How to Shape your Stakeholders[1]

Damiano Bragantini, PMP®, Agsm Distribuzione
Davide Ferrante, Accenture

Abstract

In common practice at least 70% of project manager time is dedicated to communication and some sources suggest a higher percentage close to 90% (Bourne, 2009). Communication (from the Latin *cum* = with, and *munire* = bind, build, and always from the Latin *communico* = to share, to participate) is sharing something with someone and stakeholders are precisely those with whom such sharing should be implemented. It is therefore evident that stakeholder management is strictly linked with communication. And vice versa: the communication is sharing information to and from stakeholders. To be successful the Project Manager should be able to correctly associate the risks to the various stakeholders in order to plan not only a response to the risk but also a method of communication in respect of the same stakeholders. The stakeholder shape tool (StSh) combining the risk identification phase with the stakeholders identification phase allows a better understanding of the link between risk management and stakeholder management; associating the relationship and agreement values the StSh make it easier for the Project Manager to decide the right communication approach for each stakeholders.

Communication and stakeholders

As stated by PMI (2012), one of the interpersonal skills of a project manager is communication. But, also, PMI (2008) observe how "the most important competence, however, is communication" and again "Communication is the primary tool for managing stakeholders" (PMI, 2008, p. 241).

No doubt, therefore, that must be understood not only the importance of communication as a personal competence or skills but also and overall the importance of communication as a prime mover in the execution of a project (or program or portfolio). And to do this it is necessary to carefully analyze and detail the principles of communication in the application of project management. The three processes identified by PMI (2012) with regard to communication are: plan communications management, manage communications and control communications. Without going into the detail of the argument, the communication process should meet the following steps: "1. Determine goals - 2. Identify target audiences - 3. Determine resources - 4. Identify key messages - 5. Determine channels of communication - 6. Budget - 7. Evaluation (impact assessment)" (EU, 2013).

[1] *Second Editions are previously published papers that have continued relevance in today's project management world, or which were originally published in conference proceedings or in a language other than English. Original publication acknowledged; authors retain copyright. This paper was originally presented at the PMI Global Congress 2014 EMEA in Abu Dhabi, UAE and included in the congress Proceedings. It is republished here with permission of the authors.*

The communication process is undoubtedly complicated and it is for this reason that many projects fail. The communication is the prime mover for a successful project: fostering communication between stakeholders can lead to a better understanding (Jensen and Uddameri, 2009). And without doubt, communication is a process and an activity common to all stakeholders. "Competent communicators should also be able to use communication behaviours to organize their work process" (Keyton et al, 2013).

With the aim of a better focus on stakeholders communication, in 2012, was presented a tool called The Stakholder Shape (Bragantini, 2012).

The tool provides to complement the stakeholders identification phase with the risks identifying phase and to tightly integrate the two processes to use some information related to the stakeholders in terms of communication to restate a priority/importance of stakeholders themselves. In fact, it is quite normal to think of a scale of stakeholders on the basis of some of their specific characteristics (eg power/interest, (Kamann, 2007)) and then act accordingly in terms of approach with regard to the same stakeholders. At these approved methodologies, the Stakeholders Shape adds an interesting methodology that allows to associate to stakeholders the impact that each may have in the occurrence of a specified risk, thus resulting in a scale of importance in relation to the problems that can make the project fail. PMI defines risk as "An uncertain event or condition that, if occurs, has a positive or negative effect on one or more project objectives" (PMI, 2012). For the purpose of this paper we assume another definition of risk that is "A "risk" is a problem that could cause some loss or threaten the success of your project, but which hasn't happened again" (Kaur et al., 2013). In the PMI vision this mean only event or condition that affect negatively the project.

In addition to the above, the Stakeholders Shape tool reprocesses the information collected about stakeholders by using an algorithm that enhances the aspects regarding the communication such as the agreement of the stakeholder in the project (and hence the possible need to negotiate) and the relationship that you can have with the stakeholder (and hence the necessity to understand and improve the relationship of mutual respect and trust).

We would like to underline that the purpose of this paper is not to dwell on a subject (communication) so vast and complex, but rather to indicate to the project manager a tool that can interact with the process of communication, outlining the most appropriate flow of communication for each stakeholder.

The Stakeholder Shape Tool

As the problem solving activity cannot be made without an adequate problem setting (and before that, problem finding) so, the stakeholder management and the risk management, must begin with proper analysis and identification: finding and setting.

During the risk management activities and in particular in the identification of risks may be associated with each risk a certain value (according to the formulas you find more congenial – in this paper we use three factors, impact, probability and tracking of risk), a response (action) and

any other information. In this phase we propose also to associate all stakeholders that have an impact on that risk with their share of influence (eg risk of collecting data between two systems: 90% of the event do not retrieve or recover partly happen because to the external supplier, 10% because to corporate IT area): the example shown in this paper refers to a project to implement a new software (and the disposal of the old software). For privacy, the names of the stakeholders have been replaced with the generic wording "Sh".

This activity generates a matrix similar to the one shown in Exhibit 1.

