

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

# **The SRMM® model for stakeholder management maturity and governance**

*By Dr. Lynda Bourne*

This series of articles focused on **ESEI** stakeholder engagement has set out a framework for organisations to use in the effective management of their stakeholder community and has clearly demonstrated the benefits of proactive engagement over an ad hoc reactive approach to ‘crisis management’. However, it is impossible to transition from an unorganised ad hoc approach to the management of stakeholders to a balanced proactive engagement with stakeholders overnight. Organisations need to plan and implement the changes needed to transition to their desired level of capability and maturity in a structured way.

The Stakeholder Relationship Maturity Model (SRMM®) has been designed to facilitate this transition. The SRMM model is free to use and can be applied using any sophisticated approach to stakeholder engagement.

### **SRMM® Defined**

As with all ‘maturity models’, the level of ‘readiness’ or maturity described in SRMM® simply defines the starting point for planning the implementation of process improvements to enhance the effective management of ‘stakeholder engagement’ within and around projects (or the organisation). In developing this concept a number of levels of organisational ‘readiness’ have been described that link organisational willingness to engage proactively in developing and maintaining relationships with stakeholders, to techniques or processes that can assist in achieving those objectives.

Recognising which level of readiness an organisation is closest to defines the starting point for these process improvements. Applying SRMM® then enables the most effective and pragmatic implementation of various stakeholder management and engagement practices within an organisation. It achieves this outcome by offering a framework for progressively building capability, in alignment with organisational maturity, towards proactively managing stakeholder relationships.

The process model used in this paper is the *Stakeholder Circle*® methodology and supporting tools, simply because it has been the basis of the author’s research program, and data is readily available to support the on-going development of the SRMM® concept. However it is important to note that SRMM® is independent of any particular methodology, the only

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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.

requirement to use SRMM® effectively is to use a structured series of processes (repeatable and measurable) that can be built into ‘the methodology’ used by an organisation.

Figure 1 summarises the five levels of SRMM®. Each level is described in more detail in the next section and the description of each level will be further enhanced by a focus on six different attributes:

- Use of standardised processes;
- Centralised support;
- Organisation-wide implementation with SRM included in management KPIs;
- Application of SRM methodology and processes beyond projects, programs and portfolios;
- Development of typical view of a ‘normal stakeholder community’ for each project type or division;
- Proactive use of the ‘typical view’ of a stakeholder community (compared to a specific project) for risk assessment, ‘health reviews’, etc.

### The five Levels of SRMM®

<b>SRMM Stages</b>	<b>Standard processes</b>	<b>Central support</b>	<b>Org-wide use</b>	<b>Beyond projects</b>	<b>Typical ‘stakeholder communities’</b>	<b>Risk handling &amp; ‘health reviews’</b>
<b>1. Ad hoc:</b> some use of processes	<b>Some</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>2. Procedural:</b> focus on processes and tools	<b>Yes</b>	<b>Some</b>	<b>No</b>	<b>Some</b>	<b>No</b>	<b>No</b>
<b>3. Relational:</b> focus on the stakeholders and mutual benefits	<b>Yes</b>	<b>Yes</b>	<b>Some.</b>	<b>Some</b>	<b>Some</b>	<b>No</b>
<b>4. Integrated:</b> methodology repeatable, integrated	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Some</b>	<b>Some</b>	<b>Some</b>
<b>5. Predictive:</b> health checks and other predictive assessments	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

**Figure 1: Summary of SRMM® levels**

#### Level 1: Ad hoc

This level is characterised by isolated pockets of awareness of the need for stakeholder management and through the use of simple tools.

- **Standardised Processes: Some** - Isolated attempts to use various stakeholder management methodologies
- **Centralised Support: No** - Support where it exists is through personal networks
- **Organisation-wide implementation; SRM part of KPIs: No** - Some relationship management ‘heroes’; but the implementation is specific and disappears when the ‘hero’ moves to another role or leaves the organisation.
- **Application of beyond projects, programs and portfolios: No** - SRM usually only focussed on a few projects or specific problems
- **Development of a typical view of a ‘normal stakeholder community’: No** - Where used, stakeholder data and communication plans developed in isolation during the planning phase and rarely updated
- **Proactive use of the typical view of a ‘normal stakeholder community’ for risk assessment, ‘health reviews’, etc.: No.**

### **Level 2: Procedural**

This level is characterised by some individuals having knowledge of the importance of SRM, routine use of tools and processes, with an internal focus on measurement and the ‘Project benefits’ of these activities.

- **Standardised Processes: Yes** - But processes not widely accepted or used. Organisation focus is on ‘rolling out’ standard tools and processes.
- **Centralised Support: Some** - Support exists through manuals, supplier support mechanisms, or local ‘experts’
- **Organisation-wide implementation; SRM part of KPIs: No** - Process or tools may generate reports that can be included either whole or in summary for reporting where used
- **Application of beyond projects, programs and portfolios: Some** - Limited recognition of the need to focus on SRM beyond projects: for programs or organisation-specific needs such as pre-qualification of tender bids
- **Development of a typical view of a ‘normal stakeholder community’: No.** The value of tracking and updating information on each projects’ unique community is recognised but not integrated across the organisation
- **Proactive use of the typical view of a ‘normal stakeholder community’ for risk assessment, ‘health reviews’, etc.: No.**

### **Level 3: Relational**

This level is characterised by more generalised understanding of the importance of SRM, with an external focus on engaging stakeholders and use of tools and processes to achieve and measure this, along with a specific focus on ‘mutual benefits’.

