



PM Crash Course™ for IT Professionals

Real-World Project Management Tools and Techniques for IT Initiatives

RMC
Publications, Inc.

rmcpublishations.com
ciscopress.com

Rita Mulcahy, PMP
Contributing Author: Martha L. Young

PM Crash Course[™] for IT Professionals

Goals of This Chapter

Upon completion of this chapter, you should be able to:

- Develop a list of stakeholders for your project
- Be able to conduct a stakeholder analysis
- Explain the business value of a recognition and rewards system
- Understand the value of maintaining an issue log

The term “stakeholders” encompasses everyone involved with or affected by the project, plus those who can positively or negatively affect the project. Stakeholders on a project can be a project manager’s best friends or worst enemies.

Stakeholders are driven by their wishes, fears, goals, and personal agendas of a project. Understanding the motivations of each stakeholder is important to the success of the project, especially if a stakeholder holds a contrarian point of view.

For example, in addition to internal stakeholders, a technology project that could potentially eliminate a large number of jobs, such as moving a call center off-shore, may also involve state and local government officials. Political entities prefer to keep high paying, clean technology positions within their jurisdiction. These stakeholders would therefore represent a contrarian position on the off-shoring of the firm’s call center.

Stakeholders may include:

Sponsor This person authorizes the project, provides the funding, supports the project, and promotes the project’s value throughout the management team as well as across departments and divisions.

Management This category includes any company management other than the sponsor or functional managers.

Stakeholders

People and organizations involved in or impacted by the project

People and organizations that can positively or negatively impact the project

Project Management Office This is a centralized group whose roles within the organization may include providing policies, methodologies, and templates for projects, providing support and guidance to others, and/or providing and overseeing project managers.

Project Manager The project manager is responsible for the ongoing project activities and uses project management to manage the project.

Functional Managers These individuals manage departments within the performing organization. There are often numerous functional managers involved in IT implementations, including network administrators, wide area network managers, software managers, and security managers.

Team Team members are responsible for executing the project management plan. IT project teams are generally made up of a cross section of the technology group.

Customers The people inside the organization that have requested the project are its customers. The customers provide the project scope and approve scope changes.

End Users Those people who will use the product of the project are its end users. End users can be the entire organization, as in a project involving changing e-mail applications, or can be a subgroup, as in a project where a new application is being added to the customer relationship management (CRM) suite for sales and contact center personnel.

Public This term includes anyone who may be affected by the project. Public stakeholders can be political, environmental, or the community in which the company is located. For example, politicians and the community have a vested interest in keeping jobs local, so any project that seeks to move jobs elsewhere will be met with resistance. The other side of that coin is excellent publicity when a company seeks to grow its local presence and add jobs. Environmentalists as stakeholders come into play when a company is making claims of being green, polluting/cleaning up the air or water, or increasing/decreasing its carbon footprint in its production process.

Funding Sources Funding sources can include banks, governmental, or outside agencies. Any firm that provides substantial financial resources to a company is a stakeholder in the project associated with the funds. Most projects are funded internally, but there are opportunities to obtain outside funding, which increases the

organization's and the project's visibility. Outside funding might come in the form of tax breaks from the State and County to move a business into the community. Investment capital is another source of outside funding obtained through private equity or merger/acquisition. Additional sources of outside funding include government grants; cooperative research projects such as those being developing around alternative energy between universities and government; or test-bed funding such as the Boulder SmartGrid project, which is a cooperative of numerous technology companies.

Most project managers fail to identify and properly involve some important stakeholders on their projects. This is another value of reviewing historical project information, being able to identify stakeholders not top of mind.

Stakeholders will have different roles in the project depending on their level of influence and the relationship of their role to the project. The telephony team will have a greater role in a distributed contact center project than the IT director. The technology security team will also have a greater role in the same project than the internal networking team. Stakeholder roles are fluid and dynamic, depending on the project. In one project, an individual stakeholder may be highly influential and, in a different project, much less so.

Stakeholder analysis, discussed later in this chapter, will help project managers in managing stakeholders and their competing needs.

Exercise:

Apply what you have learned about stakeholders with the following scenario.

An old (legacy) system has been negatively impacting the performance of three projects within a company. The legacy system is used in the accounting department and the finance department to create reports for financial analysis that are critical for company business decisions. The negative impact on the three existing projects is estimated to be greater than the cost of replacing the legacy system; therefore, company management has approved a project to create a new system to replace the legacy system. All projects in this company are required to follow company project, quality, and risk management standards.

Stakeholder (by name)	Level of Influence 1 to 10 (10 is highest) The project manager and team need to define what each level of influence means so that all are evaluating it by the same criteria or measure	What will make them satisfied? (What are their requirements and expectations?)

Answer:

The key to any stakeholder list is to make sure all of the right people are included. In this example, many people overlook the team who created the legacy system. What if the team members are still working with the company and do not want their work to be replaced? Could this team get in the way? Could this team provide additional insight into how the legacy system impacts other systems and processes within the company?

How about the departments whose standards the project must follow? They will need to ensure the standards are adhered to, and they should be looking for the project to provide any suggestions for improving the standards.

The scenario says the legacy system was used to make critical company decisions. When identifying stakeholders, you might ask yourself, “What decisions?” “Who is making them?” and “What actionable information and data points are they using to make these decisions?” Why not ask those who use the data what they wish to see the new system provide while the “determine requirements” project is ongoing and before the “implement the requirements” project is started?

Key stakeholders almost everyone forgets are the project managers for the three other projects who have been negatively impacted by the legacy system. Wouldn't they have some insight into what the new system should and should not do? Could they provide historical records of past problems with the old system? Should there be some interface between these projects?

Based on the exercise scenario, the stakeholders would include:

- Creators of the legacy system
- Owners of company standards
- Those who will be using the system to make critical company decisions
- Project managers for the other projects
- Sponsor
- Team
- Project manager
- Project management office (if one exists)
- Management
- Accounting department
- Finance department
- IT department

The following items are tricks to help you with stakeholder identification.



When an entire department is really a stakeholder, a trick is to have one person from the department WIN the opportunity to represent the department on the project. Such work is worthy of being on a resume (curriculum vitae), and that stakeholder will participate more fully, having won the position.

.....



If identifying all the stakeholders is so important, how do you know if you have identified them all? Try this trick. Ask each stakeholder who they think the stakeholders are for the project. You are guaranteed to find more stakeholders.

.....



Instead of asking, “Who are the stakeholders?” ask people who they think would most benefit from the project and who they think might be able to provide advice. Also, it is interesting to ask in confidence who the stakeholder thinks does NOT want this project to succeed, or “Who might get in the way of the completion of the project?” Reframing the question can bring out different responses.

.....

Stakeholder Analysis

Not only is it important to determine early in the project who all the stakeholders are, by name, it is important to make sure you know how much they can influence your project, and what will make them satisfied. Stakeholder analysis helps the project manager to plan how he or she will manage the stakeholders involved in the project. Stakeholder analysis yields information on each of the stakeholders, their relationships to the project, interests in the project, and expected outcomes. A comprehensive analysis of the stakeholders will assist the project manager in constructing the optimal approach to the project and its challenges, and will enable better negotiations and communications with each of the stakeholders. It is helpful to know that Fred in Finance is unable to compromise with Sam in Sales; or that Arthur in Accounting wields tremendous influence throughout the company.

Some stakeholders will need to be involved in establishing the project scope. Some stakeholders might have expectations that have not been put into requirements for the project, which will need to be discovered. Some stakeholders will need to be included in the project reporting cycle, while others will want more frequent and more detailed updates. Some stakeholders will want information transferred to them