

Stakeholder C.P.R. – Crisis Project Rescue¹

Management of stakeholder issues in troubled projects

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Stakeholder related issues can easily throw a project into crisis. If not resolved, they can even 'kill' the project. Proper resolution of these issues can resuscitate the project and bring it back to life.

This paper will examine a series of case studies derived from interviews and input from various project managers with over 150 years of total project experience, to derive a set of "key tenants", or takeaways, for stakeholder management. The case studies are grouped into two categories. The first category looks at troubled projects with serious stakeholder issues and how they were resolved. The second category examines cases where stakeholders were used to rescue a troubled project.

Category I - Stakeholder Issues Case Studies

Study #1:

Situation: Low level of stakeholder involvement across the project.

The project was a priority for the organization, but not a priority for any single department which resulted in actions not getting done between meetings, and having to be rescheduled.

Action(s):

The visibility of the project to management had to be raised. The project manager let the team know their individual managers would be copied on status and other communications as needed, not just the project sponsor. The people with action items were asked to report out to the team prior to the publication of project communication / status.

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Result:

There was significant improvement in the completion of assignments on schedule.

Key Tenant(s):

- Raise / broaden the visibility of the project as necessary to get focus.

Study #2:

Situation: Vice President set an unrealistic timetable for implementation of purchased software.

Vendor also supported rapid deployment.

Action(s):

The project manager initially built a project plan based on the VP's timing request, knowing that the schedule would very likely have to change. There was not enough information at project startup to be able to prove the schedule was unreasonable.

However, not far into the project, it became apparent that the business resources were not available to support the level of effort required to meet the set schedule. Also, additional detail was understood on reporting and interface requirements. This information was used to determine a more realistic schedule.

Result:

The Vice President approved the change request on the more realistic schedule when presented with enough detail to understand the reason for the change.

Key Tenant(s):

- Be careful of vendor influence.
- There is no substitute for understanding the complexity of effort, or for putting together a realistic plan. (Even if it is done after the preliminary plan).
- Educating management on what has to be understood to properly plan a project will pay off, and likely reduce the 'preset' schedule syndrome.

Study #3:

Situation: Director/Executive Sponsor mandating use of strategic software which caused delays.

Internal software project required use of purchased software deemed strategic for the company to perform data cleansing and matching functions. Use of the strategic software was a director level mandate, however the software was not working after significant over-spend. The project was put on hold.

Action(s):

Project Manager was responsible for delivering a working project, and was forced to address the issue with the director. However, before addressing with the director, the project manager put together the following information:

- An alternative approach to develop the functionality in house. This approach having already been validated with the development team.
- Cost estimate for the alternative approach.
- Determined the cost to continue with the strategic vendor was going to be more than the alternative approach. In fact, determined it was doubtful the project could be completed with the strategic software and the reasons why.

Result:

Sponsor gave permission and additional funds to complete the project without trying to prove the strategic software with this project.

Key Tenant(s):

- Face the facts and redirect the project as necessary.
- New approach / options planned out before meeting with stakeholder.

Study #4:

Situation: Sponsor dissatisfied with the project in general. The sponsor had unspoken expectations.

Company A is hired by company B to execute a software project. Executive sponsor became generally dissatisfied with the project during execution. Cause(s) uncertain.

Action(s):

Company A had to determine what the “real” cause of the dissatisfaction was. The project manager developed some questions to ask the sponsor and other stakeholders which were designed to elicit the cause of the dissatisfaction. For example:

- What is going well / what is not going well?
- What do you see that you don't like?
- What did you think you were getting that you are not getting?

Result:

It was determined that the Sales team had implied benefit(s) to metrics that were not in the SOW. Once the real problem was identified, remediation was developed to address and to reset the expectations / update the SOW.

Key Tenant(s):

- Determine the ‘real’ problem.
- Remember there are often unspoken expectations to manage.

Study #5:

Situation: Vendor misunderstood scope of work required to meet stakeholder expectations; sponsor was not educated on technical needs, so these went unspecified in the contract.

Company A is hired by company B to find and fix Y2K issues. An unwritten assumption of Company A going into the engagement was that code was primarily legacy systems / COBOL code, on IBM platform.

