Getting to Stakeholder Agreement[1]

Andrea Caccamese, PMP®, Prince2® Practitioner, ITIL® V3 Foundation
Damiano Bragantini, PMP®, Agsm Distribuzione

Abstract

Literature review demonstrates that stakeholders can be classified and mapped based upon various attributes. Relationship, Agreement, and Risk Leverage were proposed in 2012 (Bragantini, 2012), as attributes of a model to map stakeholders. "Agreement" is an instrumental component of the model and it represents the degree at which the stakeholder concurs with, or accepts, the project. The aim of this paper is to make a step forward in an effort to find a suitable metrics for the level of "agreement". The execution of a project represents a context in which two parties meet to exchange mutual benefits; any stakeholder might wish to "buy" something from the project (personal benefits, user benefits, financial benefits) and in turn the project might wish to get something from the stakeholder (support, good press, resources), so the concept of managing stakeholders as clients, which is gaining consensus (Trentim, 2013), represents the context in which a proposal to measure the level of "agreement" is developed. In this context, the popular "Solution Selling" approach, developed for "eagle sellers" in difficult markets, is revisited in the perspective of Project Management, to provide a path by which the project manager may measure the level of stakeholder agreement to the project.

Stakeholders Classification and StakeholderShape

Stakeholders classification is a very complex topic and it is fundamental that the project manager (and program, portfolio manager) could classify them in order first of all to be effective in communicating with each stakeholder. Communication is not only a personal competence or skill, but also and overall, should be recognized that communication is a prime mover in the execution of a project (or program or portfolio): "Without communication there is no efficient management, or even life. Human is a social creature, so he/she lives in a group, which demands continuous exchange of information" (Bieniok, 2005, cited in Wziątek-Staśko, 2011).

Therefore it is evident that the project manager must perfectly know, as first thing, with whom communicate. With this in mind the project manager needs to correctly register all the stakeholders and search for an accurate classification especially with regards to communication aspects. There are many definitions of what is a stakeholder, indeed the debate is very open, sometime confuse and contested (Miles, 2012).

One of the most accepted definition is by Freeman (1984) "any group or individual who can affect or is affected by the achievement of the organization's objectives" that is quite similar to the one we find in PMBOK "An individual, group or organization who may affect, be affected by, or perceive itself to be affected by a decision, activity or outcome of the project" (PMI, 2012).

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These definitions, indeed, vary widely and without any doubt, to stay alive, the project manager needs to assign attributes to each stakeholder to manage him/her/them in the best way.

In literature the most used attributes to analyse and prioritize the stakeholders are:

- power,
- legitimacy
- urgency
- proximity

where (cited by Adriaan Snauwaert, 2012):

- "Power is the ability of those who possess power to bring about the outcomes they desire (Salancik & Pfeffer, 1977)
- Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995, p. 574)
- Urgency is the degree to which stakeholder claims call for immediate attention (Mitchel et al., 1997)
- Proximity is the degree to which stakeholders are closely associated or relatively remote to the organization/ project (Bourne & Walker, 2006)"

Also there are different models for classification such as "regulator, controller, partner, passive, dependent and non-stakeholder" (Mainardes et al., 2012).

In the vision of Mitchell et al. (1997) the classification options are: dormant stakeholder, discretionary stakeholder, demanding stakeholder, dominant stakeholder, dangerous stakeholder, dependent stakeholder.

Surprisingly stakeholders classification is not confined only to human beings. Maheshwari and Pillai (2004) suggest also a "non-social" classification in which they consider also fauna and flora.

As we can see, still, there are many ways in literature to identify and classify stakeholders but always with the aim to define "which of them, and to what extent, should be included in its strategic issues, as all sides will not always have equal interest in certain topics or problems." (Krstić, 2014). Nevertheless "A two-way communication and cooperation with stakeholders represents the business model of the future" (Krstić, 2014).

With the aim of a better focus on stakeholders' communication, in 2012 and 2014, a tool was presented called The StakeholderShape (StSh) (Bragantini, 2012, Bragantini and Ferrante, 2014).

