# Effective stakeholder engagement for project success

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# Today

- **Who are my stakeholders and who is important?**
- **Effective engagement**
  - *Building and maintaining relationships*
- **Some practical tips:**
  - *Managing upwards/downwards*
  - *Managing external stakeholders/peers*
  - *What other organizations do*
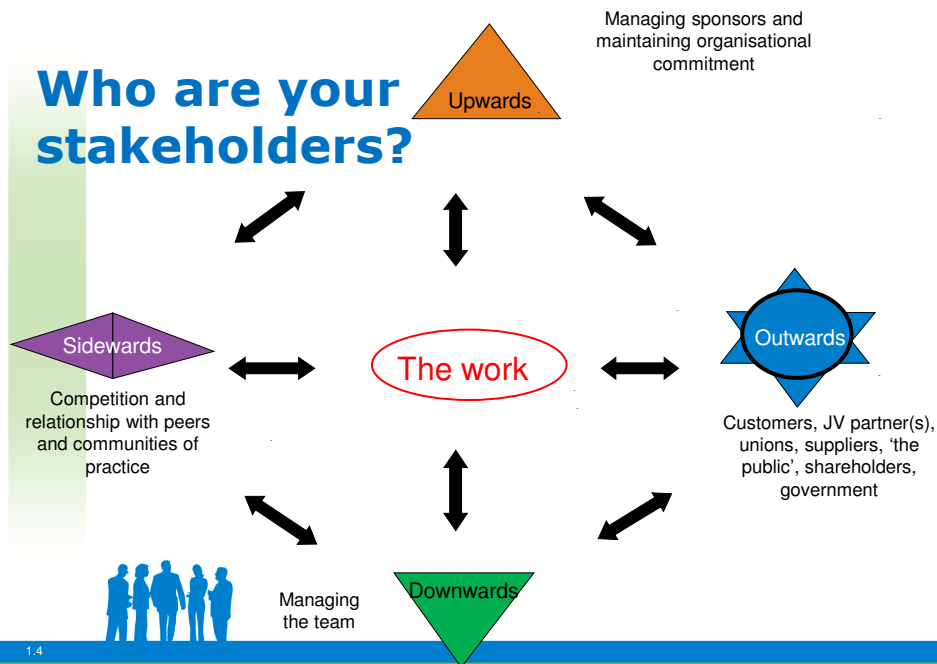- **How ready is your organization?**

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# What is a Stakeholder?

- **French, Spanish, Chinese, German, Danish**
  - *Those who have an interest; Those who are involved*
  - *Assumption of power?*
- **Narrow or broad?**
  - *Owner/shareholder*
  - *Wider range from a broader definition*
- **Groups, individuals, who can effect, or are affected by, the work or outcomes of a project or organisation, or perceive this is the case**

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# Who are your stakeholders?

Managing sponsors and maintaining organisational commitment

Upwards

Sidewards

Competition and relationship with peers and communities of practice

The work

Outwards

Customers, JV partner(s), unions, suppliers, 'the public', shareholders, government

Managing the team

Downwards
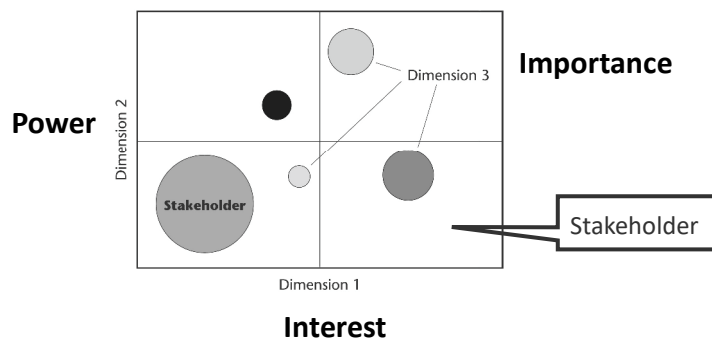
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# Who is important?

**The questions:**

- **Power (to stop the project)**
- **Proximity (to the work)**
- **Urgency**
  - *What is the stake? and*
  - *What is the stakeholder prepared to do to achieve it?*

