

The three types of stakeholder communication



I touched on the subject of the fundamentally different types of communication needed to create a successful project outcome in a blog post¹. The amount of feedback the post received, many people misunderstanding one of the key ideas and some reflection suggest a focused article is needed.

One of the concepts underpinning the research for my doctoral thesis and the *Stakeholder Circle*² methodology is the concept that project success is determined by the attitudes of the key stakeholders around the project. Delivering a project on time, on budget and to

specification is not sufficient – if the project is not liked and the outputs are not used it is still a failure. Contrast the difference between the low level of patronage for the Melbourne Star and the success of the London Eye³.

Certainly, some projects find it easier to attract support than others but even intrinsically unpopular projects to implement a business change, upgrade systems and reduce head count need the support of the people involved in the change if the project's intended benefits are to be fully realised. And whilst change management and project management are distinctly different functions⁴, in many respects project stakeholder management and change management are similar and both are facets of an organisational change which need to work constructively together to achieve success.

Even where no internal change is needed each project needs the support of key elements of its stakeholder community to achieve a successful outcome in the most efficient way. And given the only ethical way to influence stakeholder attitudes is through effective communication, this means every project needs to communicate effectively⁵ to achieve optimum success. But reporting is not enough!

There are three general classes of communication that are needed in an effective stakeholder management:

- Traditional reporting
- Project relations (PR - marketing), and
- Directed communication.

¹ Read the post at: <https://mosaicprojects.wordpress.com/2014/05/17/effective-communication-effective-project-stakeholder-management/>

² For more on the *Stakeholder Circle* see: <https://mosaicprojects.com.au/PMKI-TPI-076.php>

³ Both of the attractions are large inner city 'observation wheels'. The London Eye was intended as a short duration exhibit to celebrate the Millennium – years later it remains a major tourist attraction, see: <https://www.londoneye.com/> The Melbourne Star was intended to replicate this success and boot visitor numbers to the Melbourne Docklands development. Its success has been underwhelming: <https://www.melbournestar.com/>

⁴ See more on **organisational change management**: https://www.mosaicprojects.com.au/WhitePapers/WP1078_Change_Management.pdf

⁵ For more on **communication theory** see: https://www.mosaicprojects.com.au/WhitePapers/WP1066_Communication_Theory.pdf

Reporting fulfils two useful purposes:

- Firstly it demonstrates you are running your project properly, project managers are expected to produce reports and have schedules, etc., issuing reports shows that you are conforming to expectations.
- Secondly, copying a report to a person keeps you in touch with them for when more significant communications are needed.

Reporting may not be communication but it is useful. Jon Whitty has described reports and bar charts as essential 'clothing' for a project manager and as Mark Twain did not say "*Clothes make the man. Naked people have little or no influence in society*"⁶.

You cannot avoid reports; they are required by your company and often by law. You simply create them as needed. Some examples include:

- Project Status Reports
- Minutes of meetings with your sponsor or project steering committee
- Required reports to shareholders or your Board of Directors
- Government mandated reports, safety reports, HAZOP, audit reports, etc.

The information in reports is typically pushed (ie, sent directly to) to recipients and whilst this creates a consistent set of data in a time series of themselves reports are not communication, although information in a report can be used as part of a purposeful communication (see below).

Project relations (PR) similar to normal PR but focused on your project and stakeholders. PR or marketing is probably the most underrated and under used communication process. It includes all of the broadcast communications needed to provide information about your project to the wider stakeholder community, both to market the value of the project and to prevent information 'black holes' developing that breed misinformation and rumour.

The power of social media to feed on rumours and amplify bad news is massive and it is nearly impossible to kill rumours once they have started even if the information being circulated is completely false. Once a perception of a disaster is created in a person's mind, the tendency to reject any other information is innate "*they would say that wouldn't they....*"

Drawing from the marketing and PR industries, and depending on your project, various forms of PR activity may be appropriate:

- **Marketing** based on thinking about the project in terms of stakeholder needs and their satisfaction including market research to plan and organise effective promotions and PR approaches to ensure the stakeholder understands the value of the project.
- **Promotion** is the action of making potential stakeholders aware of and liking your project. Think trade shows and book signing tours in the world at large.

⁶ Many useful sayings are attributed to Mark Twain including this one; unfortunately there is no record of him 'saying' this. For more on the value of project management artefacts see: ***Project management artefacts and the emotions they evoke***: https://eprints.usq.edu.au/6837/4/Whitty_2010_AV.pdf



- **Public relations** is a strategic communication process that builds mutually beneficial relationships between the project team and its stakeholders.
- **Sales** is transactional and involves getting stakeholders to buy into your project and provide what you need in exchange for something of value to them – see ‘directed communication’ below.

Effective PR using a range of available mediums including web portals and social media can mitigate (but cannot eliminate) the type of negative influence in your stakeholder community discussed above, both within the organisation, and externally. The challenge is to be first, to be understood, and to be credible.

