

# Stakeholder Management – The Missing Link?

## 1 of 3

This paper is the first in a series of 3 papers examining the missing link between Stakeholder Management, the Communication Plan and Project Managers' Influencing Skills.

### Stakeholder Analysis

I have seen so many projects floundering due to poor Stakeholder Management brought about mainly because of a lack of understanding of the linkage between Stakeholder Analysis and the Communication Plan

Stakeholder Management is ultimately about Communication. It's a living process and one that many project managers pay lip service to. In surveys I have undertaken I haven't met many project managers yet who don't know the term "Stakeholder". What surprises me however is how many don't follow it through to the Communication Plan or, where they do, the Communication plan is compromised due to the inability of the project Manager to influence the people that matter.

The first stage of overall Stakeholder management is Stakeholder Analysis. In effect; who are your Stakeholders?

Stakeholder Analysis is a simple, yet incredibly powerful, three step process ....



### Step 1. Identify Your Stakeholder

Figure 1 BMTG Advanced Certificate in Project Management ACPM

A Stakeholder can be defined as anyone who has interest in your project whether it be financial, operational or emotional. The list can be never ending but it is important that at the first stage you try to identify as many as possible. Example include

- Your boss
- Shareholders
- Government
- Senior executives
- Alliance partners
- Professional Associations
- Trade Unions
- Your co-workers and peers

- Suppliers
- The press
- Steering Committees
- NGO's
- Your project team
- Lenders
- The Internet Community
- Special Interest groups

- Customers
- Analysts
- The General Public
- Prospective customers
- Future recruits to your company
- The community
- Your family

## Step 2. Establish your Stakeholder's Power and Interest

How many times have you experienced the emergence of key Stakeholders just weeks or months before project launch and unfortunately they seem to have the Power to delay or even halt your project?

Unless you establish very early on what Power and Interest your Stakeholders have in your project you can end up on a very rocky road.

**Power** can be easily defined in my opinion. To me it's whether or not the Stakeholder has the potential to delay your project, prevent implementation or cause significant cost increases. Alternatively it is those Stakeholders who have the potential to break down barriers and positively support the project implementation.

**Interest** is slight more difficult to establish but this can be achieved by asking a number of basic questions to establish what financial, operational or emotional interest do they have in the outcome of your project.

A fundamental question that must always be asked is "What motivates them most of all?" Unless you can understand their motivation you will find it difficult to effectively manage your Stakeholder

## Step 3. Categorise your Stakeholders onto a Power / Interest Grid

Once you understand the Power and Interest of each Stakeholder you can start the process of categorizing them in order to feed into the Communication Plan.

Initially place to Stakeholder into the quadrant that represents whether they have High or Low Power over your project and whether they have High or Low Interest in your project.

Do this with your team. It is not an exercise that should be conducted in isolation. At this stage do not ignore any suggestions from the team – you never know when that particular Stakeholder may become important

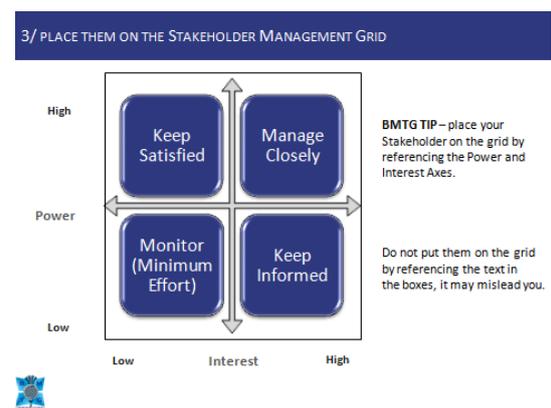


Figure 2 BMTG Advanced Certificate in Project Management ACPM

You have now completed Stage 1 of Stakeholder Management – Stakeholder Analysis. In Part 2 of this paper we will discuss the linkages between the Stakeholder Analysis and the Communication Plan and in Part 3 we will discuss how the Project Manager can use specific influencing skills to effectively manage their Stakeholders



About the Author: **Steve Wylie**

Steve is a Director of Business Management Training Group Ltd and has developed and delivers the BMTG UK Qualifi Accredited - Advanced Certificate in Project Management (ACPM<sup>tm</sup>)