Upon startup, Company A realized code was not written in COBOL, and not on an IBM platform. There were multiple platforms and multiple developmental software languages involved. There was also little documentation. Company A had software to scan COBOL code to detect Y2K issues, but did not have software to scan code written in other languages. There was little existing documentation of Company B systems.

The Executive Sponsor had a key requirement that the Y2K project not impact his development staff, so there was to be very minimal interaction with that staff. The Sponsor was also expecting signoff from Company A, that he could present to governmental bodies, that his software was Y2K compliant at the end of the project.

Action(s):

Company A realized they had to hire a lot of different staff with the right expertise in each language. They also had to have independent testing platforms which had not been in the original plan in order to be able to test independently. Physical space to house staff and platforms was also a necessity.

They quickly put together a 60 day plan to use vacant office space leased by their company to bring in new hardware and expert staff. They also had in their plan to develop new scanning software

There was a meeting with the sponsor to educate him on the situation and the need for the new approach. Company A presented a comprehensive plan that not only addressed their technical need, but their sponsor's requirement for minimal impact on his development staff. The sponsor agreed to the new approach.

Result:

Company A delivered on the plan and was able to give Company 'B' the documentation required to support their position to the government agencies.

Key Tenant(s):

- Stakeholder education.
- New approach / options planned out before meeting with stakeholder.

Study # 6:

Situation: Non Involvement of a key stakeholder.

Project team had difficulty getting the stakeholder to provide the content needed for web pages. During meetings, the stakeholder would not be prepared to discuss the content.

Action(s):

Follow up meetings were scheduled where the project team provided exact screen shots for discussion. The developer walked the stakeholder through the online location where her content was to be inserted. The issue was escalated to the stakeholders' manager, and the person's priorities were assessed.

Result:

The stakeholder's manager freed some time for her to work the content the project needed. The stakeholder was able to spend time with the team to understand and provide what was needed.

Key Tenant(s):

- Work priorities with management.
- Educate Stakeholder.

Study # 7:

Situation: Cultural differences, global virtual team and a drive for standardization across international departments led to separation and isolation of key stakeholder and team members.

Company has offices located across the globe. A program was launched to standardize global processes across the international offices. Group A, located in the United States, believed the right solution had to be a single standard based on the lowest common denominator between the groups. Group B, located in the United Kingdom, did want their advanced processes simplified and this caused the key stakeholder to disengage and slow the global project down. All meetings were held virtually and relationships were not established. The project lost traction because people could not agree on direction, action, and objectives. Team members would not support the project with time or effort, while others became argumentative and forced their position.

Action(s):

The team participated face-to-face in a team building environment for several days. Team building exercises involved physical activities, such as high ropes and climbing the pole were used to build trust among individuals. Professional facilitators led the team through face-to-face dialogue scenarios.

Result:

Group A and Group B established a respectful team relationship. Team members valued opinions and established a "code of conduct" agreed to by the team. Members were willing to work with one another, listen and engage each other. The stakeholder groups re-engaged and allowed the group to creatively design a global standard processes that was more adaptive and encompassing. The solution delivered more than the program was originally planned to deliver, however, not all elements were incorporated. Group A and Group B learned to compromise and create a standard that was not elementary, but acceptable and achieved the goals of the program.

Key Tenant(s):

- Team building is essential - take the time to build rapport among team members.
- There isn't always a "one size fits all" solution. Welcome creativity and new ideas.
- Watch for warning signs of an impending crisis. Regularly monitor the temperature of stakeholders and team members.

Category II - Stakeholder Rescue Studies

Study #1:

Situation: Sponsor slowed down the project because his level of trust was low.

Action(s):

Instead of the Project manager pushing on the sponsor, he used a couple of the SME's to explain the direction in business terms during project meetings. The SME's were also used to help answer the sponsor's specific concerns and questions offline.

Result:

The sponsor grew confidence in the project team and let the project proceed to successful completion.

Key Tenant(s):

- Use SME's (which are also stakeholders) to become change agents for the project.

Study #2:

Situation: Agile project has run short of money before completion of all sprints and deliverables.

A software development project, being executed in an Agile methodology, was hit with unexpected vendor charges after 4 sprints had been delivered and released to production. The impact on the project budget means there is not enough money to complete the effort. The current budget was being funded by multiple business groups and the sprints had been organized into logical groupings of functionality relative to what pieces of code were impacted.