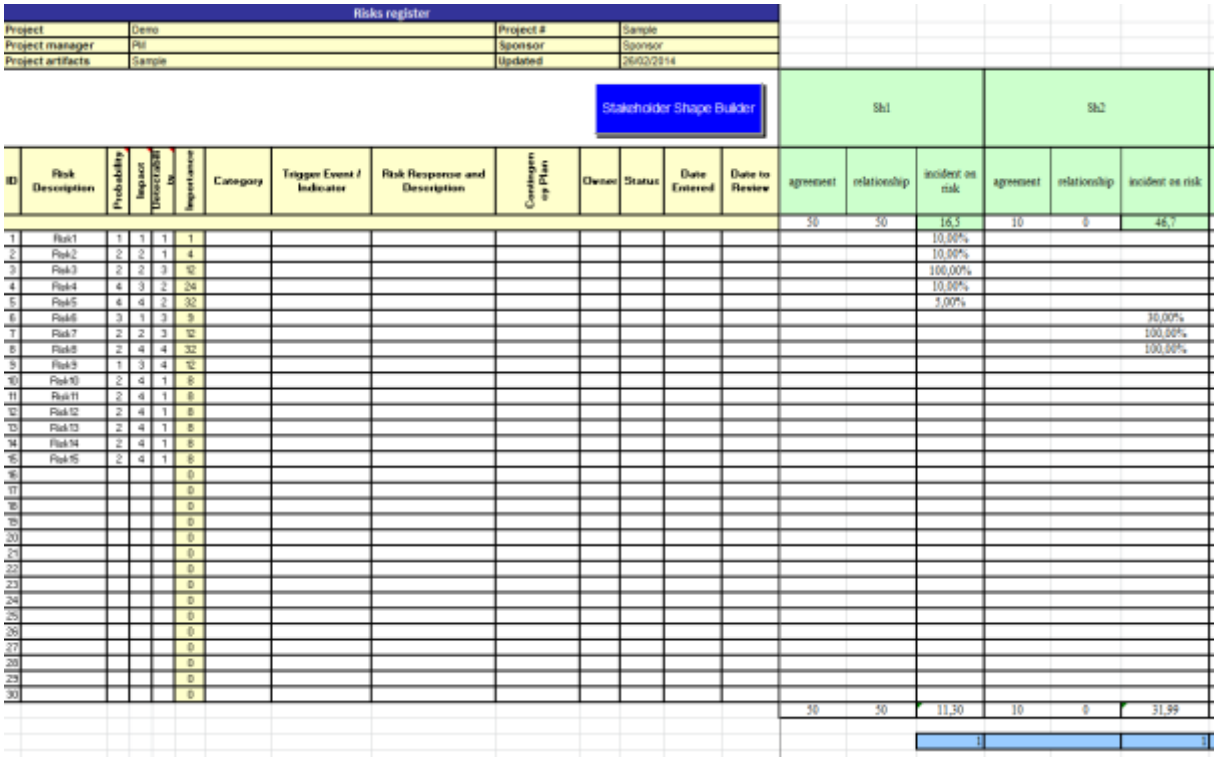

Exhibit 1 – risk/stakeholder matrix

We can, with this methodology, reconstruct the influence of stakeholders from the analysis of the risks and then derive the global influence of the stakeholders on the project in relation to what can derail the project.

In Exhibit 2 we can see the analytic result of this activity.

Exhibit 2- Example of influence of stakeholders on the risk

STAKEHOLDER	RELATIONSHIP	AGREEMENT	% TOTAL RISK
Sh1	50	50	11,30
Sh2	0	10	31,98
Sh3	70	90	9,11
Sh4	100	100	9,86
Sh5	90	80	7,67
Sh6	100	80	6,58
Sh7	10	30	6,03
Sh8	50	60	6,58
Sh9	50	90	5,41
Sh10	25	35	5,48
TOTAL			**100,00**

Where:

- *agreement*: is the degree of acceptance of the project/program (0 "no agreement" -100 total agreement);
- *relationship*: is the quality of the relationship (0 bad relationships – 100 good relationships);
- *Total impact on risk*: is the value that comes from the analysis of risks associated with the influence of a specific stakeholder on the risk.

The tool Stakeholder Shape (StSh) designs a sort of stakeholder shape or mapping where stakeholder's mapping "is the process of creating pictures to clarify the position of an organization's" (Shirey, 2012). The tool allows a different classification of stakeholders giving a graphic and "visual" result that facilitates the identification of the communication strategies to be adopted.

Using the ShSt it is possible to identify and classify stakeholders as well as clarifying communicative practices to apply to each of them drawing each stakeholder's shape on a graphic board such as the one showed in Exhibit 3.