Basically the idea is that when dealing with communication aspects, attributes like power, legitimacy, proximity, urgency should not be so prominent. Nor the impact, defined as "the ability to successfully influence perceptions during a crisis" (Adriaan Snauwaert, 2012), is a priority when we are dealing with communication aspects. In the StakeholderShape methodology it is suggested that the project manager must concentrate his/her efforts trying to answer a simple question: how can I "engage" and "manage" correctly the stakeholders? To answer this question the stakeholder shape tool proposes to investigate only three attributes that are:

- agreement: by what means stakeholder agree with the project and project objectives
- relationship: what stakeholder thinks of the project manager
- risk leverage: through the risks/stakeholders matrix we evaluate a stakeholder impact

In Exhibit 1 the new activities are shown that the project manager must implement to adopt a StakeholderShape methodology.

PROCESS	TO DO	NEW ACTIVITIES
Initiating	Identify Stakeholders	Collect also **agreement** and **relationship** values (absolute values from 0 to 100)
Planning	Identify Risks	While compiling risks register also introduce for each stakeholder the influence for that risk comes true (percentage)

Exhibit 1 – application of the StakeholderShape methodology

Through these three attributes the project manager should be able to set up an adequate stakeholder communication plan. The classification and mapping of the stakeholders is, in this paradigm, functional to the building of the communication plan.

The project/program can be compared to a living organism, subject to internal and external changes and therefore the methods presented are considered a dynamic function of just changing: "stakeholder impact is dynamic and changes over time" (Olander, 2007). The StSh will therefore not be static, but will be changing with the progress of the project and, for sure, the methodology is iterative (Exhibit 2).

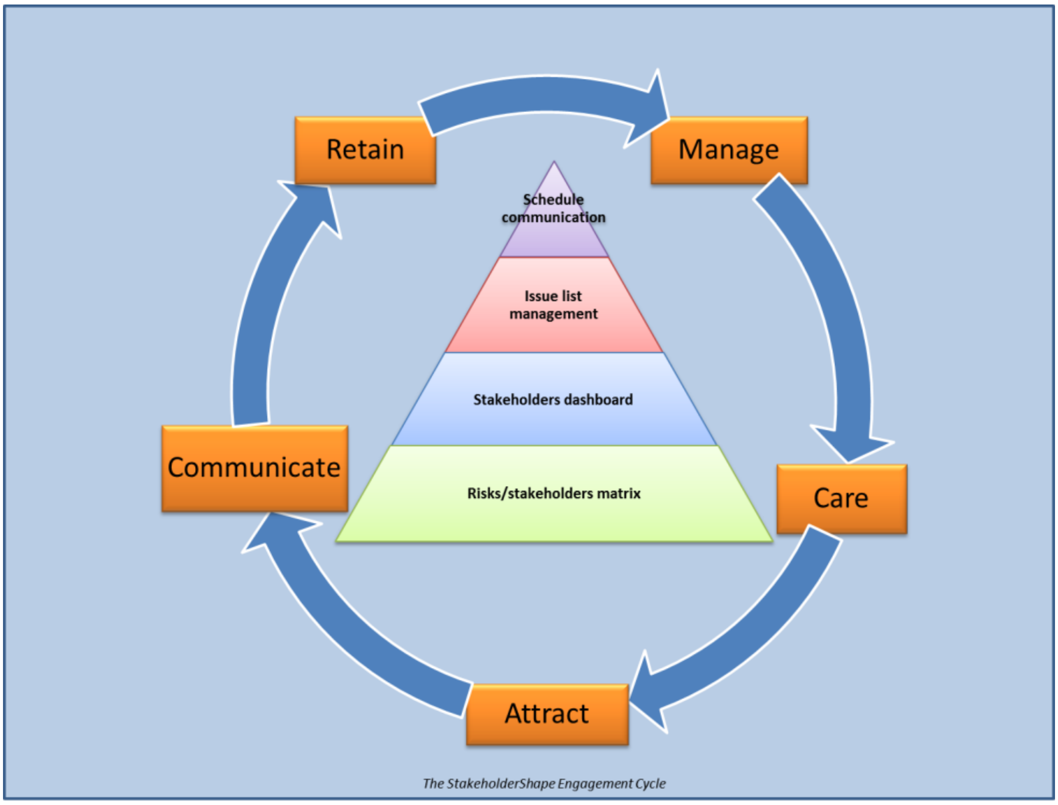

Exhibit 2 – StakeholderShape iterative process

Stakeholders as Customers

In his book Trentim (Trentim, 2013) introduces the concept that stakeholders in a project should be considered as customers. In this context, as a matter of fact, the project manager wants to "sell" to stakeholders the product of the project, or the transitory state generated from the project, or the transformations the project will generate, to get something in exchange, which could be support, good press, various resources kind. There is also an evident similarity between an enterprise that tries to sell complex products and a project (uncertain context, mistrust, high level of innovation, things never seen before). In this view, there is a good level of affinity between a sales person engaged in selling complex products in complex markets, and a project manager engaged in managing a project in a turbulent, uncertain and all-varying context.

