Driving Project Success through Effective Stakeholder Management

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Driving Project Success through Stakeholder Engagement

Seminar Objective

Attending this seminar will prepare you to manage your projects confidently because...

- You will find out about the key factors that lead to project failure and their root cause
- You will know how to identify your stakeholders
- Learn about the significance of your stakeholders and their influence on the success of your project
- Understand the challenges faced in managing your stakeholders
- Learn about the Stakeholder Management Framework
  - Identifying, Engaging and Continuously Managing Your Stakeholders
- Learn to use Tools to Manage Your Stakeholders
  - Stakeholder Analysis Tool
  - Stakeholder Prioritization Tool (Power/Influence Grid)
  - RACI – Stakeholder Roles and Responsibility
  - Stakeholder Communication Strategy
Imagine Engineers @ Work

A few geniuses concocting brilliant devices, experimenting and redesigning until his concept or design works perfectly.

NASA’s Goddard Space Flight Center

The Project Engineer in a Project Manager Role

Traditionally PE’s have played the role of a Subject Matter Expert

PE Strengths/Comfort Zone

- Creative/Imaginative
- Critical Thinking
- Attention to Detail /Perfectionist
- Analytical/Data Driven
- Meticulous
- Focused on Methods & Processes

Gaps in PM Skills/Challenged

- Managing Ambiguity
- Understanding the big picture
- Managing Stakeholders
- Driving Communication
- Negotiating
- Conflict Management
- Effective Delegation
Key factors Leading to Project Failure

- Lack of Senior Management Support and Governance
- Poor Communication
- Poor Requirements Definition
- Scope Creep
- Inadequate Risk Management
- Unreliable Estimates & Over Allocation of Resources
- Stakeholders Management

Who is a Stakeholder?

A stakeholder may be a person or an organization (e.g., customer, sponsor, supplier, government agency, patient, stockholder) that is actively involved in the project, or whose interests may be positively or negatively affected by the project

The Stakeholder Ecosystem

Extended Team
- End Users, Finance, Legal, Procurement, Sponsor, SME, Senior Management, PMO

Core Team
- PM, Supply Chain, IT, QA, Warehouse

Contract Manufacturer /Packager

Equipment Supplier & Software Vendor

Regulatory Agencies

Customers/Distributors

Patient

Shipping Agency
Challenges in Stakeholder Management

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

- **Unclear Stakeholders**
  - Those who do not clearly articulate their needs and expectations

- **Stakeholders with Unrealistic Expectations**
  - Based on Perception or Historical information

- **Unengaged/Partially Engaged Stakeholders**

- **Stakeholders who are Perpetual Devils Advocate**
  - Can be considered Negative and could be contagious

- **Managing Expectations and Building Trust**

- **Managing Stakeholder Conflicts** (Cross functional teams)

Projects Drive Change and Change Impact Stakeholders

- **Impact of Change increases as project progresses**
  - Impact is high
  - Impact is medium-to high
  - Impact is Low

Operations

Projects Convert Strategy into Action & Drive Change

Strategy & Portfolio
Stakeholder Management Framework

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

2. Engage and Manage Stakeholders
   - Develop a plan to engage stakeholders in initiating, planning, executing and transitioning projects

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

Identifying Your Stakeholders

**INPUTS**
- Current Business Process
- Project Charter
- Statement of Work
- Future State Business Process

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

**OUTPUTS**
- Stakeholder Register
  - Stakeholder Information
  - Priority of Stakeholders
  - Prioritized list of Stakeholders
### Stakeholder Analysis Matrix

<table>
<thead>
<tr>
<th>Stakeholder Name</th>
<th>Role</th>
<th>Level of Interest</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>Tim</td>
<td>Sponsor</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>Sarah</td>
<td>Business Process Owner</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>Christine</td>
<td>Supply Chain Manager</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Dave</td>
<td>Quality</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tom</td>
<td>Validation Manager</td>
<td></td>
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<tr>
<td>Dan</td>
<td>CMO Manager</td>
<td></td>
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<td></td>
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<tr>
<td>Kelly</td>
<td>Finance</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Joe</td>
<td>Portfolio Manager</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Kelly</td>
<td>Warehouse Manager</td>
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</tr>
</tbody>
</table>

### POWER/INTEREST GRID

Prioritize Stakeholder based on Power/Influence & Interest

- **High Power/Influence, High Interest**:
  - **KEEP SATISFIED**: Engage enough to keep them satisfied but do not over communicate with them.
  - **MANAGE CLOSELY**: These are the people you must fully engage and make greatest efforts to satisfy.

- **High Power/Influence, Low Interest**:
  - **MONITOR (MINIMUM EFFORT)**: Consistently monitor these stakeholders but don’t over communicate.

- **Low Power/Influence, High Interest**:
  - **KEEP INFORMED**: Keep these people well informed and make sure they don’t have any concerns.
### Managing Stakeholder Categories

<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 Low Power/ Influence Highly Knowledgeable SME</td>
<td>Involve the SME in all relevant meetings related to business requirements, risk assessments, planning and change management</td>
</tr>
</tbody>
</table>
| 2.     | Low Interest Provider of Key Requirements Highly Influential Not easy to work with | • Investigate the root cause for low interest  
• Educate the stakeholder on project benefits  
• Elicit requirements as efficiently and effectively  
• Provide incremental value & build trust |
| 3.     | High Interest & Influence Supporter of project but blames PM for every issue | • Communicate as frequently as feasible  
• Provide more visibility through status updates  
• Request for suggestions & recommendations |
| 4.     | Moderate Interest Concerned about finishing assigned activities | • Understand the challenges faced by this stakeholder  
• Support the stakeholder in effectively managing their activities |

### Engaging & Managing Stakeholders

- Clarify Roles and Responsibilities using RACI
- Develop an Effective Communication Strategy
- Continuously Engage & Manage
RACI is a tool used to indentify 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 for inputs prior to decision or action.
- **Informed**, is the person(s) or position(s) who must be informed of the decision after the decision or action is taken.