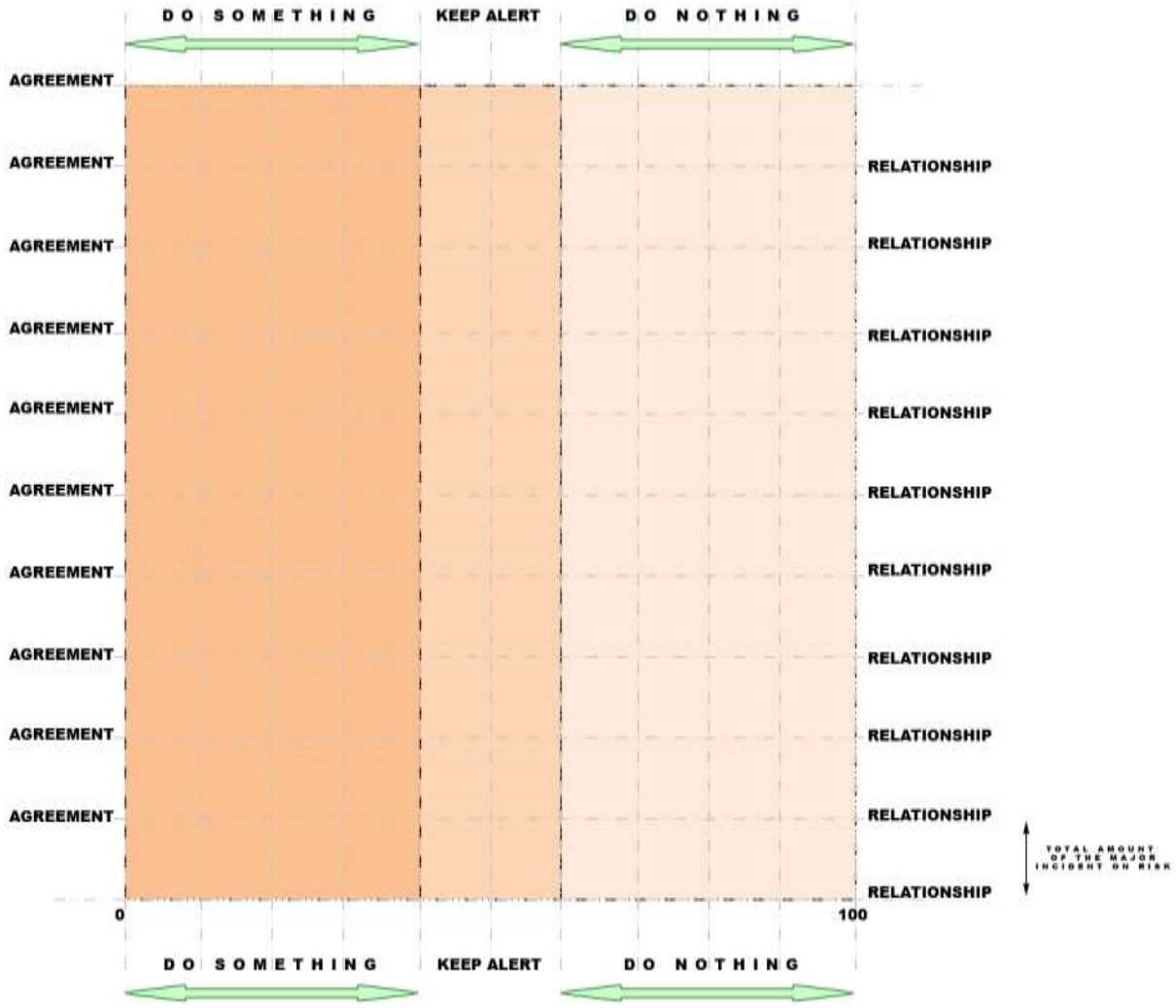

Exhibit 3 – the graph "Stakeholder Shape"

The graph StSh is set on 3 values previously cited:

- *agreement*
- *relationship*
- *total impact on risk.*

Let assume some heuristic rules.

- *Relationship good (>60)* – Relationship is good, stakeholder trust and/or esteemed project/program manager - attracts from different areas
- *Relationship bad (<40)* – Relationship bad, the stakeholders do not trust and/or esteemed project/program manager - attracts from different areas

- *Agreement good (>60)* – The stakeholders believe in the project, support it and are the main sponsors so that the project can be completed successfully
- *Agreement bad (<40)* – The stakeholders do not share the project: with vary intensity they will attempt to block the project or to delay the project objectives

The values of relationship and agreement should be concerted by the project management team during the definition of the risk/stakeholder matrix; it may be appropriate to use some tools (such as questionnaires, survey, one on one meetings, etc…) to define the value of these two features for each stakeholder (Murali Mohan and Paila, 2013).

The values of the relationship and agreement must be always fixed on the corresponding axes (relationship below, agreement up) regardless of the value of the incidence of the risk.

This is a personal choice to increase the areas with the worst relationship in the face of agreement. We consider, indeed, that it is more critical a stakeholder with bad relationships that one with bad agreement. Working, in fact, on the relationships you can move stakeholders towards greater agreement but the reverse is not possible. And often a good agreement with bad relationships does not help the project/program manager.

A similar reasoning can be done if you prefer to give higher priority to stakeholder with lower agreement.

We have two extreme areas: DO NOTHING - DO SOMETHING.

Let's see what we mean.

DO NOTHING

On this extreme we find stakeholders with good agreement to the project/program and good relations. Even if their impact on risk is extremely high you should set up a "standard" communication plan (do not invest much resources). The characteristics of these stakeholders are such that, if necessary, will be themselves to "bother" to make the project/program to be successful.

