

Project Stakeholder Management

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What is Stakeholder Management?

Stakeholder management is the processes required to identify the people, groups, or organizations that could impact or be impacted by the project. Analyze stakeholder expectations and their impact on the project. Develop appropriate management strategies for effectively engaging stakeholders in the project decision and execution

Identify Stakeholders

This is the first process in this knowledge area coming under the initiation process group to Identify all the people or organizations impacted by the project: e.g., Customers, Sponsors, Team Members, Suppliers (Internal & External), and Labor unions etc.

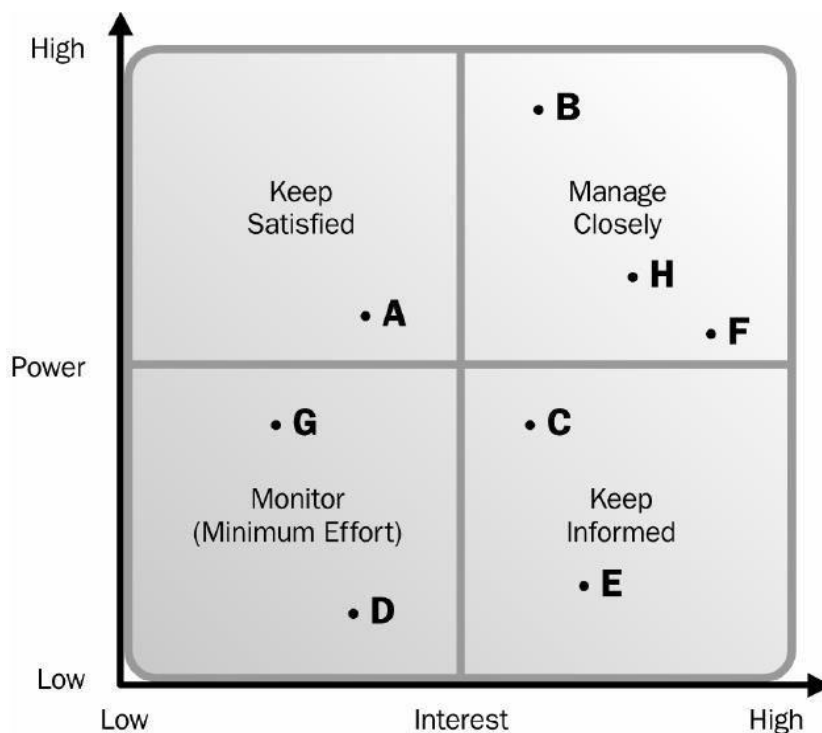
Identify Stakeholders: Inputs

1. Project Charter (provides information about internal & external involved parties)
2. Procurement Documents (to find out parties involved in procurement and other details)
3. Enterprise Environmental Factors(e.g., organizational culture, industry standards,... etc)
4. Organizational Process Assets (stakeholders register templates, lessons learned, old project documents, ... etc)

Identify Stakeholders: Tools & Techniques

1. Stakeholder Analysis: gathering & analyzing information to determine stakeholder in 3 steps:
 - Identify all potential stakeholders & relevant information (roles, departments, interests, knowledge levels, expectations & influence levels).
 - Identify potential impact or support each stakeholder could generate (power-interest)

- Assess how key stakeholders are likely to react or respond to various situations.
2. Expert Judgment: groups or individuals specialized in certain areas such:
 - Senior management
 - Subject matter experts
 - Industry groups and consultants
 - Professional and technical associations
 - Project managers with experience in similar projects
 - Identified stakeholders.
 3. Meetings (To identify stakeholders and their power & interest)



Identify Stakeholders: Outputs

1. Stakeholder Register: it contains
 - Identification Information: name, organizational position, location, role in project, etc.

- Assessment Information: major requirements, expectation, potential influence in project ... etc.
- Stakeholder Classification: Internal/External, supporter, neutral, resistor, etc.

A sample stake holder register is given below:

Stakeholder	Main Interests	Power and influence
Shareholders	Profit growth, Share price growth, dividends	Election of directors
Banks & other Lenders	Interest and principal to be repaid, maintain credit rating	Can enforce loan covenants Can withdraw banking facilities
Directors and managers	Salary ,share options, job satisfaction, status	Make decisions, have detailed information
Employees	Salaries & wages, job security, job satisfaction & motivation	Staff turnover, industrial action, service quality
Suppliers	Long term contracts, prompt payment, growth of purchasing	Pricing, quality, product availability
Customers	Reliable quality, value for money, product availability, customer service	Revenue / repeat business Word of mouth recommendation
Community	Environment, local jobs, local impact	Indirect via local planning and opinion leaders
Government	Operate legally, tax receipts, jobs	Regulation, subsidies, taxation, planning

Plan Stakeholder Management

This is the second process in this knowledge area which comes under planning process group for developing appropriate management strategies to effectively engage stakeholders throughout the project lifecycle. Provide clear, actionable plan to interact with project stakeholders to support the project’s interests.

Plan Stakeholder Management - Inputs

1. Project Management Plan (list of processes that are going to applied to the project, and instructions for the work to be accomplished and people involved etc.)
2. Stakeholder Register (gives the details of stakeholder)
3. Enterprise Environmental Factors (Organizational culture and political climate etc.)
4. Organizational Process Assets (Historical Information, Procedures and the lessons learned etc.)

Plan Stakeholder Management – T & T

1. Expert Judgment , taking help from the following:-

- Senior Management
 - Team Members
 - Other units or individuals
 - Identified stakeholders
 - Project managers of similar projects
 - Industry experts
2. Meetings (Discussions with the experts are done in a meeting)
 3. Analytical Techniques, engagement levels:
 - Unaware
 - Resistant
 - Neutral
 - Supportive
 - Leading

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Stakeholder 1	C			D	
Stakeholder 2			C	D	
Stakeholder 3				D C	

It is the duty of the project manager to keep the status of the project informed to the stakeholders and take them along with him in the same boat for successful completion of the project. Based on their engagement levels shown in the table above, project manager can take suitable actions to take the prospective stakeholder from current level denoted by “C” to the desired level denoted by “D”.

Plan Stakeholders Management: Outputs

1. Stakeholder Management Plan includes:
 - Desired and current engagement levels of key stakeholders
 - Interrelationship and potential overlap between stakeholders
 - Stakeholder communication requirements for the project success
2. Project Document Updates (project schedule, stakeholder register etc.)

Project Management Toolkit — Stakeholder Management Plan						
Project:				Date:		
Individual stakeholder analysis						
Stakeholder name/role	Type	Current project knowledge	Level of influence	Current level of engagement	Target level of engagement	Management of stakeholder

Manage Stakeholder Engagement

This is the third process in this knowledge area comes under executing process group. In this process project manager communicating and working with stakeholders to meet their needs/expectations, address issues as they occur, and foster appropriate stakeholder engagement in project activities throughout the project lifecycle. The key benefit of this process is to allow the project manager to increase support and minimize resistance from stakeholders.

Manage Stakeholder Engagement – Inputs

1. Stakeholder Management Plan (The stakeholder management plan incorporates methods and technologies for effective communication with the stakeholders.)
2. Communication Management Plan (it helps in managing stakeholder expectations)
3. Change Log(record changes made during the project and communicate the same to the appropriate stakeholders)
4. Organizational Process Assets (Communication requirement formats, Issue logging, lessons learned etc.)

Manage Stakeholder Engagement T & T

1. Communications Methods (choose appropriate communication methods - push, pull and interactive)
2. Interpersonal Skills in
 - Building trust
 - Resolving conflict
 - Active listening
 - Overcoming resistance to change

3. Management Skills such as
 - a. Influence people to support project
 - b. Negotiate agreements
 - c. Modify organizational behavior

Manage Stakeholder Engagement- outputs

1. Issue Log (list of issues which needs to be resolved)
2. Change Requests (Change request to forward to change control board for approval or rejection)
3. Project Management Plan Updates (stakeholder management plan gets updated)
4. Project Document Updates (Stakeholder register gets updated)
5. Organizations Process Assets Updates
 - Stakeholder notifications
 - Project Reports
 - Project presentations
 - Project records
 - Feedback from stakeholders
 - Lessons Learned Documentation

Control Stakeholder Engagement

This is the fourth and final process in this knowledge area comes under the monitoring and control process group. The purpose of this process is for monitoring overall stakeholder relationships and adjusting strategies and plans for engaging stakeholders. The key benefit is to maintain or increase the efficiency and effectiveness of stakeholder engagement activities towards the project success.

Control Stakeholder Engagement - Inputs

1. Project Management Plan (consist of how to control stakeholder engagement described in Stakeholder management plan which is the part of the project management plan)
2. Issue Log (resolved current issues, updated new issues)
3. Work Performance Data (Technical performance measure, start and finish dates of scheduled activities, work completed, actual cost, number of defects, change request etc.)
4. Project Documents (Project schedule, stakeholder register, issue log, change log, etc.)

Control Stakeholder Engagement T & T

1. Information Management Systems (Management information System which consolidate reports from several systems and facilitate report distribution to stakeholders)
2. Expert Judgment (discussion with experts in a meeting)
3. Meetings (Status review meeting)

Control Stakeholder Engagement-outputs

1. Work Performance Information (Forecasted estimates and performance measurements compared with actual plan etc. in hard copy or in electronic copy)
2. Change Requests (When stake holders are engaged in the process, and if they are not moving as per the plan change requests are raised)
3. Project Management Plan Updates (Appropriate sections of the project management plan has to be updated when change requests are raised and to reflect the changes in the plan)
4. Project Document Updates (Stakeholder register and issue logs are updated)
5. Organizations Process Assets Updates such as
 - a) Stakeholder notifications
 - b) Project Reports
 - c) Project presentations
 - d) Project records
 - e) Feedback from stakeholders
 - f) Lessons Learned Documentation

References:

1. PMBOK 5th edition
2. Project Management a systems Approach to Planning, scheduling and control by **HAROLD KERZNER, PH.D.**
3. https://www.google.co.in/search?q=sample+stakeholder+register&es_sm=93&tbm=isch&imgil=ILzpcq1odE4R6M%253A%253BPPISoRkpsFLGIM%253Bhttp%25253A%25252F%25252Fsatheespractice.blogspot.com%25252F2011%25252F12%25252Fstakeholdermanagement.html&source=iu&pf=m&fir=ILzpcq1odE4R6M%253A%252CPPISoRkpsFLGIM%252C &usg=_cpRazLH24bFaFU2E7nwMM4fHrUs%3D&biw=1280&bih=699&ved=0CCwQyjc&ei=LZWzVJngHdbluQTXj4DQCw

About the Author



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Published paper in UNICEF in 1995, and published many international journal papers in PM World Today since 2008 having cumulative index factors more than 2 in the areas of specialization of Project Management & Information Technology.

T D Jainendrakumar Holds an Hon' Doctorate from Cosmopolitan University, USA in Project Management & Information Technology. He is presently working as an independent project management consultant and an International Project management (PMP) trainer. Provided PMP training to the senior officials of big MNCs like M/S. Earnest & Young and He is a visiting professor and sharing his knowledge and experience and to handle classes in Management Information Systems, Quality Management, Project Management and Software Engineering to some of the big universities. He can be contacted at jainendrakumartd@ymail.com.