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# Mapping Stakeholders
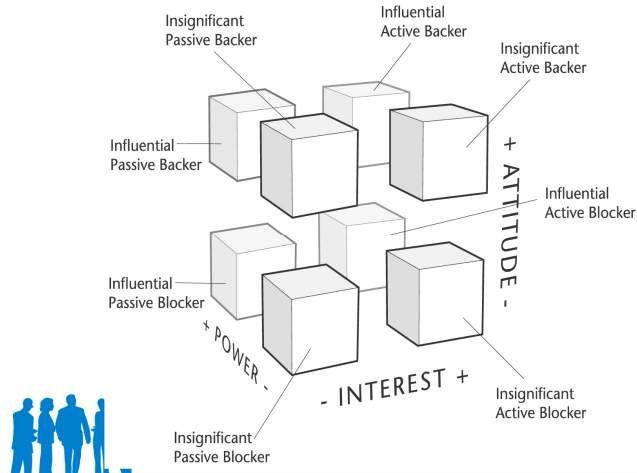
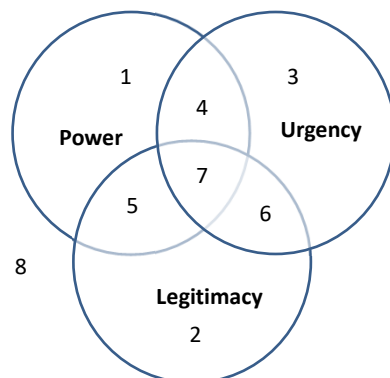**The 'grid' representation used in the *PMBOK® Guide***



**Power**

Dimension 2

Dimension 3

**Importance**

**Stakeholder**

Dimension 1

Stakeholder

**Interest**

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# Mapping Stakeholders

- **The Stakeholder 'Cube'**



Insignificant Passive Backer
Influential Active Backer
Insignificant Active Backer
Influential Passive Backer
Influential Active Blocker
Influential Passive Blocker
Insignificant Active Blocker
Insignificant Passive Blocker

+ ATTITUDE -
+ POWER -
- INTEREST +

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# Mapping Stakeholders
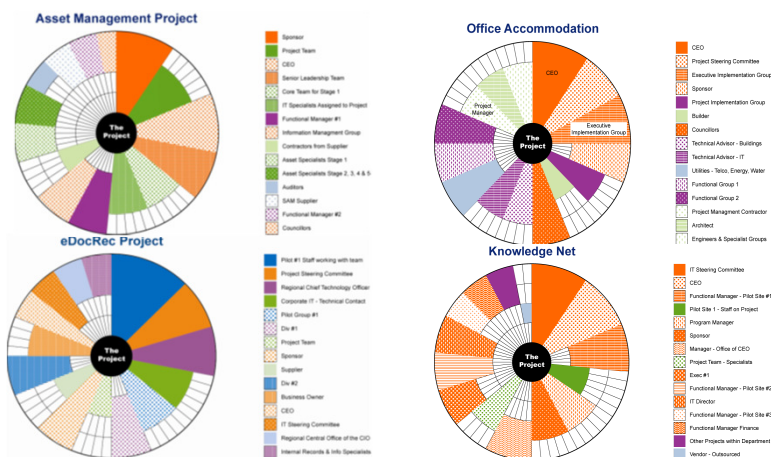
- **The 'Salience model'**



Power
Urgency
Legitimacy
1
2
3
4
5
6
7
8

1. Dormant

2. Discretionary

3. Demanding

4. Dominant

5. Dangerous

6. Dependent

7. Definitive

8. Non stakeholder

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# Mapping Stakeholders

- *Stakeholder Circle*: **Project Communities**
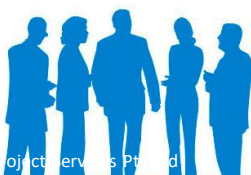


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# A new approach to stakeholders

- **Stakeowners:**
  - *'legitimate' (traditional) claim on the firm*

- **Stakewatchers: pressure groups**
  - *Possess only an indirect claim*

- **Statekeepers:**
  - *regulators who impose external control and regulations on the firm*

- **Stakeseekers:**
  - *seek to have a voice in the public debate and 'pretend' to have a claim on the firm*

Fassin, Y, (2012).
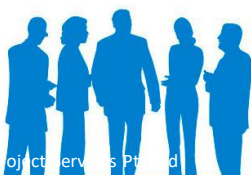
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# The rules of engagement

**Your stakeholders:**

- **Why you have chosen them**
- **Their expectations**
- **Their attitude (+ or -)**
- **Communication strategies**
- **Measuring effectiveness**

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# Neuroscience view

- **Status**
- **Certainty**
- **Autonomy**
- **Relationships**
- **Fairness**

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# Managing upwards

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# Managing upwards

**Points to ponder:**

- **They may not know (or care) about stakeholder management techniques**

- **We need them to be flexible, understanding, prepared to listen, and supportive**

- **They have used entirely different skills to get to this senior position**

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# LB's 3 rules for advising up

- **Never problems BUT solutions and recommendations**
  - *Enough information for good decisions*

- **Always use business language**
  - *Not jargon*

- **Make them 'look good'**
  - *No surprises ever!!*

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# Building the relationships

- **How they can help you?**
  - *Research: Senior stakeholder support is ESSENTIAL for successful delivery of project, program outcomes*

- **How you can help them (help you)?**
  - *Build relationships early so they know your project*
  - *Help them assist you through providing them with information for good decisions*

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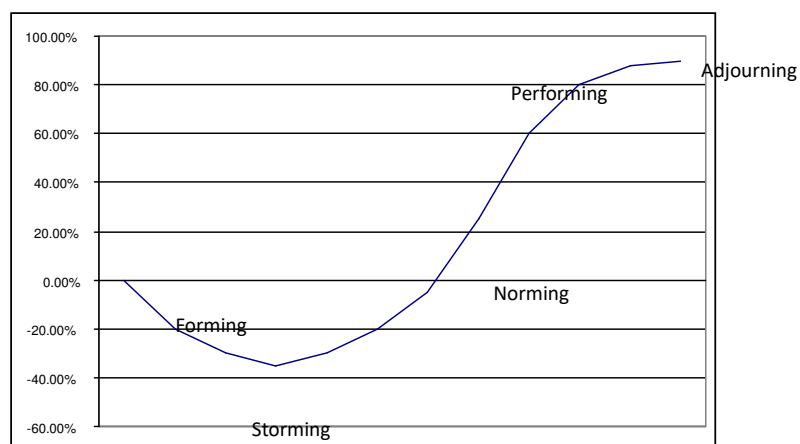# Managing downwards (the team)

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# Leadership

- **Leadership involves:**
  - *A leader and followers (team)*
  - *A common goal*
- **Leadership qualities (in all cultures):**
  - *Motivating and inspiring followers*
  - *Dealing with uncertainty and ambiguity*
- **Other leadership relationships will vary according to cultural rules**
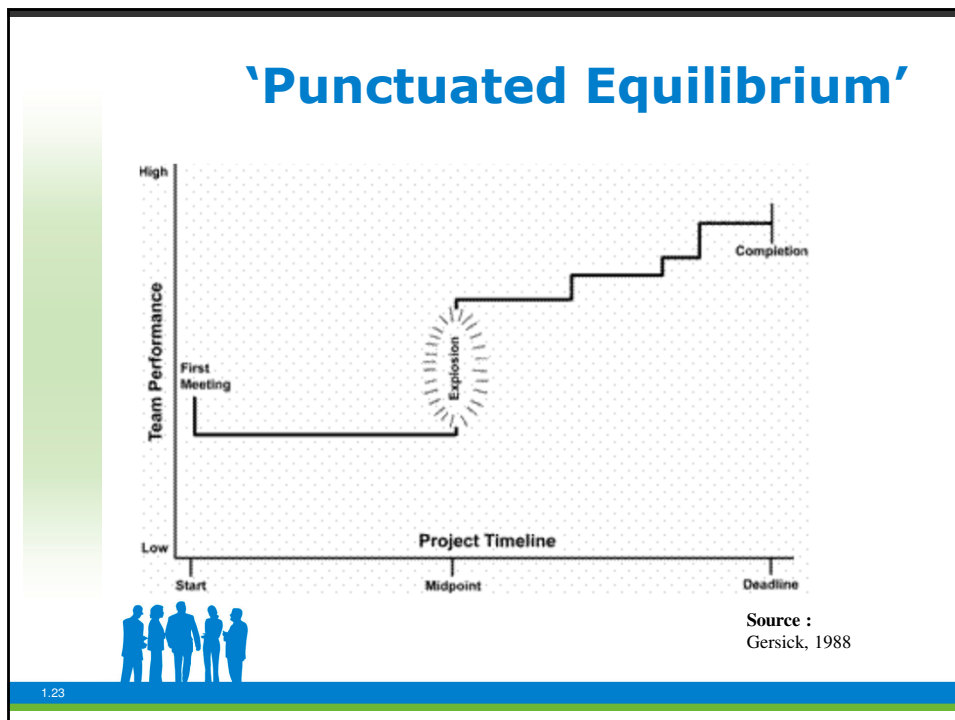  - *Differences in Asia, USA, Europe*

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# Team Building (Tuckman)



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## 'Punctuated Equilibrium'

Source :
Gersick, 1988

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**Rattlesnake:** *political; protectors of territory; eternal bluffers*

**Triceratops:** *satisfaction from seeing change fail ('the only sane ones')*

**Lion:** *in charge; and feared; defeating a challenger*

**Hyena:** *scheming; success through ambush*

**Jackal:** *territorial; controlling*

**Piranha:** *aggressive and dangerous ('the feeding frenzy')*

**Ants:** *getting on with it*

**Feline:** *showing off highly tuned skills; being liked*

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# Managing external stakeholders

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# Who?

- **Do you have direct contact with them?**

- **Do you have to brief someone else?**
  - *These people are also your stakeholders*

- **Same questions**
  - *Who is important? Expectations?*

- **Try for information back as well**

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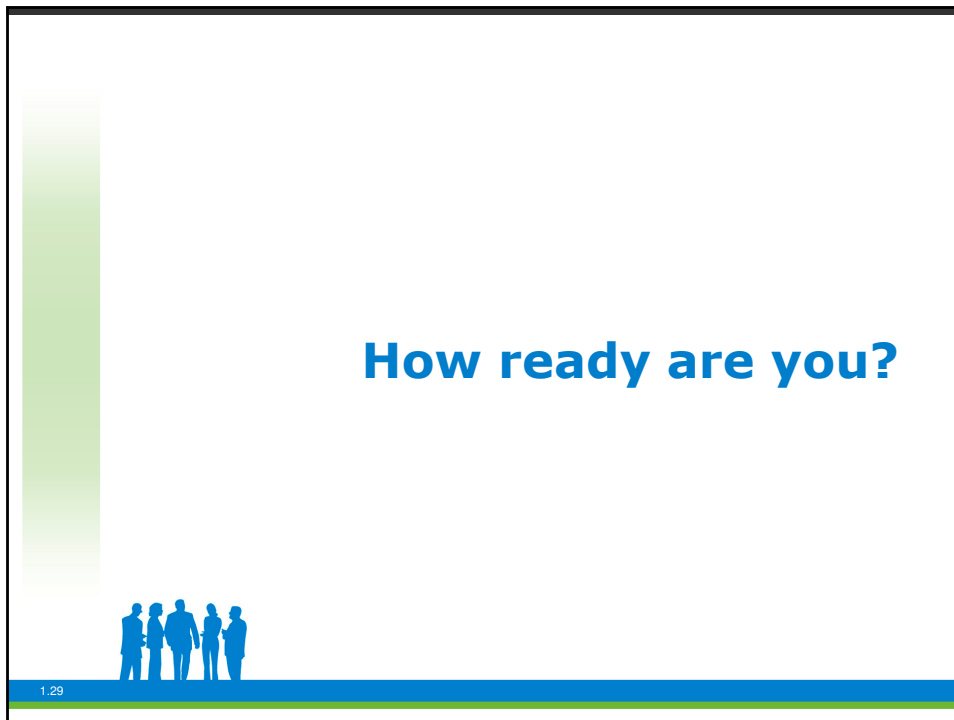# Managing relationships with your peers

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# The value of networking

- **Not just 'what you know' but 'who you know'**

- **Source of:**
  - *Information*
  - *Collaboration*
  - *Jobs, resources and opportunities*
  - *Influence*

- **Messages to non-supportive stakeholders**

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# How ready are you?

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| SRMM Stage | Features | Methodology Steps | Reporting / Tools | Comments |
|---|---|---|---|---|
| **1. Ad hoc:** some use of processes | One area recognises the need for improved SHM | Generally focuses on simplified selected steps. Sometimes just Steps 4 and 5 | Self-developed tools<br>- Word templates<br>- Spreadsheet lists | Requires continuous and significant management 'push' to maintain impetus |
| **2. Procedural:** focus on processes and tools | SHM introduced as part of implementation of consistent processes (perhaps result of CMMI assessment) | Sometimes all five steps but truncated and simplified | Standardised tools<br>- Word templates<br>- Spreadsheets with macros<br>- Simple database | Require continuous and significant management 'push' to maintain impetus |
| **3. Relational:** focus on the stakeholders and mutual benefits | Recognition of usefulness for competitor analysis, or support for mergers/acquisition | All five steps implemented. Move towards valuing insights / information in decision making | Fully functional tools<br>- Spreadsheets with macros<br>- Sophisticated databases | Useful for specific applications or events; rarely with an intention of continuous application |
| **4. Integrated:** methodology is repeatable and integrated | 'Business as usual' application using the full methodology for all projects and selected operational work | Steps 1 – 5 with Step 4: engage and Step 5: being vital for evidence of success | Graphic reports, visualisation, engagement profiles, etc, used in management reports and KPIs | The methodology and tool are used as a demonstration of repeatable application within that part of the organisation |
| **5. Predictive:** used for health checks, predictive risk assessment and management: | Implementation of the full methodology and supporting tools tool | Steps 1 - 5. 'Lessons Learned' & comparative data. Integrated data across programs, etc. | Trend reporting, pro-active risk identification (unusual profiles) Comparison between projects and different categories of work | Organisation –wide and complete focus on continuous improvement as competitive advantage |

## Why is SRMM necessary?

- **For effective implementation of relationship management process and practice in organisations**

- **Tailor the level of sophistication to the readiness of the organisation**
  - *Too ambitious for some organisations*
  - *Too simplistic for others*

- **Judge the appropriate level**

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## Implementing improved stakeholder engagement ?

- **Federal government, Australia**

- **Maersk Shipping, Denmark**

- **Transet, South Africa**

- **Various mining companies in Chile and Brasil**

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# Questions Please

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