In this case we suggest a linear communication approach to the stakeholders as the one shown in Exhibit 4.

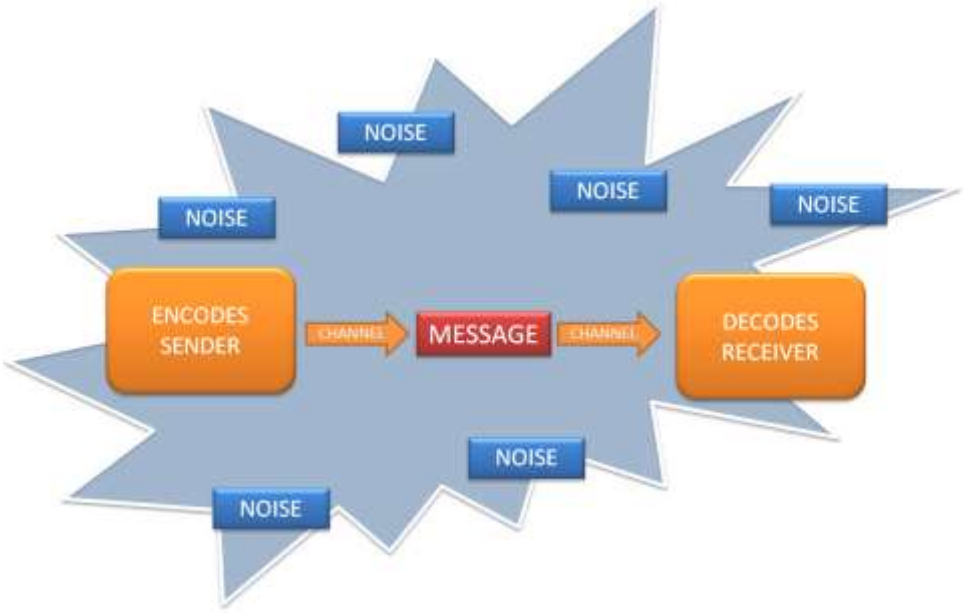

Exhibit 4 – linear communication approach

Ultimately, this translates into a communication plan that will include the use of certain communication channels (e.g., reports, dashboards, newsletters) with the simple update of the overall progress of the project.

DO SOMETHING

On this extreme we find stakeholders with little agreement on the project/program and difficult relationships. Even if their effect on the risk was very low, we have to work with communication strategies of negotiation and conflict resolution. Sometimes, in fact, the stakeholders influence each between them and those with low impact on the risks might act in a negative way on the other with high incidence on risks. We will then apply communication strategies that allow us to move the relationship and the agreement of these stakeholders in our favour. Communication aspects are, of course, strictly correlated with organizations assets and environments. It depend on the type of organizations but is a matter of fact that communication can flow in groups in more or less structured ways and information streams (Mears, 1974). The communication plan towards these stakeholders must be planned carefully and we should dedicated our attention and investment in terms of resources for the success of the project/program. It's important in these cases to determine whether the "DO SOMETHING" is due or not from the relationship. Indeed, we have mentioned that the relationship "good" or "bad" attracts from different areas.

This means that if the generic stakeholders has good relationship but it ended up in the "DO SOMETHING" the agreement will somehow pulled (attracted) to areas more favourable to these good relations: we can set the communication plan focusing on improving agreement (Exhibit 5)

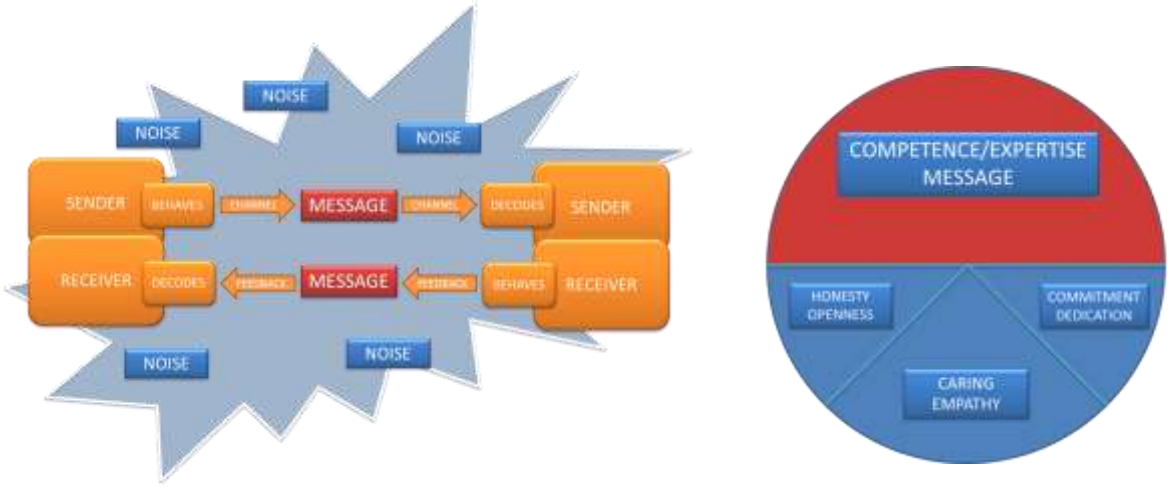

Exhibit 5 – interactive agreement communication

Ultimately, this translates into a communication plan that will include the use of certain communication channels (such as one on one meetings, conference call, group meetings, etc…) focusing our messages in term of competence and expertise to persuade our stakeholders of the value of the project and its benefits.

