Stakeholder Circle®
Manage the right stakeholders

CONTROLS COMMUNICATE?

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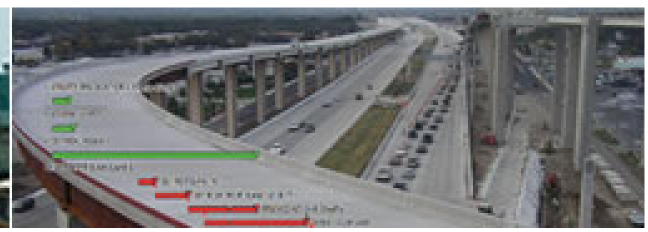

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Controls communicate?

Communication and stakeholder engagement processes and practices are often described as ‘soft’: sometimes this is meant as recognition that dealing with people (stakeholders) and developing appropriate messages for information exchange (communication) is difficult because people’s behaviours are unpredictable and it is difficult to develop objective (tangible) means to measure progress or even success in engaging stakeholders effectively. Sometimes it is used as a pejorative term – ‘flaky’ or ‘treehugger’ are equivalent terms. In this paper I will put the case that, although stakeholder engagement and effective communication are time-consuming and often complicated, unless project teams get it right the time spent on developing plans and controls will be dissipated because the right information hasn’t reached the right people, or it has been ignored, or misunderstood and is therefore ineffective.

This paper will focus on three topics:

- Information exchange controls and assists
- What can, and what cannot be achieved by project control systems
- The so-called Gantt chart and other miracles

Information exchange controls and assists

Information exchange, communication, is the only tool at the disposal of the team to manage relationships with stakeholders: there is nothing else! This section defines and describes ‘stakeholders’, ‘effective communication’, the importance of engaging stakeholders with appropriate communication and the connection between the work of project controls and communication.

Stakeholders

My clients in South America alerted me to a piece of information that surprised me! The term ‘stakeholder’ does not translate well into Spanish – it is *‘los grupos interesadas’* – with a focus on groups rather than individuals. This caused me to enquire about some other languages to try to understand how the idea of ‘stakeholder’ translates: in French it is *‘des parties prenantes’* (parties who are taking) and ‘*les intervenantes’* (intervening). In German it is *‘Beteiligten’* (involved) and *`Anspruchsgruppen‘* (who have a claim). The Brazilian idea of `stakeholders‘ is based on the early ideas of Paul Dinsmore who described `stakeholders‘ as “the ones who have the beef“ and interpreted by looking at dining in Rio (I went to the restaurant *Porçao* – famous for its variety of meats (including `steaks‘) served in many ways, but always on a skewer (`stake‘). This is an original way to view the world of stakeholders, but effective because it carries within it a world of meaning. The `stake‘ could be viewed as the negative aspects of an organisation’s or project’s stakeholders (the negative or unsupportive); the `steak‘ could be interpreted as the favourable side of the stakeholders (the supportive).

Considering all the different views of the meaning of `stakeholder‘, it follows that mapping of a stakeholder community by only two types such as `power‘ and `influence‘, or `impact’ and `interest‘, or any combination of the two, will limit the ability of the project or organisation to truly understand who the *right* stakeholders are and who are important at any particular time in the life-cycle of the work that is being done. The key to successful stakeholder enagement will be to recognise the different translations of `stakeholder' but develop a complete but concise definition that allows all stakeholders in the community to be identified and engaged in a structured and consistent way.

Such a definition can be the following: *'Stakeholders' are individuals or groups, who are impacted by the work or outcomes of the project or other activity, or can impact the work or outcomes of the project or other activity.*

Stakeholders have a 'stake' in the work or its outcomes – positive or negative: that stake can be:

- Interest,
- Rights (legal or moral),
- Ownership,
- Knowledge,
- Impact,
- Contribution (of funds, expertise or support).

They will be identified by the project team as stakeholders because they can influence the success or failure of the project through provision (or withholding) of:

- Funds,
- Support,
- Resources in the form of materials or people with the essential skills,

or they will self-select as protesters, objectors or authorities.

Relationships that are sustainable are two-sided: both parties gain from participation in this relationship – or have expectations of gaining something. The relationship will not flourish unless both parties contribute to its success. To make the relationship work it is essential to understand the *expectations* of each stakeholder, in particular the stakeholders who have been identified as being the most important in the stakeholder community for any given time in the life cycle of the project or other organisation activity.