Since 1995 (Bosworth, 1995) a lot of attention has been given about how to provide sales persons with selling approaches fitting the peculiarities of selling complex products in difficult markets. In his "Solution Selling" approach, Bosworth recommends to use "situational fluency", to avoid jumping immediately to product features, to support the customer in developing a vision biased with the characteristics of the seller's product. "People buy from people", "A Solution is equivalent to the buyer's vision", "Diagnose before you prescribe", "Power buys from power", "Don't close before it's closeable", "Don't make your customers feeling being sold" are some of the key messages. In synthesis, Bosworth defines a maturity model for a Customer involved in the buying process represented in Exhibit 3:

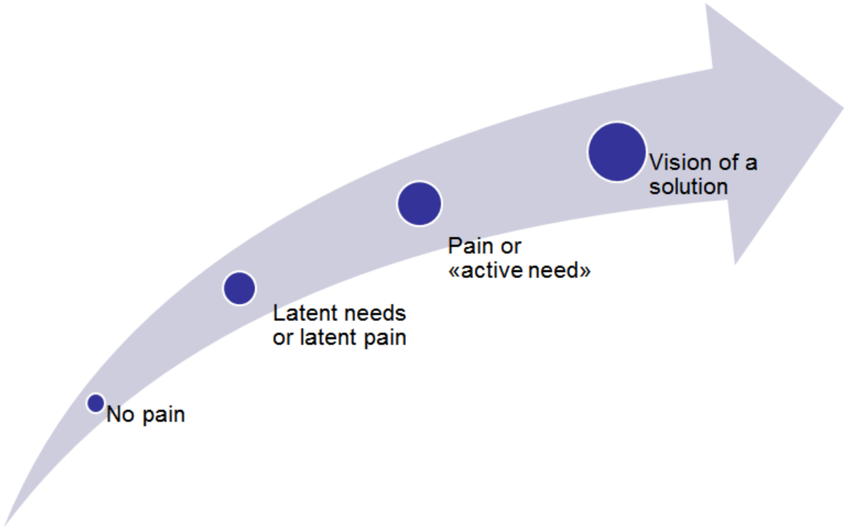

Exhibit 3- Four levels of maturity in the buying cycle (adapted from Bosworth)

Where Bosworth uses the words "seller" and "buyers" we can use the words "project manager" and "stakeholders":

- *No pain*: the stakeholder is not interested, there is no pain, or the pain does not create an expectation from the project. Our model does not deal with these stakeholders;
- *Latent needs or latent pain*: the project manager sees a need in the stakeholders for his/her product or service (that is for the project). Latent pain can be of two types: one where the stakeholders are "ignorant" (they don't know the project or project benefits), the other where the stakeholders has rationalized that there are no solutions to the needs;
- *Pain or "active need"*: the stakeholder recognizes a need and is actively involved in finding a solution;
- *Vision of a solution*: the stakeholder has a vision of a solution and the project manager must be very carefully and go through the whole process that led to the stakeholder vision, to reach a shared vision.

The aim is to interact with the stakeholder to push the latent needs into evident needs and then to a common vision. As stated by Trentim (2013) "Project management's goal is to involve and engage stakeholders in value creation", that is a common vision. Of course, and could not be otherwise, the topic of communication comes back predominantly. Only through good communication, the project manager will be able to interact sufficiently, drawing not only the contextual information but also the lessons learned regarding types of similar products and services in relation to the stakeholders identified.

To go further into these steps Bosworth (1995) suggests the useful and powerful tool of the 9-Block Vision processing model that can facilitate the transition from active need to vision of a solution (Exhibit 4).