### RACI Chart

<table>
<thead>
<tr>
<th>Stakeholder/Deliverables</th>
<th>IT Manager</th>
<th>Business Process Owner</th>
<th>Sponsor</th>
<th>Project Manager</th>
<th>Technical Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Case</td>
<td>I</td>
<td>R</td>
<td>A</td>
<td>C</td>
<td>I</td>
</tr>
<tr>
<td>Author Project Charter</td>
<td>I</td>
<td>C</td>
<td>A</td>
<td>R</td>
<td>I</td>
</tr>
<tr>
<td>Review and Approve Charter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Define Scope</td>
<td></td>
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<td></td>
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<tr>
<td>Prepare Project Schedule</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Review Design Solution</td>
<td></td>
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</tbody>
</table>
Steps to Creating a RACI

1. The stakeholders assigned to RACI must be present in the meeting
2. Reach consensus on all Accountabilities and most 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

Develop Stakeholder Communication Strategy

- **Target Audience Needs Assessment** - Communication needs of various groups of stakeholders based on their role and priority in project
- **Frequency of Delivery** - When and how often should you communicate with each group
- **Delivery Method** - (Meetings, Emails, Workshops, Video Conference, Tele-Conference) based on type of message/information that will be communicated
- **Communication Effectiveness** - How would the stakeholders measure the effectiveness of communication they receive
- **Communicator’s Responsibility** - The person(s)/stakeholders responsible for communicating and their responsibility
# Communication Plan

## Communication Planning

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Type</th>
<th>Target Audience/Stakeholders</th>
<th>Delivery Method</th>
<th>Frequency of Delivery</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness Building Sessions</td>
<td>Informational</td>
<td>Process Owners &amp; Leadership</td>
<td>1:1 Meetings, Team Meetings or Conf. Calls</td>
<td>Twice Weekly</td>
<td>PM &amp; BPO</td>
</tr>
<tr>
<td>Weekly Progress Reports</td>
<td>Mandatory</td>
<td>Project Team</td>
<td>Email Status Dashboards</td>
<td>Weekly</td>
<td>Track Leads</td>
</tr>
<tr>
<td>Milestone Status Reports</td>
<td>Mandatory</td>
<td>Steering Team</td>
<td>Risk Plan Status Meeting and Presentation</td>
<td>BI-Weekly</td>
<td>PM</td>
</tr>
<tr>
<td>Project Risk Review</td>
<td>Mandatory</td>
<td>Project Team, PMO &amp; SME</td>
<td>Risk Review Meeting and Presentation</td>
<td>BI-Weekly</td>
<td>PM &amp; SMEs</td>
</tr>
<tr>
<td>Change Implementation Progress</td>
<td>Mandatory</td>
<td>Project Sponsor, PMO &amp; Functional Leads</td>
<td>Bulletin Board</td>
<td>Monthly</td>
<td>Change Lead</td>
</tr>
<tr>
<td>Capital Investment Plan</td>
<td>Mandatory</td>
<td>Capital Review Committee</td>
<td>Meeting to Capital Investment Plan</td>
<td>Once</td>
<td>PM &amp; Sponsor</td>
</tr>
<tr>
<td>Project Roll Out Communication</td>
<td>Mandatory</td>
<td>End Users</td>
<td>Email followed by Face to Face Meeting</td>
<td>Weekly (Few Weeks before Roll-Out)</td>
<td>PM &amp; Change Lead</td>
</tr>
</tbody>
</table>

## Engage & Manage Stakeholders

- Listen to your Stakeholders
- Understand their Expectations
- Build Trust by developing Relationship and Partnership
- Leverage your Persuasion and Negotiation Skills
- Be Flexible and Creative
- Proactively Manage Conflicts
- Consistently Foster Engagement
Stakeholder’s Support vs. Engagement Level

Level of support for the project

Unaware  Aware  Discerning  Committed
Confused  Doubtful/Skeptical  Bought In  Supports and Influences  Support of other Stakeholders  Supports Individually

Project Time Line, Engagement Level and Trust

Building Trust and Relationship

• Establish Credibility
  An attribute (trustworthy behavior), a capability, power to elicit belief

• Identify Common Ground
  Frame your goal in a way that identifies common ground with those you intend to persuade

• Use Compelling Evidence
  Reinforce your position with vivid language or compelling evidence
Monitor and Control Stakeholder Engagement

- Constantly monitor stakeholders engagement
- Adjust strategies to improve stakeholder engagement
- Measure your stakeholder engagement by
  - Measuring your project performance,
  - Adoption of change by your stakeholder,
  - Feedback from your stakeholders

Benefits of Effective Stakeholder Management

- **Buy-in and Positive Opinions** of key and influential stakeholder’s can shape the success of your projects at an early stage
- **Gaining support from powerful stakeholders** can help in winning support for more resources
- **Faster Project Decision Making** and Approval of Project Phases Business Case, Project Charters, /Deliverables
- **Collaborative Decision Making, Risk and Change Management**
- **Minimize Conflicts** by Improving trust and relationship
- **Anticipate your stakeholders reaction**, and plan actions that will win their support
Summary

- Identify and gather stakeholder information.
- Prioritize stakeholders based on power and interest.
- Develop stakeholder management plan/strategy.
- Engage stakeholders by implementing communication plan.
- Constantly monitor stakeholder engagement and adjust strategy.
- Planning
- Initiating
- Executing
- Monitoring & Closing

Questions?

Thank You
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