STAKEHOLDER MANAGEMENT

Purpose

To ensure all individuals and groups impacted by the project or that have significant influence on the project are identified, assessed and managed throughout the project.

Overview

This Phase contains the tasks and steps to ensure that the stakeholder management process is properly implemented and completed.

Project stakeholders are defined as individuals and groups affected by and capable of influencing the project outputs and business outcomes.

Stakeholder management activities should begin during the assessment of the business opportunity and development of the business case, continue throughout the project’s life and then continue as part of the benefits realisation process.

Assessment of stakeholders and stakeholder issues is necessary in project management to identify the range of interests which need to be taken into consideration.

Different stakeholders can perceive the same project in different ways depending upon their expectations; vested interests; previous experience with projects; existing pressure of work; interests and affiliations or their particular characteristics and priorities. With large change projects, the concerns, interests and objectives of different stakeholders and stakeholder groups may be in conflict, requiring resolution.

Stakeholder information may be sensitive and laws regulating its use and distribution, especially its distribution from one country to another, may protect it. All of the stakeholder information should be appropriately secured using the Project Office security procedures established in Knowledge and Office Management phase.

The Project Office and Stakeholder Management

There are many views of what Stakeholder Management encompasses. However, the focus of the Project Office for Stakeholder Management is on:

- Ensuring that the relevant parties upon whom the subsequent business outcomes and benefits delivery, after the project is finished, are aware of the project and their roles and responsibilities in ensuring success e.g., in a new computer system implementation, the identification and acceptance of the responsibility for owning and running the new system;
- Identifying the extended audience for project communications and the project-related information that they should receive and with what frequency;
- Ensuring that all of the project dependencies have been identified and their impact understood and that any project assumptions have been verified; and
- Ensuring that the project and the Project Office relates to the various organisational departments in the appropriate fashion (e.g., Accounting department for project finances, the Purchasing or Supply department for supplier management).

Due to the sensitive and subjective nature of the stakeholder management process, the use of this Phase should be restricted to appropriately trained staff.
## Stakeholder Management

### Summary

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Project Information</th>
<th>Project Organisation Chart</th>
<th>Project Plans</th>
<th>Business Case</th>
<th>Communications Feedback</th>
</tr>
</thead>
</table>

| Tasks           | Identify Stakeholders| Assess Stakeholders        | Manage Stakeholders |

| Interim work products | Stakeholder Maps |

| Phase deliverables | Stakeholder Management Roles and Responsibilities | Stakeholder Management Forms | Stakeholder Management Actions | Project Plans (Updated) | Stakeholder Management Reports | Managed Stakeholders |

| Reference materials | Stakeholder Management Form | Stakeholder Map | Stakeholder Reporting Format |

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**Page 2**
Stakeholder Management Phase

1. Identify Stakeholders
2. Assess Stakeholders
3. Manage Stakeholders

Project Information
Project Organisation Chart
Project Plans
Business Case

Communications Feedback

Stakeholder Management Roles and Responsibilities
Stakeholder Management Forms
Stakeholder Maps
Stakeholder Management Actions
Project Plans (Updated)
Stakeholder Management Reports
Managed Stakeholders
1 Identify Stakeholders

Purpose

To define the stakeholder management roles and responsibilities and to identify those individuals and groups who may influence the project, its business outcomes or changes brought about by the project.

Overview

The stakeholder management roles and responsibilities are defined.

The internal and external stakeholders are identified and described on the Stakeholder Management Form.

Stakeholders can influence the scope, goals and strategy defined for a project and stakeholder identification and assessment should begin during the preparation of the business case.

When developing the stakeholder management process, it is necessary to consider any individuals or groups outside the project who may need to be included in the stakeholder management process. This may include the organisation’s senior management, human resources function and representatives from major stakeholder groups.

At project commencement, a stakeholder assessment should be prepared that defines the power, influence, impact of the project and support required from the stakeholders and stakeholder groups. Stakeholder management actions are developed for each stakeholder or stakeholder group and are incorporated as part of the integrated project plan.

The stakeholder management process is then used throughout the execution of the project. Continual assessment of the stakeholders is required as new stakeholders may be introduced to the project and stakeholders may need to be involved at different points during the project.

1.1 Define and agree the roles and responsibilities for stakeholder management.

Define and agree all of the different roles and responsibilities for stakeholder management including:

- Stakeholder management processes including information collection, maintenance and reporting;
- Ongoing stakeholder management; and
- Incorporation of stakeholder management actions in the project plans.

Management of the stakeholders is one of the keys to project management. As such, appropriate skills and knowledge must be employed. The degree of stakeholder management experience necessary for a given project depends on the conditions of the project such as its size, complexity, the number and diversity of stakeholders, the organisation’s level of commitment to the project and the success or failure of previous projects.