Conversely, if the general stakeholder agreement is good but it ended up in the "DO SOMETHING" the agreement will somehow pulled (attracted) by the risk of bad relations, worsen the situation in respect of the stakeholders: "in the process of communication the relationship between the transmitter and receiver is constantly defined and redefined" (Leszczyński, Zieliński, 2013), so the communication plan should be focused on improving relations. In this case the communication plan should be focused on an interactive scheme keeping in mind that, according to the Center for Risk Communication (cited in Carpenter, 2009), the key elements are caring and empathy (Exhibit 6). Also Barkse (2009) and Pullin (2010) cited by Keyton et al. (2013) "demonstrated the importance of positive social-emotional communication in overcoming communication problems (especially in creating work relationship)".

Ultimately, this translates into a communication plan that will include the use of communication channel (such as one on one meetings, conference call, group meetings, etc…) focusing our messages in term of caring and empathy to improve stakeholders relationship.

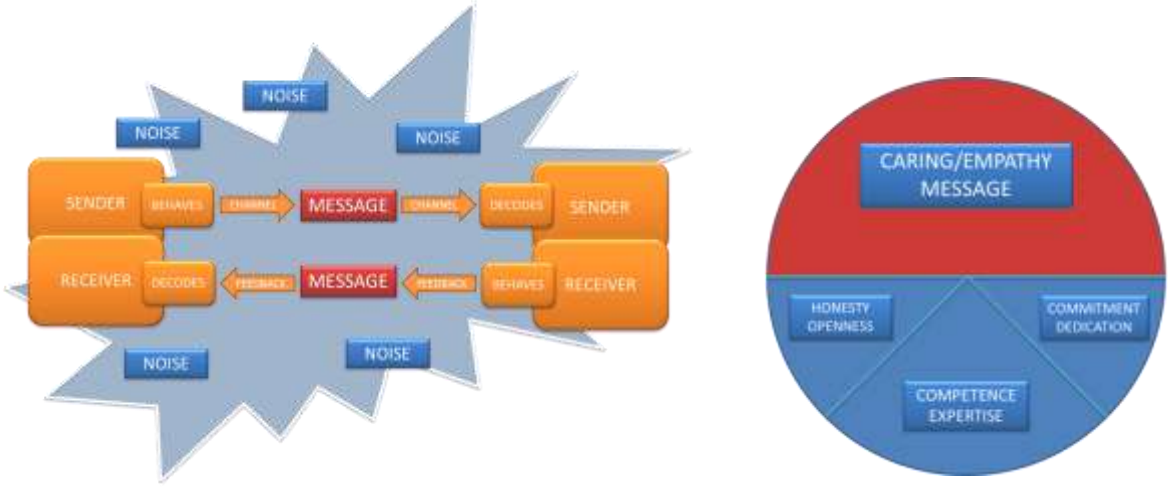

Exhibit 6 – interactive relationship communication

In intermediate situations (in the example we refer to the stakeholder 9 – Exhibit 8) priority over choice of communication methods is set to the left (+ high) to right (+ low). So in our example prevails the "keep alert" on the "DO NOTHING" (which basically does not yet translate into action, although it certainly must be translated into a state of reflection or attention). If the stakeholder 9 "precipitated" in "DO SOMETHING", we have to act by changing the level of communication and introducing actions that restore and/or improve the situation regarding the stakeholder.

Therefore, in this example, we should set for stakeholders 2, 7, 10 a level of communication that attempts to modify levels of agreement and relationship. As seen above this means investing more time to carefully choose and apply the necessary communication strategies. Consequently, this also could falls on higher costs that the project manager must take into account.

The StSh provides a clear disproportion between the influence on the areas formed by the two vectors agreement/relationship and the third vector incidence of risk. The explanation is simple. Here is meant to focus the lens on stakeholder management and not on risk management. The actions and activities to be carried out on the risk will be specified in the project/program risk management plan.

The statement above means that stakeholders to whom we must pay particular attention are those with the highest area of their shape and not those with greater impact on risk. Basically with this tool we change the priority and the action mode towards the stakeholders respect to the findings of the risk management.

The scale of priority is therefore revised with the new "scale of values" and the results are shown in Exhibit 7.