Some of the options include:

- Project newsletters (or blogs) with positive, benefits focused information and accomplishments.
- Travelling road shows and awareness building sessions that people can attend at various locations to explain the project and benefits.
- Testimonials that describe how the project deliverables provided value.
- To build excitement and get people to read your PR, consider contests with simple prizes or a project countdown-until-live date.
- Being open to ‘pull’ communication, by placing useful information such as frequently-asked questions (FAQ) and project documentation in a common repository, directory or website that people can access subject to appropriate security processes.
- Making sure your team are ‘on-message’ and have a good ‘elevator pitch’ that explains the project and its benefits in 30 seconds – you never know when someone will have a minute to talk to the CEO.....
- Investing in project memorabilia with project name or image portrayed, such as pins, pencils, Frisbees, cups, T-shirts, etc. The project team members and their personal networks are one of your greatest assets – make them proud to ‘show off’ the project (this helps with team building too).
- If your project affects the ‘general public’ in any significant way, engaging effectively with the organisation’s PR, ‘media relations’ or marketing department(s)⁷.

Developing an effective PR campaign is a skilled communications process designed to build buy-in and enthusiasm for the project and the deliverables. It is well worth the effort on almost every project! It is far easier to create a good first impression than to try to change an already formed bad impression among

⁷ If your project affects people outside of the organisation, there is always a possibility of you being contacted by ‘the press’ and there may also be opportunities to use the project to market the organisation. In these circumstances you should:

- Make sure you understand your organisation’s media policy and any contractual constraints that prohibit or limit communication with the media
- Know how to contact the appropriate people within the organisation’s media/PR area quickly and their likely response times
- Include the organisation’s communications people in your project PR distribution planning (they may be able to leverage your ‘good news’)
- Know what (and how much) you can say to a question from the press and where to refer the enquiry for additional information (remembering media cycles are very short and non-responses are likely to generate ‘bad press’)
- Agree and document all of the above with the appropriate people within the organisation’s media/PR area so that everyone is on the ‘same page’.

Dealing with external media approaches effectively is partly a risk management function and partly a communication management function.



your stakeholders, and is particularly important if your project is going to change how people do their jobs – your project will experience far lower levels of opposition and the change manager will thank you.

Directed communication is hard work and needs to be focused on the important stakeholders (both positive and negative) with whom you need to cause a specific effect⁸. This includes providing direction to your team members and suppliers and influencing the attitude or expectations of other key stakeholders.

Directed communication needs to be planned, which means you need to know precisely what effect you are seeking and then work out how to achieve the effect. This usually means you want the stakeholder to start to do something, do something differently or stop doing something. Some of the tactics that can be used to make your communication effective include:

- WIFM – ‘what is in it for me’ – try to align your needs with something the stakeholder desires (this is called Mutuality)
- WIFMF – ‘what is in it for my friend’ – if there is no practical WIFM is there something the stakeholder’s friends or colleagues, or the overall organisation may benefit from?
- Using your network to build peer pressure through the stakeholder’s network of contacts. It’s hard to hold out against a group
- Delivering information incrementally in a carefully planned way with different people playing different roles in the communication plan
- Making as much information as possible open to ‘pull’ communication in a project ‘web portal’ and then directing the specific stakeholder to the information you want them to respond to (this works for reports as well).

Directed communication is hard work and needs to be carefully focused on the stakeholders that matter at any point in time and have a specific purpose (frequently a different ‘purpose’ for each of the key stakeholders)⁹. As with risk management, a regular review of the stakeholder community is essential to reassess the relative priorities of all new and existing stakeholders, to understand if your communication efforts are being successful (change tactics if not) and to best focus your communication effort going forward.

Some final thoughts:

- Effective communication needs to be designed to be effective within the stakeholder’s culture. This means learning how the person operates and what is normal for them – you need to communicate within their paradigm.
- Building this type of communication environment designed to support project success requires a strategic approach¹⁰, the pay-back is less time spent fire fighting and dealing with ad hoc enquiries.

⁸ Planning and managing **directed communication** to influence stakeholder attitudes is the primary purpose of the **Stakeholder Circle**[®] methodology and toolset. See: <https://mosaicprojects.com.au/PMKI-TPI-076.php>

⁹ For more on **directed communication** see: https://www.mosaicprojects.com.au/Mag_Articles/SA1036_Communicating_for_effect.pdf

¹⁰ For more on **communication strategy** see: https://www.mosaicprojects.com.au/Mag_Articles/SA1022_Stakeholder_Sun_Tzu.pdf



Most managers accept Philip Crosby's maxim '*quality is free*', I would argue so is the cost of effective stakeholder engagement¹¹.

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¹¹ Stakeholder management is free, see **Valuing Stakeholder Management**
https://mosaicprojects.com.au/WhitePapers/WP1083_Valuing_Stakeholder_Management.pdf