

## Series on Effective Stakeholder Engagement<sup>1</sup>

# The three types of stakeholder communication

*By Dr. Lynda Bourne*

Stakeholders are a very wide and diverse group, some supportive and useful, others negative and obstructive and all with different needs and aspirations. Depending on the type of project, between 50% and 90% of the risks in the risk register are associated with stakeholders. People are a major source of uncertainty, both opportunities and threats (and sometimes both), and consequently need managing. But unfortunately, it is impossible to 'manage' most of the stakeholders that matter, the only tool available is communication, focused on engaging effectively with the various members of your stakeholder community.

Effective stakeholder engagement = effective stakeholder communication. But what does effective mean? There is probably not a lot of point in communicating if you do not want an 'effect'; but there is never sufficient time and resources available to focus an intense communication effort on every stakeholder.

The whole point of the **ESEI** approach to stakeholder engagement is to analyse the overall stakeholder community and then determine who is important at this point in time. After using the techniques discussed in the earlier articles in this series, you will know who's important, but you cannot ignore all of the other stakeholders (if you do you are creating problems for the future). A strategic approach to communication is the key, deploying the three general classes of communication; *reporting*, *project relations* and *directed communication* at the right times, to influence the right stakeholders in the best way to assist in achieving a successful outcome.

### **Directed communication**

Directed communication is hard work and needs to be focused on the important stakeholders (both positive and negative) with whom you need to cause a specific effect. This includes providing direction to your team members and suppliers and influencing the attitude or expectations of other key stakeholders.

Directed communication needs to be planned, which means you need to know precisely what effect you are seeking and then work out how to achieve the effect. This usually means you want the stakeholder to start to do something, do something differently or stop doing something. Some of the tactics that can be used to make your communication effective include:

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<sup>1</sup> This series of articles on effective stakeholder engagement is by Lynda Bourne, PhD, Managing Director of Stakeholder Pty Ltd (Australia) and author of the books *Stakeholder Relationship Management* and *Advising Upwards*, both published by Gower (UK). Dr. Bourne is one of the world's leading authorities on program/project stakeholder relations. Her author profile can be found at the end of this article.

- WIFM – ‘what is in it for me’ – try to align your needs with something the stakeholder desires (this is called Mutuality).
- WIFMF – ‘what is in it for my friend’ – if there is no practical WIFM is there something the stakeholders friends or colleagues, or the overall organisation may benefit from?
- Using your network to build peer pressure through the stakeholder’s network of contacts. It’s hard to hold out against a group.
- Delivering information incrementally in a carefully planned way with different people playing different roles in the communication plan.
- Making as much information as possible open to ‘pull’ communication in a project ‘web portal’ and then directing the specific stakeholder to the information you want them to respond to (this works for reports as well).

Directed communication is hard work and needs to be carefully focused on the stakeholders that matter at any point in time and have a specific purpose (frequently a different ‘purpose’ for each of the key stakeholders). As discussed in earlier articles, a regular review of the stakeholder community is essential to reassess the relative priorities of all new and existing stakeholders, to understand if your communication efforts are being successful (change tactics if not) and to best focus your communication effort going forward.

### **Project relations**

Project relations (PR) similar to normal PR but focused on your project and stakeholders. PR or marketing is probably the most underrated and underused communication process. It includes all of the broadcast communications needed to provide information about your project to the wider stakeholder community, both to market the value of the project and to prevent information ‘black holes’ developing that breed misinformation and rumour.

The power of social media to feed on rumours and amplify bad news is massive and it is nearly impossible to kill rumours once they have started even if the information being circulated is completely false. Once a perception of a disaster is created in a person’s mind, the tendency to reject any other information is innate “they would say that wouldn’t they....”

Effective PR using a range of available mediums including web portals and social media can mitigate (but cannot eliminate) this type of negative influence in your stakeholder community, both within the organisation and externally. The challenge is to be first, to be understood and to be credible.

Some of the options include:

- Project newsletters (or blogs) with positive, benefits focused information and accomplishments.
- Travelling road shows and awareness building sessions that people can attend at various locations to explain the project and benefits.
- Testimonials that describe how the project deliverables provided value.