An important part of Stakeholder Management is the ongoing communications process which is addressed as part of Communications Management phase.

1.2 Gather any existing stakeholder information.

Gather and review any existing stakeholder information that may have been obtained during the preparation of the business case.
Ensure that the information is entered on the Stakeholder Management Forms. A sample Stakeholder Management Form is contained in Appendix 1.

### 1.3 Identify an initial list of internal project stakeholders.

Identify an initial list of internal project stakeholders who may include:

?? Individuals such as:
?? senior managers,
?? project sponsor,
?? project manager,
?? business owners, or
?? department heads; and

?? Groups such as:
?? business functions, divisions, departments or units (e.g., Marketing, Human Resource Management, Research and Development, Finance, Information Systems, Manufacturing, Service),
?? employees,
?? user groups,
?? legal entities, or
?? location/geography (e.g., headquarters, plant, location, state, country).

This information may be obtained from:

?? Reviewing documents such as:
?? business case,
?? organisation charts,
?? corporate plans, or
?? project charter; and
?? Discussions with senior management, project sponsor and business owners.

For example, process mapping may identify customers and suppliers. A technology inventory may establish who “owns” existing technologies. A skills assessment may reveal which groups have/lack core skills in terms of success factors. An assessment of human resource management may identify who influences staffing and staff development matters.

Record the stakeholder information using the Stakeholder Management Form. A sample Stakeholder Management Form is contained in Appendix 1.

### 1.4 Identify an initial list of external project stakeholders.

Identify an initial list of external project stakeholders who may include:

?? Shareholders;
?? Customers;
?? Suppliers;
?? Trading partners;
?? Government agencies;
?? Local community;
?? Trade unions; or
?? Industry groups.

Record the stakeholder information using the Stakeholder Management Form.
1.5 Complete a walk-through of the project deliverables and outputs to identify any additional stakeholders. Complete a walk-through of the project deliverables and outputs to identify any additional stakeholders. Record the stakeholder information using the Stakeholder Management Form.

1.6 Complete a walk-through of the planned business outcomes and business benefits to identify any additional stakeholders. Complete a walk-through of the planned business outcomes and business benefits to identify any additional stakeholders. Record the stakeholder information using the Stakeholder Management Form.

1.7 Complete a walk-through of the project dependencies to identify any additional stakeholders. Complete a walk-through of the project dependencies to identify any additional stakeholders. Record the stakeholder information using the Stakeholder Management Form.

1.8 Complete a walk-through of the project assumptions to identify any additional stakeholders. Complete a walk-through of the project assumptions to identify any additional stakeholders. Record the stakeholder information using the Stakeholder Management Form.

1.9 Define Stakeholder Management Reporting requirements. Define any Stakeholder Management Reporting requirements. Consider:

?? Content of and formats for stakeholder reporting;
?? Audience for stakeholder reporting;
?? Frequency of stakeholder reporting; and
?? Distribution means for stakeholder reporting.

Appendix 3 contains a sample Stakeholder Reporting format.
2 Assess Stakeholders

Purpose

To assess each stakeholder or stakeholder group and to define the stakeholder management actions.

Overview

In this task, each stakeholder or stakeholder group is assessed to determine such aspects as:

?? The role of each stakeholder or stakeholder group;
?? The power of each stakeholder or stakeholder group;
?? The influence of each stakeholder or stakeholder group;
?? The impact of the project on each stakeholder or stakeholder group;
?? The level of support required by each stakeholder or stakeholder group; and
?? Actions to be taken.

Stakeholder Maps are prepared to assist in the stakeholder analysis process.

2.1 Gather further information about project stakeholders.

A number of information gathering techniques may be used to gather stakeholder information which include:

?? Questionnaires;
?? Surveys;
?? Interviews;
?? Workshops; or
?? Documentation reviews.

Techniques should be selected based on the project objectives and scope.

Conducting a survey or using a questionnaire may be an appropriate technique for gathering information across an organisation or in circumstances where a large number of personnel need to be canvassed and where one-to-one interviews may not be economical.

Structured interviews may be an appropriate technique to select for gathering information from senior management. Interviews may also use a questionnaire to structure discussions.

Workshops may be required for such activities as discussions about specific focus areas, communicating various aspects of the project and reviewing the results from interviews, surveys and questionnaires.

Documentation reviews may form part of information gathering and validation.

Select the appropriate techniques and use them to gather further information about project stakeholders.

2.2 Assess each stakeholder or stakeholder group.

For each stakeholder or stakeholder group:

?? Assess the level of power each stakeholder has over the project;
Assess the overall level of influence each stakeholder has over the project; 
Assess the degree to which the project impacts each stakeholder; and 
Assess the level of support required by each stakeholder or stakeholder group.

