PM101: Lecture 5
Stakeholders

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Stakeholders are individuals or groups who will be affected by either the conduct, the output or the outcome of the project.

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Internal and external stakeholders

Internal stakeholders
Directly involved with the conduct of the project in some way

You can choose who these are

Everyone else
(7.6 billion people)

You have absolutely no control over who these are

External stakeholders
People **not** directly involved in the conduct of the project but who have an active interest in it

People working in the customer organisation or project firm may be external stakeholders.
People working in outside organisations can be internal stakeholders.

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Who are the stakeholders?

FRAKKO : project to extract shale gas in England

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Stakeholders

Internal

FRAKKO

Company executives

Project sponsor

Project manager

Project team

Others

Hired specialists

Suppliers

Key sub-contractors

External

Other sub-contractors

Legal advisors

Competitors

Nearby residents

Local businesses

Local politicians

Government

Regulators

Fire and police agencies

Environmental activists

Press and TV

Trade unions

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Intervener groups

Any environmental, political, social, community-activist, or consumer groups that can have a significant positive or negative effect on the project's development and successful launch.

Pinto, J. (2007). *Project Management – Achieving Competitive Advantage,* Upper Saddle River: NJ, US: Pearson, p41. Photo: Ian Capper. Creative Commons. Attribution 2.0 Generic (CC BY 2.0)

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Internal stakeholders at the hub of the project

Champion - influential protagonist or supporter who does not have access to the money

Sponsor – the powerful person with access to money and control over resources (this person is the 'customer')

Project manager – responsible and accountable for producing the output with the resources provided

Originator - the person who has the original idea for the project and promotes it with conviction

Project team members – bring specific skills and expertise

Eventual user – brings insight into the real life situation, and needs to be enthused about the project and its output, not resistant to them

Photo: Fauxels, Pexel.com

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Creative tension

Project Manager

Sponsor

Is the focus of delivery of the project output

Orchestrates the resources to deliver the project

Keeps the project under control

Delivers the project output

Acts as the customer for the project output

Represents the organisation to the project

Represents the project to the organisation

Photo: Fauxels, Pexel.com

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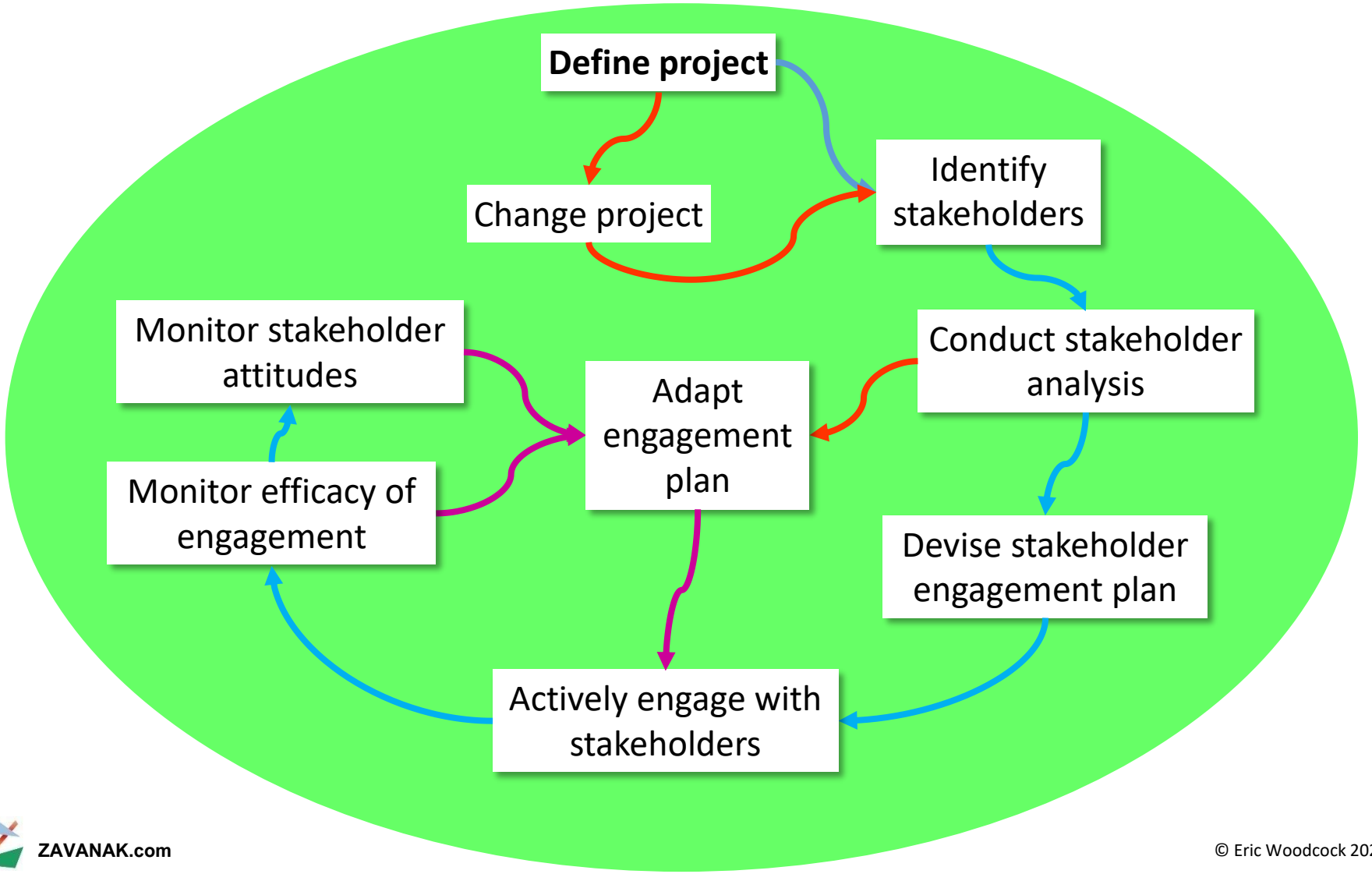
A stakeholder ~~management~~ engagement process