Knowing the expectations of your important stakeholders will support early identification of potential conflicts between important stakeholders. It will also be the means to develop a useful message to provide the stakeholder with the feeling of confidence that his needs are known and understood. Through targeted communication the stakeholder can also be assured that the team will make every effort to provide these requirements or ensure that the reasons for NOT being able to provide these requirements are explained so that the stakeholder's NEW expectations can be managed. By doing these things the stakeholder will *perceive* that his needs are understood and from that he will be more effectively engaged in the success of the project and perceive that the project or activity will have an increased chance of success.

Communication

Communication is information exchange – it is about ensuring that the project or other activity receives the information it needs to manage stakeholder expectations and ensure that the work is progressing in the best way possible. It is also about providing each stakeholder, particularly the most important stakeholders with the information they need to believe that their expectations are known and being delivered. But before the team can craft an effective stakeholder engagement strategy, it is essential to gather as much information about the stakeholder community as possible. This can be achieved through the application of a stakeholder engagement methodology such as the ***Stakeholder*** *Circle* methodology. The methodology consists of five steps:

1. Identify (all stakeholders),
2. Prioritise (so that the most important stakeholders are known and understood),
3. Visualise (map the stakeholder community),
4. Engage stakeholders (in particular those whose *attitude* is not at the same level as the *attitude* necessary for success of the project or other organisation activity),
5. Monitor (measure the effectiveness of the communication by comparing the previous *attitude* matrix with the new one developed to reflect the passage of time or the introduction of a new event that will cause the stakeholder community to change significantly).

The first three steps provide the information necessary to develop effective communication strategies, step 4 enables the team to identify the stakeholders who need ADDITIONAL information to the regular reports that the organisation mandates. Step 5 will provide the means to see if the communication strategy that has been implemented has been successful. If the gap between current *attitude* and the target *attitude* closes, the team can be assured that the communication has been effective and that the stakeholder is receiving the information that will ensure he is appropriately engaged. If the gap hasn't closed or become wider this is the trigger to know that the communication strategy is not working and the team needs to try something different. These are the basics necessary to prepare for the work and information exchange to engage important stakeholders for the successful deliver of the objectives and outcomes of the project or other organisational activities.

This is the basic structure of *stakeholder analytics:* a methodology and process that fits within any framework or methodology to fill the gaps with the detail necessary to follow the necessary steps to fulfil the needs of the methodology or framework[1].

So now let's look at the ways that such information exchange controls and assists the team to successfully deliver the organisation's strategies and objectives through projects. To do this I will focus on the following statements:

- Information exchange (communication) is the only tool for building and maintaining robust and sustainable relationships with stakeholders.
- The team will need to spend 75% - 90% of its time to achieve effective engagement.
- Communication is more than meetings, emails and presentations.
- How the communication is delivered – its format and timing is just as important as the content : sometimes more so.

[1] For more details of the ***Stakeholder Circle methodology*** go to https://mosaicprojects.com.au/PMKI-TPI-076.php

The tool for building relationships and how to use it

I have already said that the stakeholder community will change as the work moves through its stages over time. Whenever the stakeholder community changes it will be necessary to review and update the communication strategy and plan. It will be a waste of the team's most scarce resource, time, to continue to implement the communication plan first developed in the original planning stage – information will potentially being given to the wrong people and those who need this information may not be receiving what they need to provide the right level of support or simply *perceive* that the project is still being successful.

The organisation will probably mandate specific but generic progress reports. These reports will be sufficient for many of the team's stakeholders, but for those who have been rated as the most important stakeholders, particularly those who are not as supportive as the team believes is necessary ADDITONAL information may be required – this must be crafted with the knowledge of the stakeholders already collected, in particular each stakeholder's expectations. It is the developing of this additional information and its implementation (often personally) that will take the extra time! The mantra of the Quality Movement of the 80s – *quality is free* – can be applied to stakeholder engagement processes and practices today. It really means that the investment in training and implementation of consistent quality processes and practices will be balanced by reduction in rework and increase in customer satisfaction and loyalty.

Targeted and appropriate communication controls and assists through the information exchange that:

- Develops the planning strategy, approach and documentation,
- Sets stakeholder expectations and provides guidance and assistance in achieving the objectives of the plans,
- Provides a trigger to know when support or intervention is needed, and the most effective type of intervention,
- Builds a reputation for competency and credibility.