Exhibit 7 – Scale of values

STAKEHOLDER PRIORITY (StSh)		STAKEHOLDER PRIORITY (INCIDENCE ON RISK)
Sh2	=	Sh2
Sh7	↑↑	Sh1
Sh10	↑↑	Sh4
Sh1	↓	Sh3
Sh8	↑	Sh5
Sh9	↑↑	Sh6
Sh3	↓	Sh8
Sh5	↓	Sh7
Sh6	↓	Sh10
Sh4	↓↓	Sh9

While the graphical display is shown in Exhibit 8. The Exhibit 8 consists of two abscissas, one relative to relationship, the other relating to agreement. As mentioned above, the abscissa of the relationship is always the bottom line, the abscissa of agreement is always the upper one. The ordinate value is given by the impact on the risk of each stakeholder as calculated using the risk matrix/stakeholder described.

In the case of the stakeholder 4 (Sh4), having relationship and agreement 100, the shape is reduced to a line whose length coincides with the value of the impact on the risk (obviously the shape area will be equal to 0). In the case of the stakeholder 7 (Sh7) having relationship 10 and 30 agreement, the shape is as in the drawing with the fourth point given by the incidence of the risk that is 6,03.

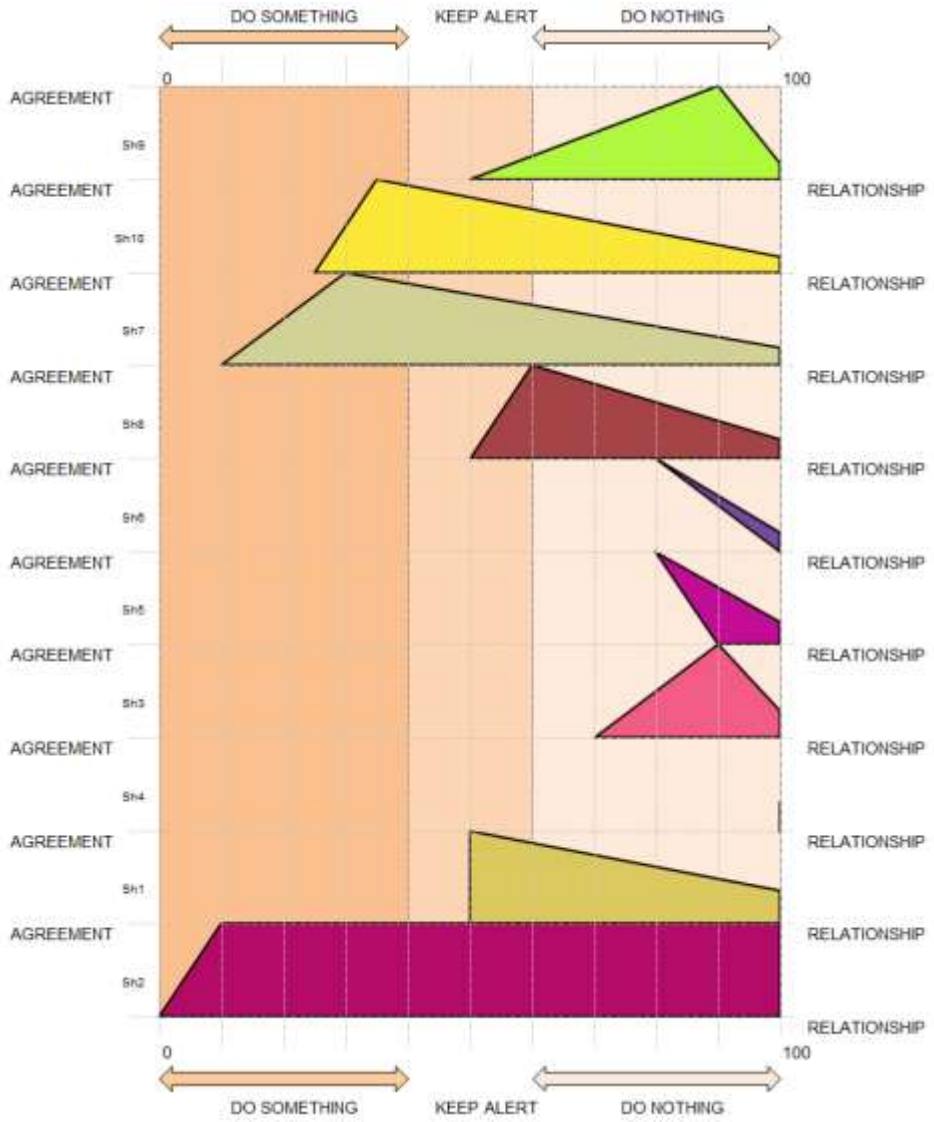

Exhibit 8 – Representation StSh with the values for individual stakeholders

With the scale of values we have different perspectives with respect to the scale based on the risk: now change the importance of the individual stakeholders in influencing positively or not the project as part of a broader vision (systemic) and not focused only on the risk (analytic).

The scale of values, thus giving us the importance of the relevant stakeholders to the project in a systemic view, has the role to influence the intermediate situations (as we said "KEEP ALERT") that often mislead the project manager.

The combination of information "KEEP ALERT" and "↑↑" takes us back then in the "DO SOMETHING" sector due to the strong rate induced by systemic scale of values in switching the individual stakeholder.

The tool also allows the use of different colours within a single shape representing the stakeholders so that it is possible to identify stakeholders belonging to the same company, for example, classify them into internal or external, foreign or local, etc. ...