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Stakeholder mapping - 1

Source: McElroy B. & Mills C. (2000). *Managing Stakeholders,* in Turner, R. (Ed.) (2007). *Handbook of project management.* Aldershot: Gower.

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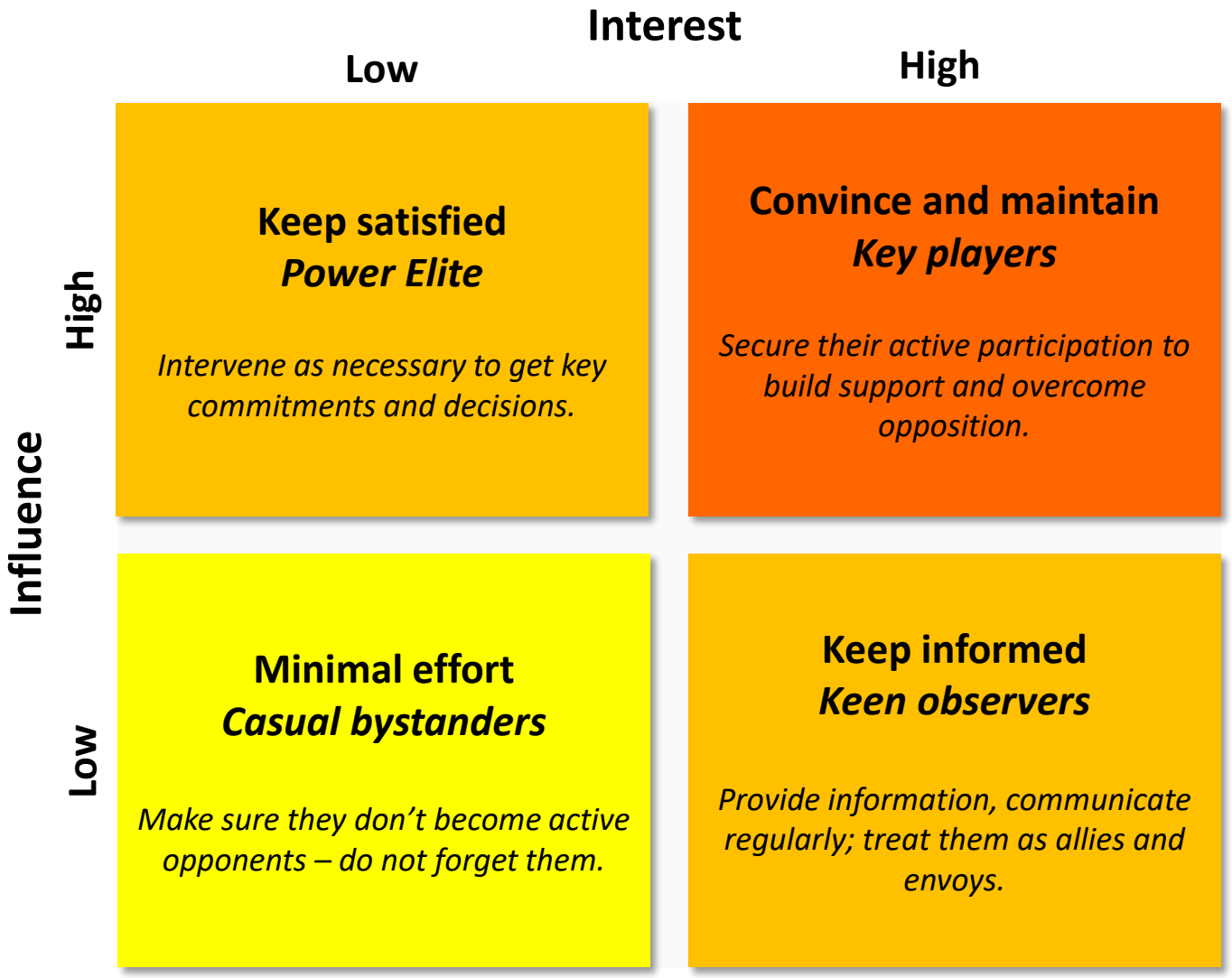
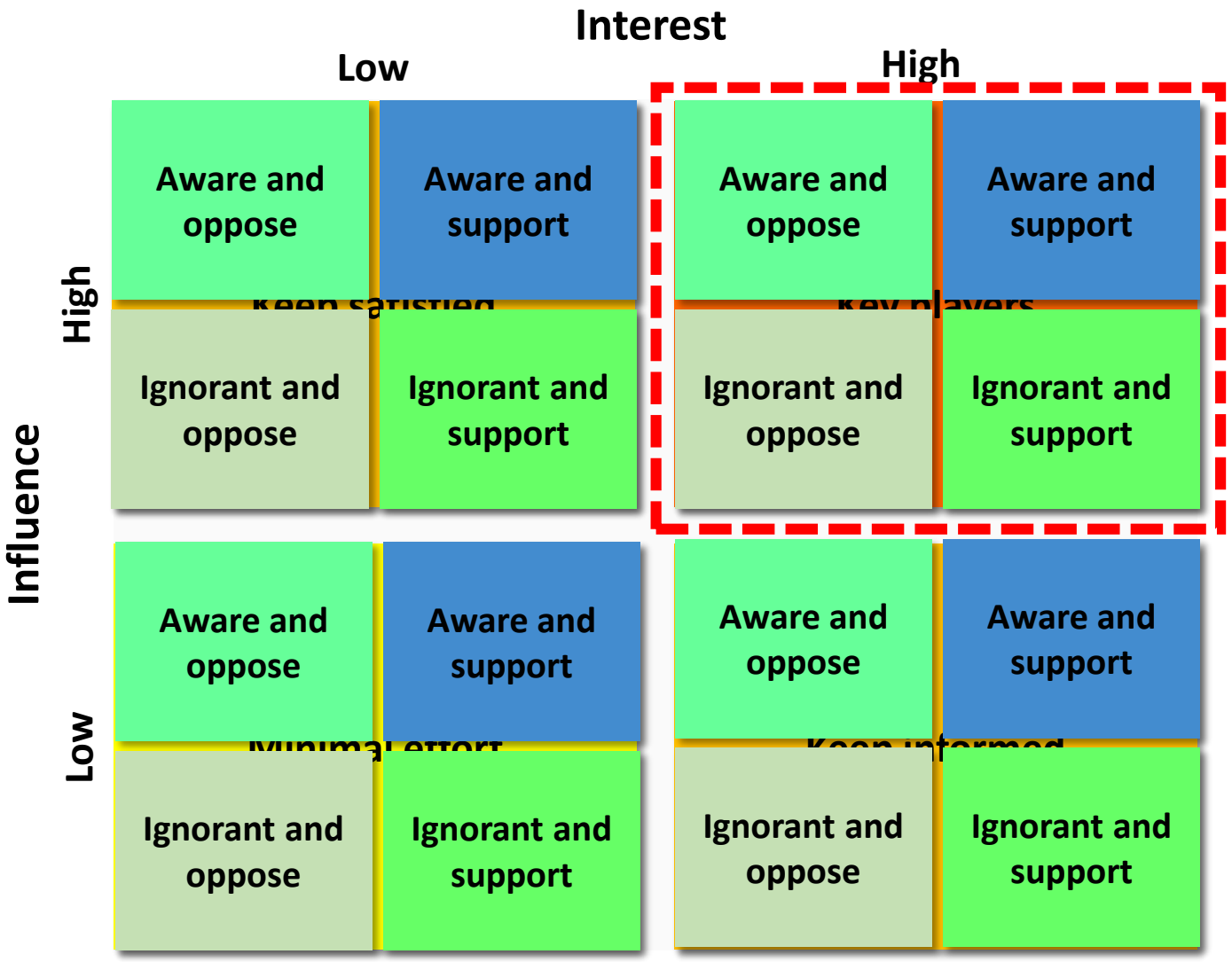
Stakeholder mapping - 2