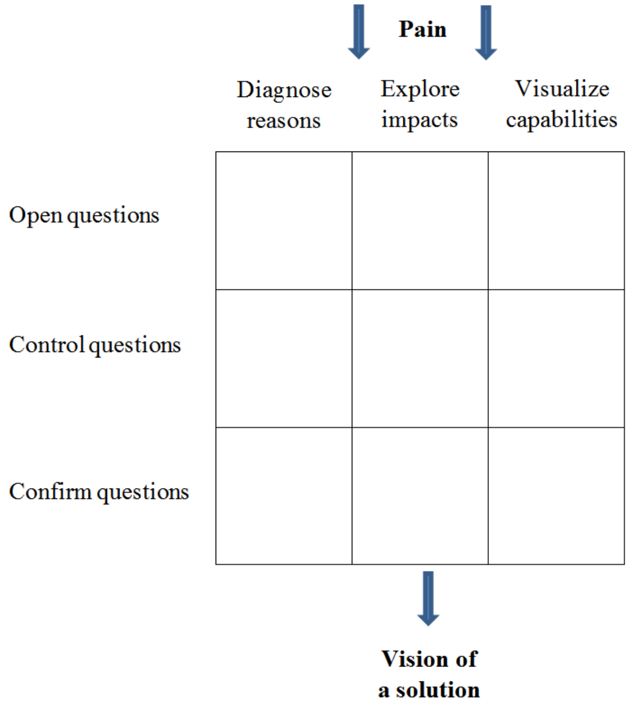

Exhibit 4- The 9 boxes (adapted from Bosworth)

Using "Solution Selling", the Customer is progressively driven by the Seller in the transition from the level of active need to the level of visioning a solution, by which "Sales Presentation", "Demos", "Roadshows" are replaced by "conversations" in which the Seller diagnoses, explores impacts and visualize capabilities using a 9-block vision processing model-block that includes open questions, control questions and confirmation questions. In this transition, the Customer will develop a vision that "should include *who* will be taking in *what* action, *when* in time" (Bosworth, 1995) and through *which* activity or function (Exhibit 5).

1 Who	2 What
3 When	4 Which

Exhibit 5- Steps to develop the vision

Measuring Stakeholder Agreement

The concepts synthetized above can be adapted to the context of stakeholder management in a project context, in particular in the effort to measure the level of "agreement" in StakeholderShape approach. The similarities between the context of a project and the context of a sale in "difficult selling markets" are many. The project wants to get from a stakeholder something exactly like a sale effort wants to get from a Customer her/his money, in exchange for a product, or, better, a "vision of a solution". The Project Manager is equivalent to an "eagle seller" engaged in exploring a difficult market, including diffident or reluctant or even unaware Customers, who might benefit at some extent from the project. Customers are similar to Stakeholders who might be at different stages of "agreement" with the project, ranging from plain unawareness to total involvement and sponsorship. Solution Selling approach is similar to the approach that a Project Manager should be involved when trying to identify neutral or positive stakeholders, raising their awareness, establishing the ground for setting up and implementing strategies for their effective engagement in the project (PMBOK, 2012).

Hence, the proposal is to apply the principles of Solution Selling in interacting with Stakeholders to measure their level of agreement, or drive its progress, in a model made of five levels:

- *No agreement*: the stakeholder is not interested, no pain, or has pain, but this does not create an expectation for him from the project. These stakeholders are not in the domain of the model;
- *Unaware agreement(step one)*: there is a need, in the eyes of the Project Manager and not in the brain of the stakeholder, for the project, its product, its results and following transformations.
- *Aware agreement (step two)*: the stakeholder recognizes a need and is actively involved in finding a solution;
- *Visioned agreement*: the stakeholder develops a vision of a solution, driven by the project manager. This level of agreement can be decomposed into three sublevels:
  - *Weak Visioned Agreement (step three)*: the stakeholder shares with the Project Manager her/his pain, and allows the Project Manager to enter in an emotional alignment state. Equivalent to the diagnose column of 9-boxes Solution Selling approach, it is a state where we truly "understand" the pain of the stakeholder;
  - *Medium Visioned Agreement (step four)*: the stakeholder understands and shares with the Project Manager the impacts of the pain, if it is not addressed. Impacts might be personal, organizational, functional and should be qualified by numbers stating for example a desired state versus a current state. Equivalent to the "explore" column of Solution Selling approach, it is a status in which the stakeholders provides us with visibility of organizational impact, widens the range of pain to other organizational stakeholders, and provides us with metrics/KPI to define the project status and where we should be;
  - *Strong Visioned Agreement (step five)*: the stakeholder sees himself/herself in action to solve his/her pain using the capabilities offered by the project. Equivalent to the "visualize" column of Solution Selling approach, it returns a status in which the stakeholder has developed a vision of a solution to her/his pain that includes the product design or the execution context of the project and finally the state of transformation that will be generated by the activation of the project.

