Driving Project Success Through Effective Stakeholder Management

Neeraj Shah, MBA, PMP, SAPM
Objective

- Why do projects or change initiatives fail?
- Who is a stakeholder? Why are they so crucial?
- Challenges faced in stakeholder management
- Managing Stakeholder(s)
  - Identifying
  - Engaging
  - Monitoring
- Continuously improve stakeholder’s participation
Managing Stakeholders at Apple Inc.

MANAGING STAKEHOLDERS AT APPLE
STEVE JOBS
Why do Projects or Change Initiatives Fail?

- Stakeholders are not actively engaged or involved
- Ambiguous Goals & Objectives or Business Requirements
- Poorly Defined Project Scope and Scope Creep
- Weak Communication No strategy and Poor Execution
- Unreliable Estimates & Over Allocation of Resources
- Lack of Risk Management Strategy
Who is a Stakeholder

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. (e.g., A Customer, The Sponsor, Supplier, Government Agency, Patient, Stock Holder)

Project Management Institute

Stakeholders in Healthcare Industry

- Patients
- Health Care Providers: Physicians, Hospitals, Out Patients
- Payers and Regulators: Regulatory Agency, Government Agencies
- Manufacturers, Distributors, Logistics Providers: Biotech's, Pharmaceuticals and Medical Device, Distributors, Wholesalers, Third Party Logistics
A Project Stakeholder Ecosystem

- **Primary Stakeholders**
  - Project Sponsor
  - PM
  - Team
  - SME

- **Secondary Stakeholders**
  - End Users, Finance, Legal, Procurement, Sponsor, SME, Steering Team, PMO

- **Contract Mfg.**
- **Equipment Supplier & Software Vendor**
- **Regulatory Agencies**
- **Customers/Distributors**
- **Distributor and Wholesaler**
- **Patient**
- **Shipping Agency**
Challenges in Stakeholder Management

- **Identifying Stakeholders**
  - Stakeholders not identified during the early stages of project

- **Unclear Goals and Objectives or Business Requirements**
  - Extracting Requirements and understanding expectations

- **Lack of Trust with your Stakeholders**
  - Stakeholders have little trust in each other

- **Managing your Stakeholder’s Expectations**
  - Unrealistic, Conflict of interests, Assumptions

- **Disengaged/Uninvolved Stakeholders**

- **Managing Conflict**

- **Devil's Advocate/Nay Sayers**
  - Could be negative and could be contagious
Stakeholder Management – 3 Steps

1. Identify and Analyze
   - Identify people, groups, or organizations that may influence or be impacted by the project

2. Engage
   - Develop a plan to engage stakeholders in the project or change lifecycle

3. Continuously Monitor & Solicit Feedback
   - Continuously monitor stakeholder engagement and modify your approach to ensure consistent engagement
Identifying your Stakeholders

1. **INPUTS**
   - Review Current Business Process
   - Document Project Charter
   - Document Statement of Work
   - Map Future State Business Process

2. **PROCESS**
   - Stakeholder Analysis
     - Stakeholder Planning and Analysis Matrix
     - Power & Interest Grid
     - Leverage Internal Resources & External Experts

3. **OUTPUTS**
   - Stakeholder Register
     - Prioritized list of Stakeholders
Analyzing your Stakeholders

POWER/INTEREST GRID
Prioritize Stakeholder based on Power/Influence & Interest

High

High Influence but Low Interest
(Latent)

High Influence & High Interest
(Promoters)

Low Influence, Low Interest
(Indifferent)

Low Influence, High Interest
(Defenders)

Low
Engaging Stakeholders

Plan and execute a strategy to engage stakeholders

- Clarify roles and responsibilities using RACI Chart
- Develop an effective communication strategy
- Continuously monitor, identify, engage & manage

<table>
<thead>
<tr>
<th>Stakeholder Name</th>
<th>Planned Role</th>
<th>Interest Level</th>
<th>Level of Influence/Power</th>
<th>Subject Matter Expertise</th>
<th>Current Level of Engagement</th>
<th>Target Level of Engagement</th>
<th>Management Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>Business Process Owner</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RACI is a tool used to identify critical project activities and clarify roles and responsibilities of the stakeholders in delivering those activities.