Even the graphical display is benefiting compared to the usual bubble chart or power/interest grid (PMI, 2012) that, resubmitted with the values stated above, would be of the type shown in Exhibit 9.

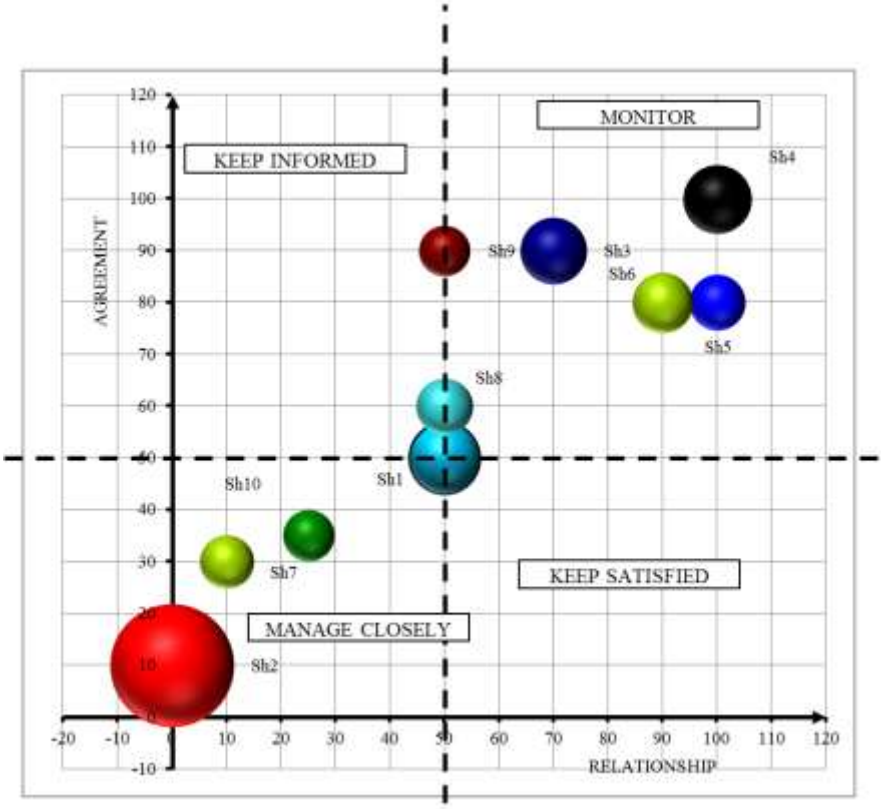

Exhibit 9 – Bubble Chart of the influence of stakeholders

When we are a certain thickening of values, the graph above does not help us in any way, overlapping bubbles or setting the centre of the bubble on the border line of the quadrant being so far from clear and intuitive in which approach is better to use. The use of StSh not dilate the timing of project management: stakeholder analysis associated with risk analysis allows even a reduction of time allowing you to write in a single document the risk register and the register of stakeholders. Let us not forget, however, that the project/program can be compared to a "living organism", subject to internal and external changes and therefore the methods presented are considered dynamic function of just changing: "stakeholder impact is dynamic and changes over time" (Olander, 2007). The StSh will therefore not a static, but will be changing with the progress of the project.

Thus, although the graph is easily made by hand, we recommend the use of a spreadsheet such as Excel, which allows the quick and easy updating based on the dynamics of the project/program.

Conclusions

The knowledge area of project communication management and project stakeholder management are strongly linked and there is evidence that the intervention of the project manager in driving the project is related to the communication between the various stakeholders.

During identify stakeholders phase is therefore essential to collect information that is related to the processes of communication such as the agreement of the stakeholders in the project (and hence the possible need to negotiate) and the relationship that you can have with the stakeholders (and therefore the possible need to improve the relationship of mutual respect and trust).

The stakeholder analysis associated with risk identification allows for further reflection on the importance/influence of the stakeholders on the issues that could derail the project. Reprocessing the results of these investigations through a new tool, the Stakeholders Shape (StSh), which centralizes its algorithms on aspects related to communication, it is possible to identify a specific shape for each stakeholder to identify clearly what are the most correct communicative approaches in respect of each stakeholder.

This paper has shown how the StSh may be an additional tool, provided to the project manager, for the management of stakeholders and communication plans within the project.

Further improving can be made in regard to communication plans and communication channels in the face of a more detailed stakeholder analysis that incorporated in the tool more information. Further developments should be analyzed in relation to positive risks.