 Source: Mendelow, A,(1991). Proceedings of 2nd International Conference on Information Systems, Cambridge, Mass. © Eric Woodcock 2020

Stakeholder mapping - 2



Source: Mendelow, A,(1991). Proceedings of 2nd International Conference on Information Systems, Cambridge, Mass.

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Stakeholder mapping - 3

High interest

High influence

Aware and oppose ***Challengers*** *They are difficult to deal with. Their opposition is based on knowledge.*	**Aware and support** ***Ambassadors*** *Don't take them for granted. Ensure the project meets their objectives.*
Ignorant and oppose ***Reactionaries*** *Their opposition is based on emotion. Fill gaps in knowledge with accurate messages.*	**Ignorant and support** ***Waverers*** *Protect and reinforce their support.*

Source: Mendelow, A,(1991). Proceedings of 2nd International Conference on Information Systems, Cambridge, Mass.

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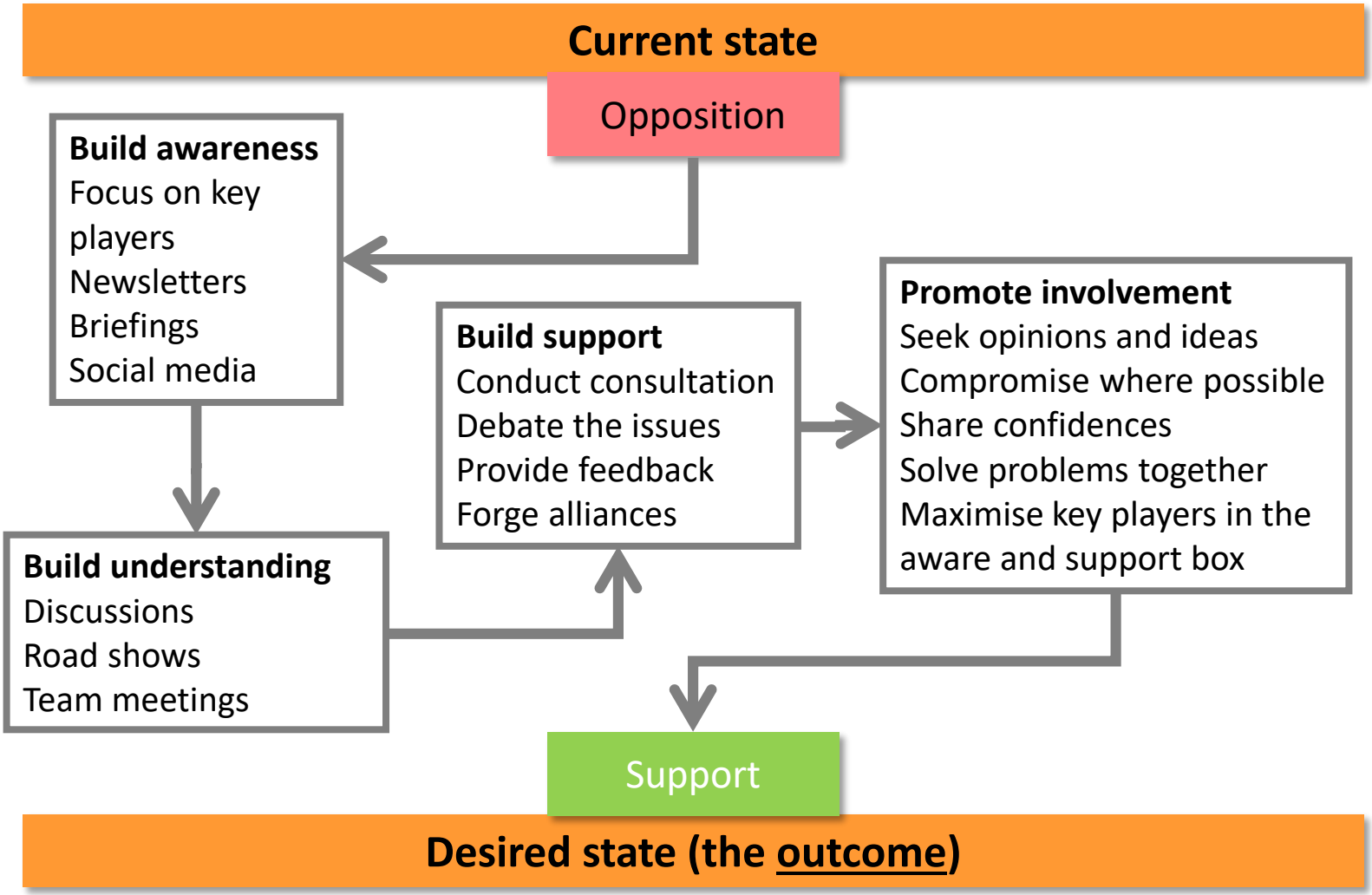
The path to commitment



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Stakeholders: the Urbano cable car system

Opened 2010, to enable residents of poorer neighbourhoods access to better jobs in the central business district.