The progress through the aforementioned levels could be sustained adapting the principles of Solution Selling, as follows:

- from *No agreement* to *Unaware agreement* : this is the process to discover a latent need in the stakeholder. In this case it seems useful to put at work the Sponsor for latent pains that have been "rationalized" (i.e., *I tried but there is nothing to do, I remove the problem*): this is the case of stakeholders with business or corporate experiences that are probably more familiar for a Sponsor rather than for the project manager, who has in general a narrower view of the enterprise or of the business. For "ignored" pains (those for which there is absolutely no awareness) it seems useful to put at work the project manager because he knows better than the sponsor the project, the project's product and so on;

- from *Unaware Agreement* to *Aware Agreement*: for this step Solution Selling recommends the usage of appropriate Reference Stories. Applying this principle to the realm of Project management it seems obvious to refer to the lessons learned and the database of knowledge of past projects, perhaps with the involvement of the project management office (PMO), if any, either as a prime actor or as a supplier for this knowledge.

- from *Aware Agreement* to *Visioned Agreement*: for this step Solution Selling recommends the usage of the 9-box approach. Applying this principle to the domain of Project management it seems obvious to adopt a slightly simplified approach in which the Project Manager should go through some sort of serious Business Analysis with the Stakeholder, both for the discovering and clarification of the as-is status, and for the definition of the future state (the vision). A continuous reference to the "who, when, what, which" (Boswoth, 1995) model is recommended in this step. It is evident that for an effective management of this step the project Manager should be equipped with strong Business Analysis skills and that he/she should be supported, when needed and applicable, by appropriate SMEs. When going through this step, the Project Manager might stop at any intermediate state in the 9-box model, so intermediate states might be identified and assigned associated values.

In summary, then, the agreement has a life cycle that develops through 5 growing states through which you pass thanks to the work of several and cooperating people (Exhibit 6).

