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?**
Effective stakeholder engagement for project success

1.3 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**

1.4 Who are your stakeholders?

- **Upwards**
  - Managing sponsors and maintaining organisational commitment

- **Outwards**
  - Customers, JV partner(s), unions, suppliers, ‘the public’, shareholders, government

- **Sideways**
  - Competition and relationship with peers and communities of practice

- **Downwards**
  - Managing the team
Effective stakeholder engagement for project success

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?

Mapping Stakeholders

The ‘grid’ representation used in the PMBOK® Guide
Effective stakeholder engagement for project success

Mapping Stakeholders

• The Stakeholder ‘Cube’

• The ‘Salience model’

1. Dormant
2. Discretionary
3. Demanding
4. Dominant
5. Dangerous
6. Dependent
7. Definitive
8. Non stakeholder
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

The rules of engagement

Your stakeholders:
• Why you have chosen them
• Their expectations
• Their attitude (+ or -)
• Communication strategies
• Measuring effectiveness
Effective stakeholder engagement for project success

Neuroscience view

- Status
- Certainty
- Autonomy
- Relationships
- Fairness

Managing upwards
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

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!!
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

Managing downwards (the team)
Effective stakeholder engagement for project success

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*

Team Building (Tuckman)

- Forming
- Storming
- Norming
- Performing
- Adjourning
Effective stakeholder engagement for project success

‘Punctuated Equilibrium’

Source: Gersick, 1988

Rattlesnake: political; protectors of territory; eternal bluffers

Triceratops: satisfaction from seeing change fail (‘the only sane ones’)

Piranha: aggressive and dangerous (‘the feeding frenzy’)

Ants: getting on with it

Lion: in charge; and feared; defeating a challenger

Hyena: scheming; success through ambush

Jackal: territorial; controlling

Feline: showing off highly tuned skills; being liked
Managing external stakeholders

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
Managing relationships with your peers

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
How ready are you?

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

Implementing improved stakeholder engagement?

- Federal government, Australia
- Maersk Shipping, Denmark
- Transet, South Africa
- Various mining companies in Chile and Brasil
Questions Please

Lynda Bourne
Stakeholder Management Pty Ltd
Email: lyndab@stakeholder-management.com
www.stakeholder-management.com