Document this information using the Stakeholder Management Form.

2.3 Confirm the role of each stakeholder.

When the initial listing of stakeholders is completed, review all of the Stakeholder Management 
Forms to confirm the role of each stakeholder.

Update the Stakeholder Management Form with this information.

2.4 Determine the timing and duration of stakeholder involvement.

For each stakeholder, determine the timing and duration of stakeholder involvement. All of the 
stakeholders may not need to be involved for all of the project life cycle and by assessing the 
specific timing when stakeholder need to be involved and the duration of their involvement, 
stakeholder management activities can be appropriately planned.

Update the Stakeholder Management Form with this information.

2.5 Prepare Stakeholder Maps.

Use the information contained in the Stakeholder Management Form, place each stakeholder on 
the Stakeholder Map.

Categorise and indicate each mapped stakeholder’s influence:

- Triple the line around stakeholders with high influence;
- Double the line around stakeholders with medium influence; and
- Leave a single line around a stakeholder with low influence.

A sample completed Stakeholder Map is shown in Figure J1. A sample Stakeholder Map is 
contained in Appendix 2.

2.6 Discuss and agree the stakeholder information.

Discuss and agree the information gathered using the Stakeholder Management Forms and the 
analysis contained in the Stakeholder Maps. Make any changes as necessary.

2.7 Prepare an initial stakeholder analysis.

Collate all of the stakeholder information that has been prepared and prepare an initial stakeholder 
analysis. The format and content of this analysis will vary according to the specific requirements of 
each project.

This information is used as input to the:

- Derivation of any initial stakeholder management actions to be taken;
- Creation of stakeholder management actions in the integrated project plan; and
- Communications management process.

Update the Stakeholder Management Forms, as necessary.
Figure J1: Sample Stakeholder Map

Impact of the Project on the Project Stakeholder

Level of Support Required

- Unnecessary
- Desirable
- Necessary

Low Power
- Low Influence
- Medium Power
- Medium Influence
- High Power
- High Influence

Low
- Medium
- High

IT Support
The Board
Business Unit 1
Business Unit 2
Purchasing Department
3 Manage Stakeholders

Purpose

To prepare and implement stakeholder management actions for each of the project stakeholders throughout the project.

Overview

Throughout the project life cycle, the stakeholder management process must monitor the stakeholders, the actions taken and the effect of those actions to determine whether stakeholder acceptance of and commitment to the project is developing as desired. The relative effectiveness of the actions must be considered throughout the project life cycle. Any measures that must be gathered to assess the effectiveness should be defined and incorporated into the process for managing the integrated project plan.

Should actions be incomplete or less effective than anticipated, it is necessary to determine the cause of the gap between the planned and actual performance and the planned and actual effect. Actions to address the gap must be planned and incorporated as part of the integrated project plan through the process for managing the integrated project plan.

Stakeholder communications needs should form an important input to Communications Management phase.

3.1 Determine the stakeholder management actions required for each stakeholder.

From the initial review of the stakeholder assessment activities, determine the stakeholder management actions required for each stakeholder.

Stakeholder management activities may include conducting workshops in a number of different locations, having members of the project team visit the various facilities or bringing stakeholders to the project location for piloting activities.

Update the Stakeholder Management Forms, as necessary.

Incorporate the stakeholder management actions as part of the project plan.

3.2 Implement and maintain the stakeholder management actions.

Implement the stakeholder management actions.

As additional stakeholders are identified or changes occur, assess the impact. Prepare new or update existing Stakeholder Management Forms. Issues to address may include:

- Which of the stakeholders will be affected?
- What is the nature and extent of the impact on each stakeholder? How may the following change?
  - information availability and provision,
  - performance of core and subsidiary operations,
  - customer relationships (internal and external),
  - supplier relationships,
  - costs and cost structures,
  - revenue opportunities,
  - conditions of work,
  - nature of relationships with other groups,
 shifts in power and/or influence, and administration processes;

What power does each stakeholder group possess to assist or impede the project?

What are the key issues or modifications to the project that must be addressed to achieve the support of each stakeholder?

Incorporate any changes to the stakeholder management actions as part of the project plan.