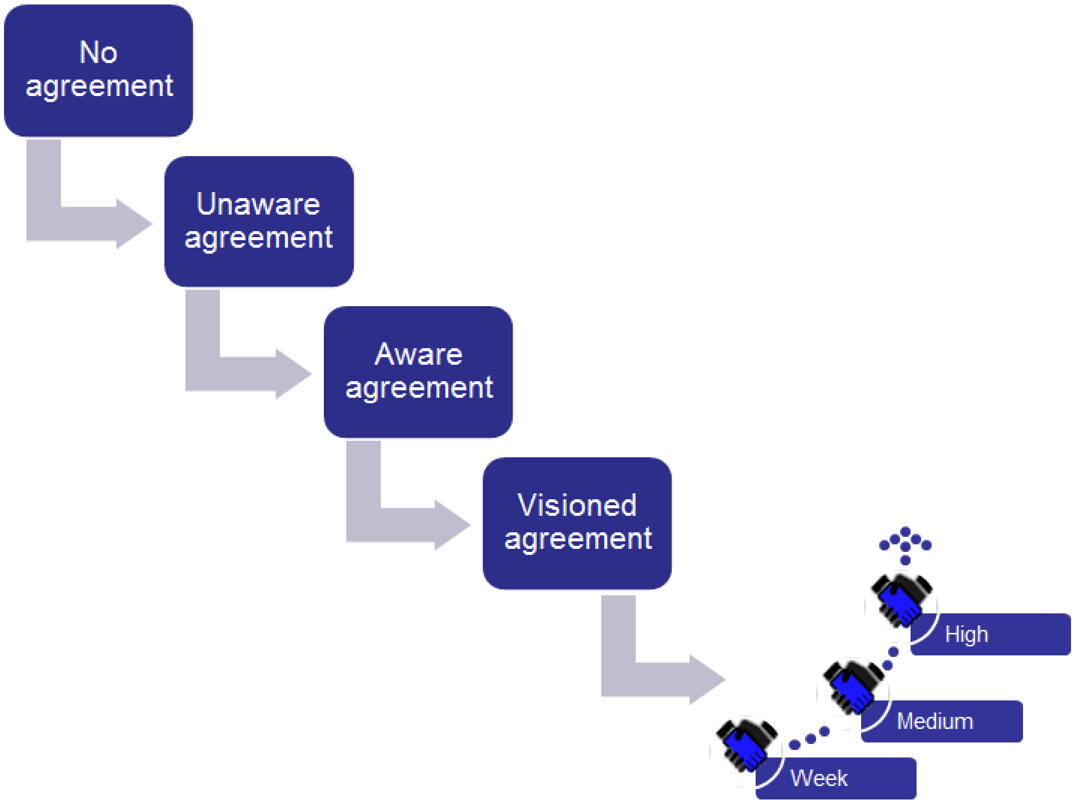

Exhibit 6- Increasing level of agreement through the 5 steps

Conclusions

This paper has shown that one of the attributes of the stakeholders, the agreement on the project, can and should be measured objectively. With the use of sales techniques in a framework in which the project manager should manage the stakeholder as a client, it is possible to follow a path through which one can identify and manage a numerical value for the agreement.

More studies need to be implemented to correctly identify the numeric value of the agreement that at present is the result of some practical applications that, however, require a greater number of case studies to refine the results.

Further improving can be made in regard to the relationship and how to measure it. In this context the research for an agreement value through managing stakeholders as clients and applying the solution selling reengineered approach could be of great help in identifying the relationship values between the project manager and the stakeholder involved.

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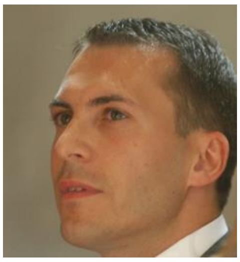
About the Authors

Andrea Caccamese

Italy

Andrea Caccamese is an Electronic Engineer with more than 30 years of work experience in Information Technology and in Management Consulting for Banking, Finance, Insurance, Oil, Manufacturing, Defense, Software Development and Hardware Manufacturing sectors. Currently he is an independent Project Management Consultant and Trainer. Mr. Caccamese has gained extensive experience in Program and Project Management, working for or with large organizations or Customers from Banking, Finance, Insurance and Manufacturing, being the leader of several relevant Programs and Projects. Andrea Caccamese is a certified Project Management Professional (PMP) from Project Management Institute (PMI). He is also a certified PRINCE2 Practitioner and ITIL V3 Foundation Certified. He has been actively involved with Project Management Institute (PMI) in the development of the standard for OPM3 (Organizational Project Management Maturity Model) Second Edition as a Sub-Team Leader, as a final Exposure Draft Reviewer and Contributor of PMBOK Fourth Edition, and as an Internal reviewer and final Exposure Draft Reviewer of PMBOK Fifth Edition. He has also been actively involved and is still involved with the local PMI Northern Italy Chapter, where he has been a contributor to some research projects. Mr. Caccamese is a frequent contributor and speaker at various Project Management events and is co-author of the preparatory text book for PMP Certification examination "Professione Project Manager", and co-author of the text "*Il ruolo del Project Manager*". Andrea Caccamese can be reached at andrea.caccamese@libero.it



Damiano Bragantini

Italy

Damiano Bragantini is a Civil Engineer with more 15 years of experience in Civil Infrastructure and Information Technology experience. Currently he is working with Agsm Group, an important Italian utility in generation, distribution and supply of electricity and gas. Mr. Bragantini is also a recognized teacher at the University of Liverpool (UK) where he teaches in the project management MSc. Mr. Bragantini is a certified Project Management Professional (PMP) from the Project Management Institute (PMI). He has been also actively involved with PMI as a final Exposure Draft Reviewer for Project Cost Estimating Standard and Practice Standard for Earned Value and as internal reviewer of PMBOK Fifth Edition. Mr. Bragantini has also been actively involved and is still involved with the local PMI Northern Italy Chapter, where he has been a contributor to some projects. Damiano Bragantini can be contacted at damiano.bragantini@agsm.it.