Action(s):

The project manager took the issue to the sponsors. They reviewed the functionality already delivered and the remaining functionality requirements to be delivered.

Result:

All business groups were pleased with the functionality previously delivered. One of the business groups agreed to finish funding the project, but the remaining requirements were re-prioritized to put the funding business units' needs first. Other business units agreed, and the project proceeded.

Key Tenant(s):

- Ability to show progress and confidence in the project team can make Stakeholders more willing to provide additional funding when necessary to complete the project.
- Remember when working across multiple business units, one or two business units may have a stronger or more urgent need and thus be willing to be more involved and possibly provide more funding than other business units.

Study #3:

Situation: Purchased software did not meet requirements without customization.

Software was purchased based on vendor demonstrations without going through detail requirements in the vendor selection process. During implementation it was determined the software could not be used without massive customization.

Action(s):

The project manager educated the Sponsor on the issues surrounding customizations and the level of customizations required to make the software meet the requirements.

Initial decision was to try to work with the vendor of the purchased solution, but the project sponsor planned an exit strategy to disengage if the product was not acceptable within a specified timeframe. He also planned how to build an internal replacement if it became necessary to disengage with the vendor.

Result:

It became necessary to disengage with the vendor; however the internal project was ready to kick off by the time of the disengagement.

Key Tenant(s):

- Educate Stakeholder.
- Plan exit strategy.

Study #4:

Situation: Scope expanded to include an additional “simple” request that had business impact that the team did not anticipate and the business was not ready to handle.

The system was a financial system and the added requirement was to change the way receipts for expenses were to be submitted. Instead of receipts being submitted in envelopes, they were to be scanned and submitted electronically. There was a perception by staff that it was more work for them and there was a reluctance to change.

Action(s):

Top down communication on the money it would save the organization, particularly in storage costs. Build FAQs to answer negative communication in a positive way.

Result:

The timeline was extended, but the change was accepted more readily when staff understood the tremendous savings to the organization.

Key Tenant(s):

- Strong top down communication from management as well as communicating the business value can help with acceptance and transition.

Study #5:

Situation: Difficulty getting involvement / commitment from customer service team located in the Far East.

The project team was having virtual meetings with the customer service team located in the Far East to get input and obtain buy in and commitment to roll out plans. This included the customer service team communications to end customers.

Action(s):

The project manager changed approach in meetings to ask for feedback from the customer service leader first, before asking for staff input. The PM always sent information ahead of time that would be reviewed virtually. The customer service leader and the PM started having regular discussions separate to the whole customer service team. The Customer service leader then obtained the buy in and input from the team on the project plans.

Result:

Once the leader's position was clearly respected and her views known, other staff members provided their input and commitment.

Key Tenant(s):

- Always be cognizant of cultural differences, particularly around authority structure. In some cultures, staff always has to give deference to their authority figure and expect you to do the same. It is a good practice as a project manager to always acknowledge and work through the authority structure even if you have all levels of staff in the same meeting.

Study #6:

Situation: Out of the box system did not have a self- service function for the password reset; the business was not concerned about this.

Action(s):

An IT Executive Vice President went before the steering committee and presented the business value of adding customization for password resets.

Result:

The business accepted the re-direction from the IT stakeholder, as it had minimal user impact and high business value.

Key Tenant(s):

- IT is also a stakeholder and can re-direct positively when the need is recognized.

Study #7:

Situation: Two C-level executives with opposing communication styles were engaged at different levels of the project and they both thought they were the key stakeholder.

Executive A was the key stakeholder of the project according to the project charter, but Executive B felt they had authority to drive the project. Executive B was overactive in the sense that he was beyond the authority given in the project charter, but not for his position. Due to the scope, the failure of the project could have resulted in legal action against him so he had a higher investment level than Executive A. This resulted in conflict, confusion and delay. Executive A had a communication style that demanded face-to-face interaction, high-level communication and did not appreciate email communication. Executive B was the opposite and preferred the details via email or presentation as a chart/ graph. Program team attempted to resolve the conflict by asking them how to approach issue resolution when they could not agree but was told the Project Manager needed to determine how to work past that obstacle.