References

Arnuphaptrairong, T. (2011) Top Ten Lists of Software Project Risks: Evidence from the Literature Survey, *Proceeding of international multi-conference of engineers & computer scientists*, Vol. 1, ISSN: 2078-0966, 2011 [online]. Available at: <http://www.iaeng.org/publication/IMECS2011/IMECS2011_pp732-737.pdf> [Accessed 24 February 2014]

Bourne, L. (2009), Ignore Stakeholders at Your Own Risk. *Voices on project management*. [blog] 4 October. Available at: <http://blogs.pmi.org/blog/voices_on_project_management/communication/> [Accessed 18 February 2014]

Bragantini, D. (2012) Il modello "Stakeholders shape". *Project manager (il)*, 2012, Issue 9

Carpenter, M. T. 2012. Improve Client Trust and Communications in Volatile Markets. *Journal of Financial Planning*. Jan/Feb2012 Practice Solutions, p14-15

Cleland, David I., Ireland, Lewis R. (2007), *Project manager's handbook: applying best practices across global industries* – McGraw-Hill

EU, European Commission (2013). *How to prepare a communication plan?* [online] Available at: <http://ec.europa.eu/ipg/go_live/promotion/communication_plan/index_en.htm> [Accessed 19 February 2014]

Heldman, K. (2009), *PMP: Project Management Professional Exam Study Guide, 5^ Ed*. – Wiley

Jensen, Ric; Uddameri, Venkatesh (2009). Using communication research to gather stakeholder preferences to improve groundwater management models: a South Texas case study. *Journal of Science Communication*, Mar2009, Vol. 8 Issue 1, p1-8Kamann, D. (2007), "Organizational design in public procurement: a stakeholder's approach",

Kamann, D. 2007. Organizational design in public procurement: a stakeholder's approach. *Journal of Purchasing & Supply Management*, Vol. 13 No. 1, pp. 127-36

Kaur, K., Jyoti, B., Rani, R. 2013. Analysis of Gold Plating: A Software Development Risk. *International Journal of Computer Science and Communication Engineering.* Feb2013, Vol. 2, Issue 1. Available at: < http://static.ijcsce.org/wp-content/uploads/2013/02/IJCSCE021113.pdf> [Accessed 26 February 2014]

Keyton, J., et al. 2013. Investing Verbal Workplace Communication Behaviors. *Journal of Business Communication*. Apr2013. Vol.50, Issue 2, p152-169.

Leszczyński, G., Zieliński, M. 2013,. The impact of misaligned business communication on the quality of salesperson -- buyer relationships. *Poznan University of Economics Review*. Vol. 13 Issue 2, p107-136. 30p.

Mathis, A. 2007. Corporate social responsibility and policy making: what role does communication play? *Business Strategy & the Environment*. Jul2007, Vol. 16 Issue 5, p366-385

Mears, P. (1974). Structuring communication in a working group. *Journal of Communication*, 24(1), 71–79.

Morris Rick A., McWhorter, Sember B. (2008), *Project management that works: real-world advice on communicating, problem solving, and everything else you need to know to get the job done* – AMACOM

Murali Mohan, V. R., Paila, A. R.2013. Stakeholder Management in Infrastructure/Construction Projects: The Role Of Stakeholder Mapping And Social Network Analysis (SNA). *Aweshkar Research Journal*. Mar2013, Vol. 15 Issue 1, p48-61

Olander, S. 2007. Stakeholder impact analysis in construction project management. *Construction Management & Economics*. Mar2007, Vol. 25 Issue 3, p277-287

Pritchard, C. L. (2004), *The project management communications toolkit* – Artec House

Project Management Institute. (2008) *The Standard for Program Management – Second Edition* Newtown Square, Pennsylvania: Project Management Institute Inc.

Project Management Institute. (2012) *A guide to the project management body of knowledge (PMBOK® guide).* 5th ed. Newtown Square (PA): Project Management Institute.

Shirey, M.R. 2012. Stakeholder analysis and mapping as targeted communication strategy. *Journal of Nursing Administration*. September 2012, 42(9):399-403

Stephens, K. K.; Malone, P. C.; Bailey, C. M. 2005. Communicating with stakeholders during a crisis. *Journal of Business Communication*. Oct2005, Vol. 42 Issue 4, p390-419

About the Authors

Damiano Bragantini

Italy

Damiano Bragantini is a Civil Engineer with more 15 years of experience in Civil Infrastructure and Information Technology experience. Currently he is working with Agsm Group, an important Italian utility in generation, distribution and supply of electricity and gas. Mr. Bragantini is also a recognized teacher at the University of Liverpool (UK) where he teaches in project management MSc. Mr. Bragantini is a certified Project Management Professional (PMP) from the Project Management Institute (PMI). He has been also actively involved with Project Management Institute (PMI) as a final Exposure Draft Reviewer for Project Cost Estimating Standard and Practice Standard for Earned Value and as internal reviewer of PMBOK Fifth Edition. Mr.Bragantini has also been actively involved and is still involved with the local PMI Northern Italy Chapter, where he has been a contributor to some projects. Damiano Bragantini can be contacted at damiano.bragantini@agsm.it.

David Ferrante

Italy

Davide Ferrante with a bachelor's degree in Management Engineering has worked as an intern in AGSM Distribution, a company dealing with distribution and metering of electricity and natural gas. Mr. Ferrante also worked for four years for a company specialized in communication and marketing where he organized and coordinated various advertising campaigns. He was awarded at the Logistic Game (first Italian logistics championship) where teams from different universities were challenged on problem solving skills. He also was awarded in developing a start-up in e-commerce area. Davide works for Accenture and can be contacted at davide.ferrante87@gmail.com.