Advanced Techniques in Stakeholder Management

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Effective stakeholder management is crucial to project success because it helps project managers engage their stakeholders for mutual success and prevents them from becoming barriers. Many project managers already build stakeholder registers and categorize stakeholders by interest and influence. However, project managers can do more to get the most out of stakeholder management. In this article, advanced stakeholder management techniques are described. Project managers can leverage these techniques to enhance their stakeholder management, giving them more tools to turn their stakeholders into partners in project success.

Stakeholder management is an important part of project management for several reasons. By identifying stakeholders and developing strategies to manage their engagement and expectations, project managers can win and secure key support for their project. Without stakeholder management, not only do project managers miss potential sources of support, they introduce risk to the project. Missed stakeholders might have key requirements that lead to change requests down the road, or stakeholders who were missed may also become barriers to success.

Effective stakeholder management helps project managers win support for their projects, while ineffective or no stakeholder management causes problems. Many project managers keep stakeholder registers and measure stakeholders' influence, interest in the project, and current and desired levels of engagement. What techniques can project managers use to go beyond basic stakeholder management and get more out of this crucial practice? In this article, we will provide a brief overview of basic stakeholder management. We will then discuss three advanced techniques: tracking engagement with Net Promoter Score (NPS), integrating stakeholder management and the communication plan, and identifying current and desired levels of engagement using a stakeholder engagement matrix.

Overview of Basic Stakeholder Management

Basic stakeholder management starts in the project's initiation phase with the process of identifying stakeholders. Stakeholders are defined as anyone who is affected by, or can influence, the project outcome. This can include internal stakeholders such as the project sponsor, project team, and organization management. It can also include external stakeholders such as regulatory bodies, vendors, government entities, and the general public.

Based on this identification, project managers build the stakeholder register. The stakeholder register should include, at a minimum, the stakeholder's name, title, contact information, contact preferences, and expectations for the project. It is vitally important that all relevant stakeholders are included in the stakeholder register. Stakeholders who are skipped may have requirements that will be missed and need to be filled in later. They may also become barriers to project success.

Once project managers have built the stakeholder register, they commonly classify stakeholders according to some type of grid. One common type of grid is the power/interest grid, although many other types exist, including influence/impact and the salience model, which uses power, urgency, and legitimacy to classify stakeholders[1].
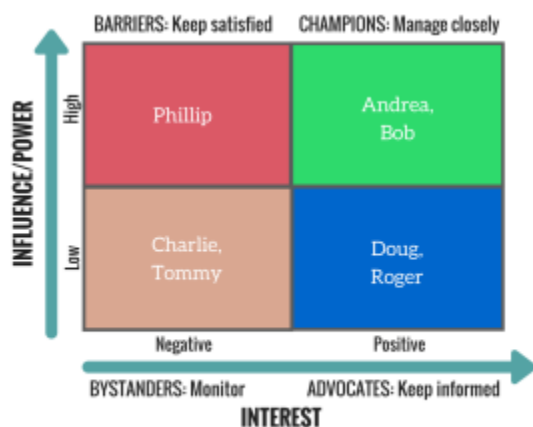
Figure 1 shows an example Power/Interest grid:

FIGURE 1. STAKEHOLDER INFLUENCE/INTEREST GRID

Figure 1. Stakeholder Power/Interest Grid.

Stakeholders with high influence and negative interest, such as Phillip, are barriers whose engagement needs to be managed to keep them satisfied. Bystanders such as Charlie and Tommy, whose interest is negative but whose influence is low, should be monitored. On the positive side, Andrea and Bob are project Champions due to their high influence and positive interest. They should be managed closely, especially since they can convince other stakeholders to support the project. Doug and Rogers are advocates, as classified by their positive interest but low influence. Keep them informed about the project and they may find opportunities to promote the project to others.

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1 Project Management Institute (2013). *Guide to the Project Management Body of Knowledge (PMBOK® Guide). Fifth Edition.* Newtown Square, Pennsylvania: Project Management Institute.

Now that we have described stakeholder management basics, we will move to advanced techniques.

Advanced Stakeholder Management Techniques

1. *Tracking Stakeholder Engagement Using Net Promoter Score (NPS).* Net Promoter Score is a customer loyalty metric. It is based on asking one question to stakeholders: "How strongly will you recommend us on a scale of 1-10?" Responses are collected anonymously to prevent bias in the results. Stakeholders who provide a score between 9-10 are known as promoters, those who provide a score between 7-8 are neutral or passive, and those providing a score from 0-6 are known as detractors[2].

   Once all stakeholder responses have been received, the Net Promoter Score is calculated by subtracting the number of Detractors from the number of Promoters. Neutral or passive responses are disregarded. A positive Net Promoter Score is generally considered good. A negative NPS is not immediately a cause for concern, since it is very common for the score to be negative early on. Consistent negative NPS, or very low NPS, can signal trouble with stakeholder engagement that needs to be addressed.