- To build excitement and get people to read your PR, consider contests with simple prizes or a project countdown-until-live date.
- Being open to ‘pull’ communication, by placing useful information such as frequently-asked questions (FAQ) and project documentation in a common repository, directory or website that people can access subject to appropriate security processes.
- Making sure your team are ‘on-message’ and have a good ‘elevator pitch’ that explains the project and its benefits in 30 seconds – you never know when someone will have a minute to talk to the CEO.....
- Investing in project memorabilia with project name or image portrayed, such as pins, pencils, Frisbees, cups, T-shirts, etc. The project team members and their personal networks are one of your greatest assets – make them proud to ‘show off’ the project (this helps with team building too).

Developing an effective PR campaign is a skilled communications process designed to build buy-in and enthusiasm for the work you are undertaking and the deliverables it will produce. It is well worth the effort on almost every project! It is far easier to create a good first impression than to try to change an already formed bad impression among your stakeholders, and is particularly important if your project is going to change how people do their jobs – your project will experience far lower levels of opposition and the change manager will thank you.

## **Reporting**

Reporting fulfils two useful purposes:

- Firstly it demonstrates you are running your project properly, project managers are expected to produce reports and have schedules, etc., issuing reports shows that you are conforming to expectations.
- Secondly, copying a report to a person can back up the overall PR effort and keeps you in touch with them for when more significant communications are needed.

Reporting may not be communication but it is useful. Jon Whitty has described reports and bar charts as essential ‘clothing’ for a project manager and, as Mark Twain *did not* say, “Clothes make the man. Naked people have little or no influence in society”<sup>2</sup>.

You cannot avoid reports; they are required by your company and often by law. You simply create them as needed. Some examples include:

- Project status reports.

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<sup>2</sup> Many useful sayings are attributed to Mark Twain including this one; unfortunately there is no record of him ‘saying’ this. For more on the value of project management artefacts see: Project management artefacts and the emotions they evoke: [http://eprints.usq.edu.au/6837/4/Whitty\\_2010\\_AV.pdf](http://eprints.usq.edu.au/6837/4/Whitty_2010_AV.pdf)

- Minutes of meetings with your sponsor or project steering committee.
- Required reports to shareholders or your Board of Directors.
- Government mandated reports, safety reports, HAZOP, audit reports, etc.

The information in reports is typically pushed (i.e., sent directly to) to recipients and whilst this creates a consistent set of data in a time series of themselves reports are not communication, although information in a report can be used as part of a purposeful communication.

### **Some final thoughts:**

Effective communication needs to be designed to be effective within the stakeholder's culture. This means learning how the person operates and what is normal for them – you need to communicate within their paradigm. And you need regular testing of the overall communication process to make sure it's working effectively.

Building this type of communication environment designed to support project success requires a strategic approach, the pay-back is less time spent firefighting and dealing with ad hoc enquiries. Most managers accept Philip Crosby's maxim '*quality is free*', I would argue so is the cost of effective stakeholder engagement.

Don't be lulled into a false sense of security just because everything in your stakeholder environment is currently peaceful and productive. A 'big mission' or crisis can override culture for a short time and make a group seem like a homogeneous team but once the pressure is off people revert to their normal behaviours and unexpected issues can emerge – constant vigilance and maintenance of key relationships is critical to achieving final success

## About the Author



### **Dr. Lynda Bourne**

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**Dr. Lynda Bourne** is Managing Director of Stakeholder Management Pty Ltd – an Australian based company with partners in South America and Europe. Through this global network she works with organisations to manage change through managing the relationships essential for successful delivery of organisational outcomes. Lynda was the first graduate of the RMIT University, Doctor of Project Management course, where her research was focused on tools and techniques for more effective stakeholder engagement. She has been recognised in the field of project management through her work on development of project and program management standards. She was also included in PMI's list of 50 most influential women in PM.

She is a Fellow of the Australian Institute of Management (AIM) and a Fellow of the Australian Computer Society (ACS). She is a recognized international speaker and seminar leader on the topic of stakeholder management, the Stakeholder Circle® visualization tool, and building credibility and reputation for more effective communication. She has extensive experience as a Senior Project Manager and Project Director specializing in delivery of information technology and other business-related projects within the telecommunications sector, working as a Senior IT Project Management Consultant with various telecommunications companies in Australia and South East Asia (primarily in Malaysia) including senior roles with Optus and Telstra.

Dr Bourne's publications include: [Stakeholder Relationship Management](#), now in 2nd edition, published in 2009, [Advising Upwards](#) published in 2011, and [Making Projects Work](#), published in 2015. She has also contributed to books on stakeholder engagement, and has published papers in many academic and professional journals and is blogger for PMI's *Voices on Project Management*.

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