

# How to Win the Prize of Project Success: Know Your Stakeholders

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# A Tale of Two Projects

- **Financial System Project** – Initiated by a mandate from the former Chief Executive Officer
- **Electronic Medical Record (EMR) System Project** – Initiated by the new Chief Information Officer



# Financial System Project

- No stakeholder analysis
- Limited stakeholder involvement throughout project
- Fractured chain of command that increased difficulty managing:
  - Needs definition
  - User expectations
  - Schedule, budget and quality



# Lessons Learned

- Stakeholder involvement is essential
- Identification of primary stakeholder involvement at project initiation is a key determinant of project readiness and success
- Stakeholder analysis provides information on how to manage stakeholders and proceed successfully
- Information from a stakeholders' analysis helps address implications if stakeholders change



# EMR System Project

- Required project charter to form common understanding of the project:
  - Objectives
  - Assumptions
  - Scope
  - Approach
  - Management organization
  - Responsibilities and risks
- Based on lessons learned, conducted stakeholders' analysis before completing project charter



# Stakeholders

- Individuals with a “stake” in the project outcome
- Persons or groups whose problems, needs or interests are affected by the project:
  - **Primary Stakeholders** – Persons of immediate interest to the project
  - **Secondary Stakeholders** – An intermediary in the project



# Stakeholders' Analysis

- An assessment of a project's key participants and the extent to which their problems, needs and interests are affected by the project
- A stakeholders' analysis is the first step in building relationships with those responsible for project success



# Why Analyze Stakeholders?

- Determine capabilities of an organization to attain project success, i.e., project readiness
- Identify characteristics and interests of stakeholders, and conflicts of interests among stakeholders
- Define roles of stakeholders, e.g., issue resolution, periodic committee participation, full-time committee assignment, etc.
- Measure capacity of stakeholders to participate in the project
- Predict participation by different project phase, i.e., system planning, definition, acquisition, and implementation



# Stakeholders' Analysis Factors

- Importance
- Influence
- Commitment
- Engagement



# Importance to Stakeholders

- Measures the priority given to the project by its stakeholders, i.e., impact of those affected by it in terms of:
  - Success
  - Failure
  - Not doing the project
- Addresses stakeholders' perception regarding likelihood of project success



# Influence of Stakeholders

- Measures degree to which stakeholders have the authority to affect the project outcome
- Clarifies whether authority is formal or informal, e.g., to assign personnel to tasks
- Identifies project participants with sufficient responsibility and authority to accomplish project objectives



# Engagement of Stakeholders

- Evaluates whether project participants are “in gear” versus “out-of-sync” or “neutral”
- Measures stakeholders’ willingness to stay informed and be current on project issues and their resolution:
  - Identifies who is willing to maintain a current understanding of the project to make informed decisions and steer the project
  - Clarifies who is an active project participant versus an observer



# Commitment of Stakeholders

- Measures stakeholder availability to participate in the project, i.e., take direct responsibility or assign other individuals to perform project tasks
- Identifies conflicts that prevent or limit participation, e.g., other conflicting priorities



# The Analysis Process

- Defines the process or steps required to conduct a stakeholders' analysis
- Documents the results of those steps
- Provides recommendations that contribute to successful project management



# Step 1: Where is the Impact?

- Identify business areas affected by the project:
  - Corporate
  - Operations
  - Financial
  - Information Technology
  - Clinical
  - Legal



# Step 2: Who's Affected?

- Identify primary stakeholders from affected business areas:
  - Chief Executive Officer
  - Chief Operating Officer
  - Chief Financial Officer
  - Chief Information Officer
  - Chief Medical Officer
  - Chief Counsel



# Step 3: How Do You Get Input?

- Identify a stakeholders' analysis tool:
  - Collect data via survey and/or interview guide
  - Use an on-line survey
- Determine number of participants to help select tool(s)



# Step 4: What Do You Ask?

- Prepare questions to address Knowledge Areas:
  - **Risks** – Positive or negative project consequences
  - **Cost** – Project budget
  - **Time** – Project schedule
  - **Scope** – Breadth of the project
  - **Human Resources** – Number, type, and availability of project personnel
- Create questions that ensure meaningful and consistent responses



# Key Measures of Importance

- Primary work function
- Importance of doing this project
- Impact of:
  - Project success
  - Project failure
  - Not doing the project
- Likelihood of project success



# Key Measures of Influence

- Formal or informal authority throughout the project for the following:
  - Risk
  - Cost
  - Time
  - Scope
  - Human resources
- Willingness to exercise that authority



# More Key Measures of Influence

- Expertise in leadership, consensus building and negotiations
- Relationship with other potential stakeholders



# Key Measures of Engagement

- Level of buy-in or support for this project
- Willingness to participate, by project phase, in:
  - Identification, escalation and resolution of project issues
  - Informed decision-making
  - Project meetings
  - Project advocacy



# Key Measures of Commitment

- Identification of conflicts that prevent stakeholder participation in the project by phase
- Availability to participate in project management committees (e.g., Steering Committee) by project phase



# Check Survey for Completeness

Knowledge Areas	Importance	Influence	Engagement	Commitment
Risks	Question 1		Question 2, 3	
Cost		Question 3, 6		
Time	Question 12		Question 9	
Scope	Question 9, 10			Question 5, 11
Human Resources		Question 7	Question 8	Question 4