What can (and cannot) be achieved by project control systems

There seems to be blind faith in the 'truth' of plans, schedules and other planning processes and their ability to really predict or 'control' the future environment. Controls are put in place to measure success against the 'guesstimates' developed by even the best of planning processes, by even the most experienced of participants. However a moment of reflection will reveal that even the most scientific and well-considered approach cannot develop a credible picture of the future in any great detail. What the strategy and plan will actually do for the activity is to provide a flexible working plan for all the activities that together contribute to successful delivery of outcomes: it will also indicate important milestones such as delivery of major materials, stakeholder progress reviews, contractor payment schedules, or 'go or no-go' reviews.

The plans cannot predict what will actually happen!!

When analysing why teams do schedules and actually asking the question: *What is the point of a schedule? Why do we do them?* There is a period of stunned silence before someone offers: *Because we have to!* Or: *It is the basis of our measures and controls!*

Often, after some reflection a better analysis results: a schedule is **communication!** It is:

- The result of a group of experts working with those who must deliver the outcomes to work out the best way to organise the work. They have shared their knowledge and agreed the best options for defining activities and applying appropriate skills.
- The preliminary work of high-level time components will be the basis of the Business Case and the basis for approvals.
- A notification to those whose expertise and work will be needed to deliver the outcome successfully. It will provide some information to them and their managers of when they will be needed and for how long.
- It will provide the basis for procurement activities, many of which will have long lead times and which must begin as soon as approvals are given.
- It will be the basis for reporting on progress and management of issues related not just to the estimates of times and budget but also associated risks to successful delivery of the outcomes.
- It will set the expectations of ALL stakeholders, but in particular those of senior stakeholders.

Pseudo-accuracy is counterproductive!!

In the process of providing estimates of time and cost for senior management in particular but for all stakeholders, care is needed in communicating estimates. Whatever numbers are published and communicated, they will set expectations. Many senior stakeholders will expect 'precision' or 'accuracy' and inexperienced teams will attempt to comply with such an unreasonable request and provide a number. As has already been discussed, it is not possible to accurately predict precise details of time or cost: ranges of data is more honest and helps set expectations of senior stakeholders.

Detail into the future is wishful thinking!!

… and a miracle occurs!!

A Darwinian perspective

Jon Whitty writes in *How to Train your Manager: a Darwinian Perspective*[2], that how managers are selected and retained, the tools and techniques they use to report, influence and get help from their own managers is part of an evolutionary process. These all provide survival advantages to these managers through influencing behaviours and choices of their own managers. In particular, the reporting tools used in reporting to senior stakeholders "to obscure from senior management the uncertainty of various aspects of the work they are managing … this buys some time for the manager to get matters back on track and under control. … a manager in the social corporate world can receive favourable attention from senior management because they appear to be organised and in control when at that particular moment they [may not be]." (p244) Whitty conducted a small survey of project managers working on projects in the corporate environment: the majority admit that

[2] In Bourne, L., (2011), ed: 'Advising Upwards: A Framework of Understanding and Engaging Senior Management Stakeholders. Gower, Farnham UK.

GANTT charts in particular do not really contain much useful information especially not 'truth' but since their senior stakeholders, often university-trained, expect them. The "business-like terminology" and technology such as MS Project® or MS Excel® that supports the perception of organisation and control provides the smoke screen of professionalism that allows the team and its manager to compete for the attentions of our senior managers and survive in the corporate environment. They are comfortable with such tools and devices because they will in turn provide the same perceptions of credibility and control to their own managers.

Conclusion

In conclusion, controls are an illusion that at worst provides that false sense of confidence that there can be control of the environment and the ability to predict future events. However, reports, plans, schedules and other artefacts used in the correct way can be the instruments of information exchange that establishes credibility and provides a useful gauge of progress, or managing stakeholder expectations. The secret is in understanding those stakeholders' expectations and ensuring that all data about the project or other organisational activity recognises that while we don't have crystal balls but that we understand the needs and requirements of all stakeholders and what it takes to deliver successful outcomes but also to *appear* to be delivering successful outcomes.

So do controls communicate? They certainly do. They can communicate the efficiency and credibility of the team when the controls and associated reports provide stakeholders with the information that is needed for everyone to do his or her job. They can also communicate incompetence or lack of experience – when plans and estimates are based more on crystal ball gazing and multi-year schedules packed with detail, that provide false promises of precision that cannot be guaranteed and meaningless reports that no-one reads but everyone requires.

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