<table>
<thead>
<tr>
<th>Stakeholder Influencing Techniques</th>
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<tbody>
<tr>
<td>Some general techniques for influencing stakeholders and securing commitment to change are listed below:</td>
</tr>
</tbody>
</table>

?? Assigning team members to specific stakeholders with responsibility for establishing those relationships;

?? Communicating the project goals, progress, needs and impact frequently, clearly and completely;

?? Involving stakeholders throughout the project;

?? Providing mechanisms that ensure all issues are raised so that stakeholder perspectives of the project are known, understood and appropriately addressed by the project team;

?? Recognising and rewarding all behaviour that supports the project;

?? Revising performance measures to align with the project outputs and ensuring links are made to appraisal/reward systems;

?? Showing how the project outputs and the business outcomes are in their best interest;

?? Motivating people through reward systems; and

?? Considering how to manage stakeholders who are resistant to the project. For example, it may be sufficient to get compliance with, rather than full commitment to, the project.

3.3 Prepare and distribute Stakeholder Management Reports.

Prepare Stakeholder Management Reports.

Distribute the Stakeholder Management Reports to the agreed list of recipients.

Stakeholder Management Reports provide a source of information that should be used by project management and the Project Steering Committee on an ongoing basis to assist in the stakeholder management process. This step should be integrated with Communications Management phase.

3.4 Project close.

When the project is closed, ensure that any outstanding stakeholder management tasks are included in the formal project close tasks which are addressed in Close phase. These outstanding stakeholder management tasks may have an impact on the business outcomes and benefits realisation from the project.
Appendix 1: Stakeholder Management Form

Purpose
To record the project stakeholder information and to track management actions.

Completion Instructions

1. **Stakeholder**  Provide the name of each stakeholder or stakeholder group.

2. **Internal/External**  Indicate whether the stakeholder is internal or external by marking the appropriate box.

3. **Project role**  Describe the role of the stakeholder in the project.

4. **Ownership**  Identify the individual who is to assume ownership of the management of the stakeholder.

5. **Responsibilities**  Describe the responsibilities associated with stakeholder ownership.

6. **Level of power**  Indicate the stakeholder’s power to impact the project by marking the most appropriate category:
   - H = High;
   - M = Medium; and
   - L = Low.

7. **Level of influence**  Indicate the stakeholder’s ability to influence the project by marking the most appropriate category:
   - H = High;
   - M = Medium; and
   - L = Low.

8. **Impact of the project on the stakeholder**  Indicate the impact of the project on the stakeholder by marking the appropriate category:
   - H = High;
   - M = Medium; and
   - L = Low.

9. **Level of support required**  Indicate the level of support for the project required from the stakeholder by marking the appropriate category:
   - N = Necessary;
   - D = Desirable; and
   - U = Unnecessary.

10. **Involvement schedule**  Indicate, by marking the appropriate boxes, the timing of the stakeholder’s involvement in the project. The options provided on the form are for a systems development project life cycle. These may need to be amended to reflect the specific requirements of the project.

11. **Action required**  Describe the action required to manage the stakeholder.

12. **Action taken**  Describe the action that has been taken to manage the stakeholder.

13. **Date completed/Completed by**  Indicate the date on which the action was completed and provide the name of the individual who completed the action.
<table>
<thead>
<tr>
<th>Stakeholder:</th>
<th>1</th>
<th>Internal</th>
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<th>External</th>
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<td>Completed by:</td>
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</table>
Appendix 2: Stakeholder Map

Purpose
To show the stakeholder characteristics on a single graphic.

Completion Instructions

1. Identify and select the relevant shape to be used to depict the power of each stakeholder or stakeholder group.

2. Draw the appropriate stakeholder shape on the map. Position each stakeholder of stakeholder group on the map based on the impact and level of support.

3. Categorise and indicate each mapped stakeholder’s influence:
   - Triple the line around stakeholders with high influence;
   - Double the line around stakeholders with medium influence; and
   - Leave a single line around a stakeholder who has low influence.

<table>
<thead>
<tr>
<th>Impact of the Project on the Project Stakeholder</th>
<th>Level of Support Required</th>
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<tbody>
<tr>
<td>High</td>
<td>Low Influence</td>
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<td>Medium</td>
<td>Medium Influence</td>
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<tr>
<td>Low</td>
<td>High Influence</td>
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<td>Medium</td>
<td>Desirable</td>
</tr>
<tr>
<td>High</td>
<td>Necessary</td>
</tr>
</tbody>
</table>

- High Power
- Medium Power
- Low Power

- Low Influence
- Medium Influence
- High Influence
Appendix 3: Stakeholder Reporting Format

Confidence of external stakeholders

Supplier 1
Concerns: Planned Actions:
Supplier 2
Concerns: Planned Actions:
Customer 1
Concerns: Planned Actions:
Customer 2
Concerns: Planned Actions:
Regulator 1
Concerns: Planned Actions:
Regulator 2
Concerns: Planned Actions:
Trading Partner 1
Concerns: Planned Actions:
Trading Partner 2
Concerns: Planned Actions: