

Analytical Techniques

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Introduction

The Project Management Body of Knowledge (2013) defines project stakeholder management as “the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution (p. 391). For the purpose of this paper the focus will be on identifying stakeholders, planning stakeholder management, manage stakeholder engagement, and control stakeholder management. For each focus area three main subtopics will be discussed, process overview, stated and implied importance, and a discussion about PMI’s decision to add the process to a new knowledge area. All sources will be referenced throughout each focus area.

Overview

The process of identifying stakeholders involves selecting people, groups, and organizations that can impact, or be impacted by a decision, activity, or outcome of a project. This process also involves analyzing the stakeholders to determine relevant information concerning their interests, involvement, interdependencies, influence, and potential impact on project success. The key benefit of this process is that it allows the project manager to identify the appropriate focus for each stakeholder or group of stakeholders (PMBOK, 2013). One of the tools used in this process is stakeholder analysis. This tool will allow you to determine how to interact and prioritize your relationships with the stakeholders.

Conduct a stakeholder analysis. There are two levels of stakeholders on every project: the first are the customers, clients, owners, or upper management themselves, and the second level are the project team members. A stakeholder analysis determines the wants and needs of

each stakeholder on the project (Dow & Taylor, 2008). It's very important to focus on the stakeholders that matter the most to the project. This is the biggest reason for taking the time to identify the key stakeholders. It's an important task, because with limited resources, your organization or unit can't do everything for everyone (Kenny, 2013). Upon the completion of the identification process, project managers will be able to focus on the relationships that are required to ensure project success.

The process of planning stakeholder management involves developing appropriate management strategies to effectively engage stakeholders throughout the project life cycle, based on the analysis of their needs, interests and potential impact on project success (PMBOK, 2013). The stakeholder management plan documents the approach that will increase support and decrease negative impacts of stakeholders throughout the life of the project. It should identify the key stakeholders along with the level of power and influence they have on the project (Forman & Discenza, 2012). Stakeholders want to know the status and the performance of the project execution; a stakeholder management plan will give you the foundation to support this. When your plan is complete you will have identified how your project will affect the stakeholders.

Importance of Identifying the Stakeholders

Why is it important to identify project stakeholders? Graham Kenny (2013) believes, "If you don't focus on the relationships that matter most, management and staff will be running in all directions, not meeting anyone's needs very well" (p. 1). The Project Management Bible believes it's important for stakeholders to provide the project their perspective. Ensuring the appropriate stakeholders are identified allows for good communication of expectations to the team members. The fact that the team members can have the ability to hear directly from the

customers their thoughts on the scope, goals, and objectives for the project is priceless (Dow & Taylor, 2008). PMI believes this process is important because it outlines and identifies the individuals who will have the most impact on the success or failure of the project. It is critical for project success to identify the stakeholders early in the project or phase and to analyze their levels of interest, their individual expectations, as well as their importance and influence (PMBOK, 2013).

Personally, I think it is important to go through the identification of the stakeholders' process so you know who you need to be interacting with and what their expectations are of you. As I continue to learn about stakeholder management, it appears, there are challenges in balancing who needs the most attention and interaction with the project manager. Knowing how to deal with each key stakeholder seems vital to have a successful project. Assess how key stakeholders are likely to react or respond in various situations, in order to plan how to influence them to enhance their support and mitigate potential negative impacts (PMBOK, 2013). With so many hands in the pot, the obvious answer is to use this formal process to stay focused on the key stakeholders of each project.

Importance of Planning Stakeholder Management

The key benefit of the planning stakeholder management process is that it provides a clear, actionable plan to interact with project stakeholders to support the project's interest (PMBOK, 2013). Once you have identified how the project will affect the stakeholders you are now able to manage their expectations and achieve project objectives, which is a vital part to project success. You achieve this by describing the strategies and actions that will be used to manage the stakeholders according to their power and interest in the project (Forman & Discenza, 2012). A classification of the engagement of stakeholders can be utilized to depict

how much power and interest exists with each stakeholder. Forman & Discenza use a method similar to the salience model to define stakeholder personalities; champion, neutral, antagonist, and stoic, ignored/invisible (2012). Whatever method you use it will be very beneficial in knowing how to interact with your stakeholders.

PMI's New Knowledge Area Discussion

The decision by the PMI to separate Project Management Stakeholders from Project Communications Management provides many benefits as stated in the Project Management Body of Knowledge (PMBOK). For the purpose of identifying stakeholder and planning stakeholder management, this change allows the new section to focus on not only managing the expectations of the various stakeholder groups but actively working to ensure an appropriate level of engagement of project stakeholders in the decision making and activities of the project (PMBOK, 2013). I believe this change and refocus allows for more specific guidelines and techniques for dealing with the identification of the stakeholders. It is more efficient to breakout the needs and difference between overall project communication and the communication needs of the stakeholders. This allows for a more tailored approach in dealing with the project stakeholders.

While in the executing process, the project manager's top priority is to constantly report status and ensure that stakeholders are receiving the information they need to make decisions and to be involved in the project (Dow & Taylor, 2008). This statement from the Project Communication Bible stresses the importance of having a specific communication plan, and method of reporting and sending information to the stakeholder. Having a knowledge area just for stakeholder management is key to the success of this process. All of this ties back to the first step of properly identifying and then analyzing the project stakeholders. By clustering

stakeholders according to common needs, you'll whittle your list down to a more manageable length, increasing the efficiency and impact of your efforts to meet the right groups' needs (Kenny, 2013). This statement says it all, having a good process in place will effectively meet the needs of the project team to ensure success.

Summary

In summary, identifying project stakeholders is the process of determining the people, groups, or organizations that will have the most impact and influence on the decision making, and success of the project. Planning stakeholder management is the process of developing strategies in order to understand how to effectively engage the stakeholders based on their power and interest of the project. These processes are important and key to the success or failure of the project, because it allows the project manager to focus on the appropriate stakeholders. Having a knowledge area dedicated to stakeholder management allows the project manager specific guidelines for determining the stakeholders. The concept being reinforced is that both are discrete Knowledge Areas in which stakeholder management is not simply better management of communications nor which improved communications is simply better stakeholder management (PMBOK, 2013). Identifying stakeholders is the first step in having a solid stakeholder management plan and a critical part to having a successful project.

References

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