Action(s):

Divided and conquered—assigned stakeholder management of Executive A to one of the Project Managers on the program and Executive B to another Project Manager who had an established relationship. Project communication and issue resolution had to be manually adjusted to meet the different communication styles and the Project Managers worked together to find comparable solutions to issues.

Result:

Both executives engaged appropriately and the project had a successful outcome. Issues were resolved and deliverables met.

Key Tenant(s):

- Don't underestimate the power of communication styles. Ensure messages are clear, concise and at the appropriate level for the audience. This may require a communication plan with multiple communication layers for an audience.
- Become a student of the executive sponsor to understand how they interpret messages and process through issues.
- Two executive stakeholders are too many. When possible, clearly identify the lead stakeholder.

- Stakeholders are not typically overactive on a project unless they have a vested interest. Find out what it is and manage the stakeholder with that interest as a priority. Sometimes, this will allow the stakeholder to step back because they know their interests are a priority for the project team.

Summary of Key Tenant Findings for Stakeholder Management

Key Tenants to resolve Stakeholder Issues in Troubled Projects:

- Educate Stakeholders.
- Plan out new approaches/options before meeting with key stakeholder.
- Determine the 'real' problem.
- Remember there are often unspoken expectations to discover and manage.
- Face the Facts and redirect the project as necessary.
- Be careful of vendor influence.
- There is no substitute for understanding the complexity of effort, or for putting together a realistic plan. (Even if the project has to be "re-planned" after start-up.)
- Educating management on what has to be understood to properly plan a project will pay off, and likely reduce the 'preset' schedule syndrome.
- Work priorities with management.
- Raise / broaden the visibility of the project as necessary.
- Team building is essential - take the time to build rapport among team members.
- There isn't always a "one size fits all" solution. Welcome creativity and new ideas.
- Watch for warning signs of an impending crisis. Regularly monitor the temperature of stakeholders and team members.

Key Tenants to using Stakeholders to resolve issues in Troubled Projects

- Ability to show progress and confidence in the project team, can make Stakeholders more willing to provide additional funding when necessary to complete the project.
- Educate Stakeholders.
- Plan exit strategy.
- Raise / broadened the visibility of the project.
- Use SME's to become change agents for the project.
- Strong top down communication from management as well as communicating the business value can help with acceptance and transition.
- IT is also a stakeholder, and can re-direct positively when the need is recognized.
- Always acknowledge the authority structure even if you have to have all levels in the same meeting.

- Remember when working across multiple business units, one or two business units may have a stronger need and therefore may be willing to be more involved and possibly provide more funding than other business units.
- Don't underestimate the power of communication styles. Ensure messages are clear, concise and at the appropriate level for the audience. This may require a communication plan with multiple communication layers for an audience.
- Become a student of the executive sponsor to understand how they interpret messages and process through issues.
- Two executive stakeholders are too many. When possible, clearly identify the lead stakeholder.
- Stakeholders are not typically overactive on a project unless they have a vested interest. Find out what it is and manage the stakeholder with that interest as a priority. Sometimes, this will allow the stakeholder to step back because they know their interests are a priority for the project team.

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A strong focus on business process with stakeholders has been predominant in Frances' career. She has managed projects involving Finance, Engineering, Manufacturing, and Logistics. Vendor evaluation experience has provided her additional perspectives with stakeholder management. Obtaining consensus on project scope from multiple business units / functional areas, and managing expectations of multiple levels of stakeholders has allowed Frances to consistently deliver successful, quality projects throughout her career. Frances was recognized by Texas Instruments for technical contributions by election to TI's technical ladder. Frances can be contacted at frances.crossno@heart.org.



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Carrie Weeks is a PMP certified project manager with over fifteen years' experience in various industries. Her career has progressed up the Project Management ladder, starting as a Project Management Administrator for Nortel Networks on the Motorola global account. While working for Rocky Brands, a footwear and apparel company, she facilitated large-scale projects including the upgrade of warehouse systems and implementation of B2B application. In addition to Project Management, she spent four years as a Contract Manager and Program Manager for Luminator Mark IV Industries, an aircraft and mass transit lightening

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Carrie was recently awarded the highest honor at the American Heart Association after successfully implementing an organizational-wide system. In addition to her work for the American Heart Association, she volunteers her skills for various faith-based non-profit organizations, assisting them in reaching their goals and impacting lives. She can be contacted at carrie.weeks@heart.org.