   Net Promoter Score is sometimes criticized for being based on a subjective question. However, we feel the desire for stakeholders to do business again is an important question that can signal the stability of an organization's client base. If the likelihood of recommendation is not strong at any point in the project, then that can serve as a signal that project managers need to revisit stakeholder management and find out what they can do to make things right. For this reason, we feel NPS is a powerful stakeholder engagement tool. Figure 2 shows a diagram of Net Promoter Score:
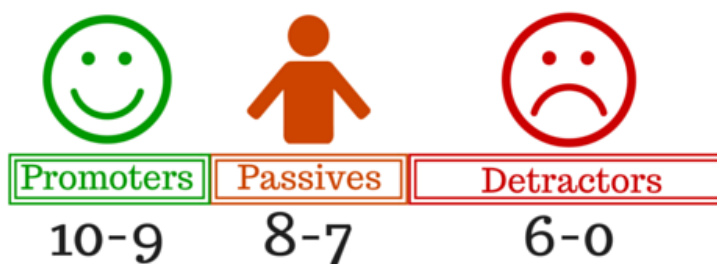

Figure 2. Net Promoter Score Diagram.

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2 Wikipedia (2016). Net promoter score. Accessed 29 February 2016 from *https://en.wikipedia.org/wiki/Net_Promoter*

2. *Integrating Stakeholder Management with the Communication Plan.* To get the most out of project communications and stakeholder engagement, the two processes need to be performed in tandem as much as possible. At the beginning of the project, stakeholder identification will be one of the first processes in the initiation phase. Later in the planning phase, the information from the stakeholder register will be used to build the first version of the project's communication plan. Every stakeholder identified in the stakeholder register needs to have a preferred mode of contact, means of contact, and a record of their interest level and expectations for the project. Doing these processes at the beginning of the project sets a solid foundation for communication success.

   What about during the project? Let's say new stakeholders enter the project. When they enter the project, the project manager needs to obtain their information and meet with them to establish their expectations. With this information, the project manager can then update the communication plan to reflect the new stakeholders.

   In addition to using stakeholder analysis to update the communication plan, the opposite can also bolster both processes. When any changes occur—for example, a stakeholder changes positions in an organization or something causes his or her interest level to change—the stakeholder register should be updated to incorporate this new information. We have seen that many project managers create the stakeholder register and communication plan but do not update them or use them together. By updating these documents and using them together, project managers can get more out of them.

3. *Identifying Current and Desired Levels of Engagement Using a Stakeholder Engagement Matrix.* In addition to the stakeholder register, the stakeholder engagement matrix is a useful tool to track current and desired levels of engagement[3]. Five levels of engagement can be tracked:
   a. *Unaware:* The stakeholder does not know about the project.
   b. *Resistant:* The stakeholder is aware of the project and does not want to support it.
   c. *Neutral:* The stakeholder is aware of the project and has no stance on it.
   d. *Supportive:* The stakeholder is aware of the project and supports it.
   e. *Leading:* The stakeholder is engaged in and committed to the project's success.

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3 *PMBOK® Guide.*

Figure 3 shows a stakeholder engagement matrix, sometimes also called a stakeholders engagement assessment matrix. Current levels of engagement are marked with a C, while desired levels are marked with D. It is important to realize that not all stakeholders may end up as leading or supportive. For example, Gene or Denise in Figure 3 may not go from Resistant or Unaware to Supportive. If they do, that is a plus, but if they can at least move to neutral, they are at least aware of the project and are not opposing it.

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
NK					C,D
Andrew			C		D
Gene		C		D	
Denise	C			D	

Figure 3. Stakeholder Engagement Matrix.

Project managers who are already using either the engagement matrix or Net Promoter Score may not need to use both techniques. Either one is good on its own, but together, they can paint a more powerful picture of stakeholder engagement. Net Promoter Score will provide a good idea of past trends in stakeholder engagement, while the stakeholder engagement matrix provides more clarity to the present point in time, particularly at the beginning of a project.

Conclusion
Following these advanced stakeholder management techniques is a good start to getting the most out of stakeholder engagement. Project managers certainly need to be keeping track of stakeholders in a secure stakeholder register. They should also be classifying them by influence and interest so they know who their barriers and champions are on any given project. They can start with advanced techniques by collecting Net Promoter Scores and tracking them over time. Making sure that the stakeholder register and the communication plan are updated consistently and interact with each other is another positive step. Finally, project managers can track current and desired levels of engagement to guide their strategy for engaging stakeholders.

While these advanced stakeholder management techniques may seem like a lot of work, the benefit to successful project delivery is powerful. With stakeholders on board, barriers to successful delivery can not only be managed and removed, but can also be prevented in the first place. Practicing and mastering stakeholder management can help project managers improve your project delivery capability and become stars in their organizations.

If you're struggling to meet the expectations of your stakeholders, look no further than RefineM for guidance. We offer coaching and mentoring for you or your teams to help build rewarding stakeholder relationships. We're happy to help.

References

1. Wikipedia (2016). "Net Promoter Score." Accessed 29 February 2016 from *https://en.wikipedia.org/wiki/Net_Promoter*.

2. Project Management Institute (2013). *Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. Fifth Edition. Newtown Square, PA: Project Management Institute.