- **Standardised Processes: Yes** - The use of a standard methodology is recognised and expected. Effective Stakeholder management is seen as important in the successful delivery of business initiatives and projects. Managers focus on mutuality and shared benefits.
- **Centralised Support: Yes** – a PMO (or similar) provides some formal support, mentoring and training

- **Organisation-wide implementation; SRM part of KPIs: Some** - The use of SRM starts to expand beyond projects and programs. Some aspect of SRM are included in some managers' KPIs. Information, data and graphical reporting formats showing changes/ improvements in stakeholder attitudes used to guide some decision making
- **Application of beyond projects, programs and portfolios: Some**. The recognition of the benefit of SRM for applications such as mergers and acquisitions, bid preparation analysis, competitor analysis and management spreads
- **Development of a typical view of a 'normal stakeholder community': Some** – There is a recognition of the need to maintain updated data on each stakeholder community; standardised process and tools support this and incorporate the means to illustrate the community in an organisation-specific manner. Spreadsheets or multi-dimension graphical representation becomes important
- **Proactive use of the typical view of a 'normal stakeholder community' for risk assessment, 'health reviews', etc: No**.

#### **Level 4: Integrated**

This level is characterised by commitment to continuous improvement and strong internal support within the organisation; a focus that recognises individual stakeholders may be involved in many projects / programs and transfer expectations / experience; Multi-faceted focus; Use of tools and processes to integrate information and gain 'insight'; recognition of overall benefit / win-win'

- **Standardised Processes: Yes** - The organisation's focus moves to measuring the practical benefits of effective stakeholder engagement and management.
- **Centralised Support: Yes** - Central Support Unit dedicated to SRM training, support and mentoring
- **Organisation-wide implementation; SRM part of KPIs: Yes**
- **Application of beyond projects, programs and portfolios: Some** - The development of specific applications to meet the organisation's unique needs may occur to facilitate the development of specific communication strategies and plans
- **Development of a typical view of a 'normal stakeholder community': Some** - Standardised data allows analysis of stakeholder issues, opportunities and threats on an ad hoc basis
- **Proactive use of the typical view of a 'normal stakeholder community' for risk assessment, 'health reviews', etc: Some** - The assessment of Stakeholders is a routine part of the organisation's assessment of risk, opportunities, etc.

#### **Level 5: Predictive**

This level is characterised by corporate management focus with collection of Lessons Learned (historical) data; and regular use of information for project 'health checks' (is the project 'normal') and predictive risk assessment. There is a genuine commitment to improved 'CSR' as an organisational principle.

- **Standardised Processes: Yes**
- **Centralised Support: Yes**
- **Organisation-wide implementation; SRM part of KPIs: Yes**

- **Application of beyond projects, programs and portfolios: Yes**
- **Development of a typical view of a ‘normal stakeholder community’: Yes**
- **Proactive use of the typical view of a ‘normal stakeholder community’ for risk assessment, ‘health reviews’, etc: Yes**

### **Using the SRMM® assessments**

As stated in the introduction, the purpose of an organisation understanding its current level of stakeholder relationship management maturity is purely for the purpose of defining a starting point for the implementation of appropriate stakeholder relationship management processes and practices.

A pragmatic implementation strategy that is not too ambitious and which builds on recognised aspects of stakeholder relationship management already achieved has a better chance of success<sup>2</sup>; Figure 2 suggests such a pragmatic implementation approach based on SRMM® assessments.<sup>3</sup>

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<sup>2</sup> My experience in implementing programs for stakeholder relationship management in organisations both government and private in Australia and Europe, led me to this conclusion. See the description of case studies for more information.

<sup>3</sup> I introduced the concept of SRMM at a SHM workshop in the UK for construction related project team members, academics and consultants. This group of 16 people reviewed the concept and the detail of the SRMM levels and some modifications were made as a result. However, the consensus of the participants was that this model would be useful in their organisations for supporting pragmatic implementations of stakeholder engagement practices.

SRMM Stage	Features	Methodology Steps	Reporting / Tools	Comments
<b>1. Ad hoc:</b> 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 - Word templates - Spreadsheet lists	Requires continuous and significant management 'push' to maintain impetus
<b>2. Procedural:</b> 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 - Word templates - Spreadsheets with macros - Simple database	Require continuous and significant management 'push' to maintain impetus
<b>3. Relational:</b> 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 - Spreadsheets with macros - Sophisticated databases	Useful for specific applications or events; rarely with an intention of continuous application
<b>4. Integrated:</b> 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
<b>5. Predictive:</b> 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

**Figure 2: Suggested connection between levels of 'readiness' and SRM implementation**

## Conclusion

This article explores the concept of Stakeholder Relationship Management Maturity (SRMM®) as a measure of the 'readiness' of an organisation to introduce stakeholder management process and practices.

It is primarily a tool for organisations. While SRMM® can be of significant benefit when used to support the development of stakeholder management within 'a project', it will be of greater benefit when applied to all organisational activities (project and operational) in a staged approach, supported by a well-constructed methodology and tools set such as the *Stakeholder Circle*®.

Implementing a stakeholder engagement practice is a major organisational change and needs sustained management support; recognition of its long-term nature, and consistent and frequent targeted communication about the SRMM® 'improvement project'. Developing a full SRMM® capability is a costly exercise for an organisation; using a staged approach such as the one described in the SRMM® approach will increase the chance of success and assist the organisation in realising the objectives of its investment in its people and its processes.

## About the Author



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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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