- **Responsible**, is the person or position who must actually do the work.
- **Accountable**, is the person or position who must make sure the work is done.
- **Consulted**, is the person(s) or position(s) who must be consulted prior to making a decision or taking any action.
- **Informed**, is the person(s) or position(s) who must be informed of the decisions taken.

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Process Owner</td>
<td>Business Case</td>
</tr>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Sponsor</td>
<td>A</td>
</tr>
<tr>
<td>Project Manager</td>
<td>C</td>
</tr>
<tr>
<td>Author Project Charter</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Review and Approve Charter</td>
<td></td>
</tr>
<tr>
<td>Define Scope</td>
<td></td>
</tr>
<tr>
<td>Prepare Project Schedule</td>
<td></td>
</tr>
<tr>
<td>Review Design Solution</td>
<td></td>
</tr>
</tbody>
</table>
1. The stakeholders assigned to RACI must be present in the meeting

2. Reach consensus on all Accountabilities and Responsibilities

3. Assign one Accountability per deliverable

4. Ensure that your stakeholders agree with the RACI and sign off

5. Do a RACI for critical or value added activities

6. Eliminate excessive Cs and Is
Engaging Stakeholders through Communication

- Thoroughly understand the needs of your target audience
- Plan your communication
  - Review Content being distributing
  - Frequency of communication
  - Delivery method
- Assess Communication effectiveness
<table>
<thead>
<tr>
<th>Case #</th>
<th>Stakeholder Description</th>
<th>Stakeholder Management Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>High Interest and Low Power</td>
<td>Engage them in all relevant meetings <em>(Keep Informed)</em></td>
</tr>
<tr>
<td></td>
<td>Subject Matter Experts</td>
<td></td>
</tr>
</tbody>
</table>
| 2.     | Low Interest and High Power                   | • Investigate and address root cause for low interest  
• Educate the stakeholder on project benefits  
• Provide incremental value & build trust *(Keep Satisfied)* |
| 3.     | High Interest & High Influence                | • Communicate frequently  
• Provide more visibility through status updates  
• Request for suggestions & recommendations *(Manage Closely)* |
| 4.     | Moderate Interest, Low Influence              | • Understand the challenges faced by this stakeholder  
• Support the stakeholder in effectively managing their activities *(Monitor)* |
Monitoring Stakeholder Engagement

- Consistently monitor stakeholders' engagement

- **Measure your stakeholder engagement by**
  - Assessing stakeholder's participation level/ involvement
  - Monitor your project performance,
  - Request feedback from your stakeholders

- **Adjust strategies to improve stakeholder management**
Monitoring Stakeholder’s Engagement and Support

Stakeholders Support, Engagement and Trust

- Unaware
- Aware
- Confused
- Doubtful/Skeptical
- Bought In
- Discerning
- Supports Individually
- Supports and influences the support of other stakeholders
- Committed

Project Life Cycle
Continuously Improve Stakeholder Involvement

- Continue to listen to the voice of your stakeholders
- Use every opportunity to develop relationship and trust
- Actively negotiate and influence
- Be flexible and think out of the box
- Proactively foresee and mitigate conflicts
• Share information, over communicate if it helps
• Identify common ground
• Tell the truth and admit mistakes
• Deliver on your promise, and try not over commit
• Use compelling evidence
• Listen with empathy and be approachable and accessible
Benefits of Happy Stakeholders

- Early buy-in can lay the foundation of a successful project
- Win more resources for the project
- Drive faster decision making and approvals of deliverables
- Collaborative decision making, Risk Management
- Minimizes Conflicts by improving trust and relationship
- Faster Adoption of Change
Thank You
Neeraj Shah,
Shire Pharmaceuticals

nshah@shire.com, neerajkshah@yahoo.com