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LETTER TO THE EDITOR

On the Subject of the February Letter to the Editor on Stakeholder Management

8 February 2014

Dear Editor,

Drew Davidson's reactionary response to the original article by Omar Muhammad and Abid Mustafa's on, "Managing stakeholders: Going beyond conventional wisdom" in the December 2014 *PM World Journal* and Patrick Weaver's letter in the January 2014 issue, published in your February Edition cannot go without comment.

Stakeholder management is a much wider topic than the narrow 'leading of change' discussed by Kotter and Connor in their publications. Even John Kotter in his latest work 'Accelerating change' recognises the need for a coalition of support among stakeholders to assist the central management push to implement an organisational change.

Whilst decision makers are undoubtedly important stakeholders (generally referred to as 'key stakeholders') Mr. Davidson's proposition that they are the only stakeholders that matter, and they will automatically support 'their project' ignores reality; and maintains a minority position long abandoned by researchers into stakeholders and organisations, including John Kotter.

Just one contemporary example, some of the most important 'stakeholders' in the Japanese whaling program in the Antarctic Ocean are the Seashepherd activists. They have a massive impact on the way the Japanese manage their intended operations.

And from history; one of my early projects was to implement a new system into a major telecommunication businesses' call centres to resolve a major weakness in the organisations processes that had caused a series of PR and legal disasters over the preceding few years. The need for the system was universally recognised and supported by the executive decision makers. The technologists loved it because the development would use a new computer operating system that complied with the new IT policy. And when implemented the system would provide a much improved customer interface in the area of concern.

However, the call centre staff were largely opposed to the system and their opposition was ignored because staff always oppose change and they don't have any authority or power!

A few days before the application went 'live', the CEO visited one of the call centres and had the "facts" explained to him by an irate operator; she explained the new system meant 2 computers on each desk and would result in major reductions in call throughput by the call centre staff.

He listened to this 'lone voice in the wilderness' and cancelled the roll out – several hundred thousand dollars of re-work later the system was installed on the standard operating system used by all of the other call centre programs. Better stakeholder management would have avoided a massive delay and cost overrun in this 'mission critical' application development.

The lessons are simple:

- Failing to properly scan and manage the whole stakeholder community is a guaranteed way to drive projects into failure. Support from powerful executives is only one element, in this matrix.
- All stakeholders are important, but some are more important than others [1]. Part of any effective methodology is the prioritisation of your efforts to manage the most important stakeholders 'at this point in time'.

Mr. Davidson's final comment that he has succeeded in implementing his limited view of stakeholder management on a number of projects may be true, but how many of the organisations continue to use his methodology when he moves on? Stakeholder management maturity seems to follow the same growth path as any other capability (eg, project management maturity) with ad hoc use by individual advocates being at Level 1, and optimised processes supported by continuous improvement at levels 4 and 5.

To help organisations grow their stakeholder management maturity, I have developed a freely available stakeholder management maturity model at: <http://www.stakeholdermapping.com/srmm-maturity-model/>. I encourage your readers to use this model to support their journey towards 21st century inclusive stakeholder engagement; and to recognise that the old fashioned 'command and control' style of management passed its 'use-by-date' sometime in the last century.

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[1] With apologies to George Orwell and 'Animal Farm'