **meet with important stakeholders before the kick-off meeting**
- The project schedule should include activities and deliverables related to stakeholder engagement, such as surveys, reviews, demonstrations, and sign-offs.

# STAKEHOLDERS AS KEY PROJECT TEAM MEMBERS

- On some IT projects, important stakeholders are invited to be members of the project teams
- For example, when Northwest Airlines (now Delta) was developing a new reservation system called ResNet, it interviewed reservation agents for positions as programmers on the project team
- Northwest made sure that user needs were understood by having *them* actually develop the system's user interface



# **C: SOFTWARE TO ASSIST PROJECT STAKEHOLDER MANAGEMENT**



# USING SOFTWARE TO ASSIST IN PROJECT STAKEHOLDER MANAGEMENT

- Productivity software, communications software, and collaboration tools can **promote stakeholder engagement**
- **Social media** can also help engage stakeholders. For example, LinkedIn has thousands of groups for project management professionals
- Some project management software includes functionality like Facebook's to encourage relationship building on projects, like giving high fives for a job well done

## GLOBAL ISSUES

- Not all software implementations go well, and managing stakeholders is a major challenge
- The U.K. government scrapped its £11.4 billion national healthcare IT initiative in September 2011 after it failed to deliver the promised benefits. Unfortunately, this project was just one in a series of high-profile failures in the U.K.
- In response, the government decided to send its project managers back to school! They partnered with the University of Oxford and the Deloitte consulting firm to establish the Major Projects Leadership Academy in Oxford, England
- As of spring 2015, about 120 people have graduated and another 200 have enrolled

# CHAPTER SUMMARY

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