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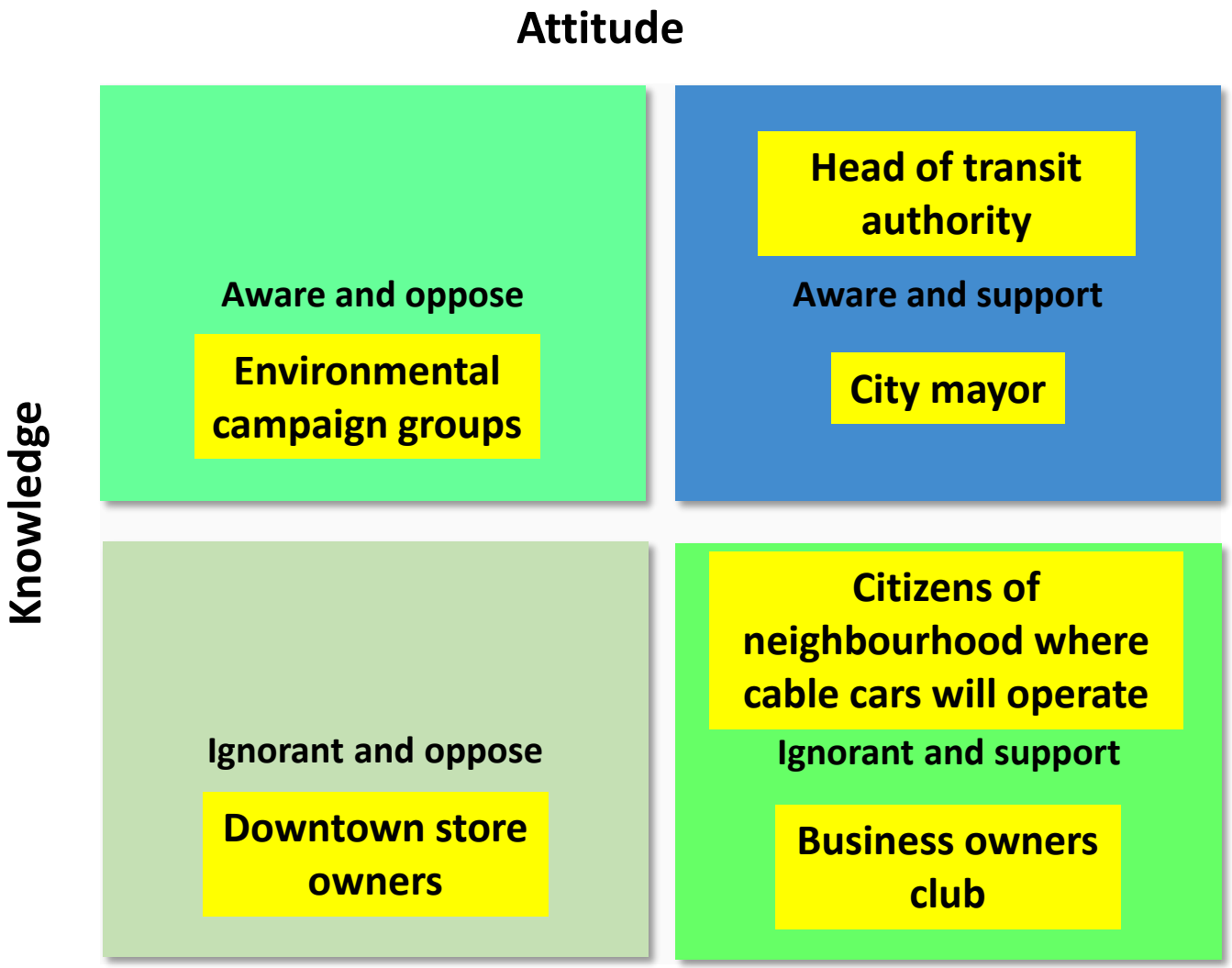
Stakeholder mapping – Urbano cable cars



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Stakeholder engagement

Stakeholder	'Role' in the project	What they want from the project	What they want to know	How they will be engaged with	Who will engage with them	Timing
City Mayor	Political sponsor	Open ahead of mayoral elections	High level progress. Any issues with a political dimension	One to one meeting in their office	Head of transit authority	Every three months or ad hoc if necessary
Head of transit authority	Executive sponsor	Head of transit authority in bigger city	Progress in relation to time and budget timescales. Major issues and proposed solutions.	One to one meeting at project office	Senior project manager	Every month
Citizens of neighbourhoods where cable car will operate	End users	Reliable and affordable transport to city centre and employment areas	Progress against published milestones. Any issues that may affect them directly.	Regular leaflet drops with progress reports. Public meetings.	Project communi-cations manager	Every two months for each neigh-bourhood
Environmental campaign groups	Self-appointed guardians of environment	Higher profile. Be involved in future projects. Advance environmental agenda. Some demands may have to be resisted.	Status of project against key environmental goals.	Group meeting at campaign offices	Project communi-cations manager	Every three months

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Stakeholders: core ideas

Stakeholders include anyone affected by the conduct, output or outcome of the project.

Internal stakeholders are directly involved in doing the project; external stakeholders have a close interest but do not work inside the project.

Core internal stakeholders include the originator, champion, sponsor, project manager, project team and, ideally, some of the eventually users of the output.

The sponsor acts as the customer for the output; the roles of the sponsor and project manager should be complementary.

We must identify the key stakeholders and get as many of them as possible aware of and supportive of the project as we can.

The motivations of some key stakeholders may not be directly connected with the aims of the project.

There must be a stakeholder engagement process throughout the project.

See Zavanak page *Stakeholders*.

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