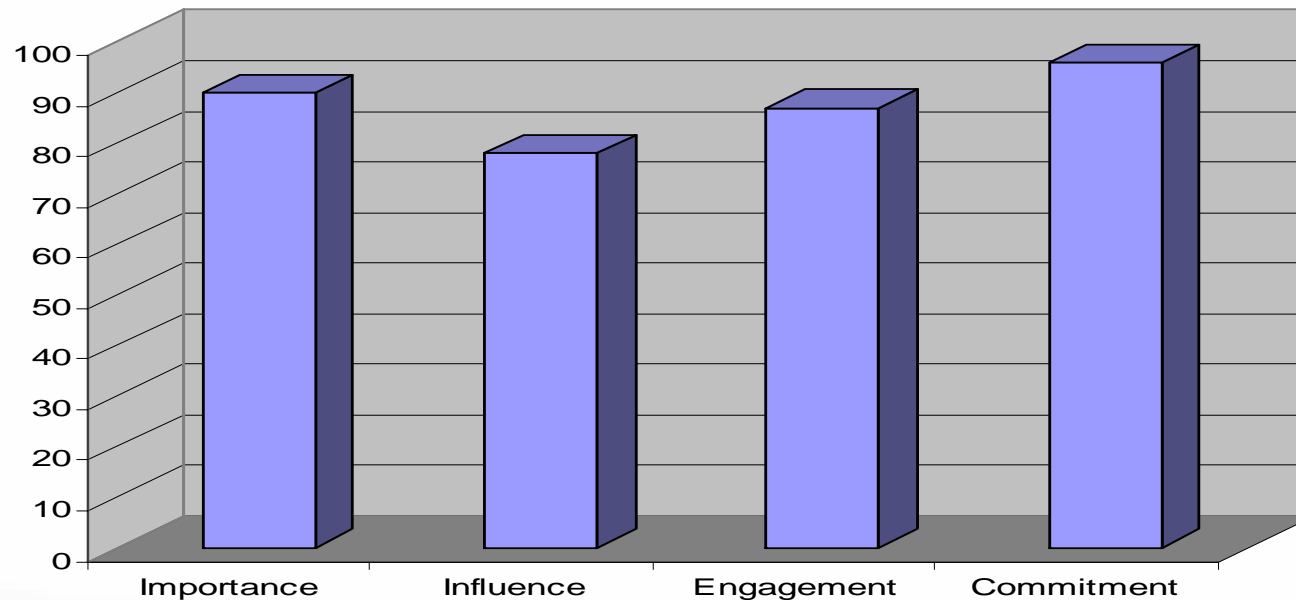


# Step 5: What Does It Mean?

- Defines inter-relationships between stakeholder:
  - Importance
  - Influence
  - Engagement
  - Commitment
- Profiles:
  - Individual stakeholder views of the project
  - Project support by stakeholder business areas
- Identifies:
  - Potential project strengths and weaknesses
  - Ways to use strengths and address weaknesses



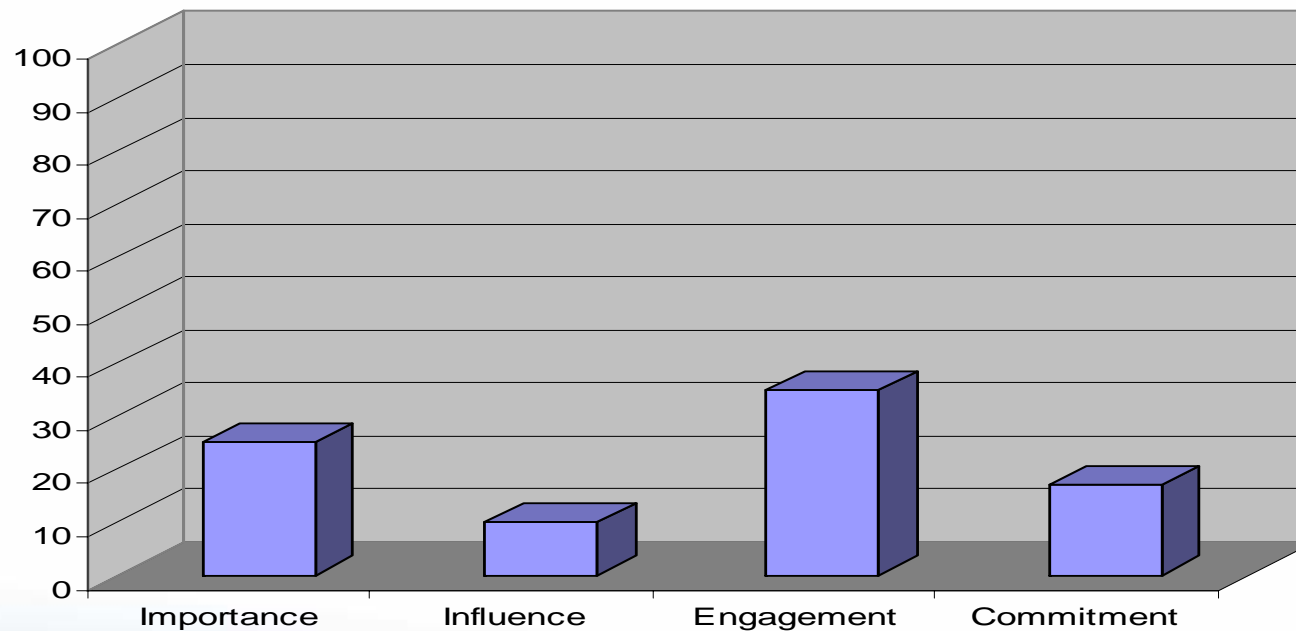
# Possible Outcome 1



**Conclusion** – Ideal situation; balance of high importance, influence, engagement and commitment



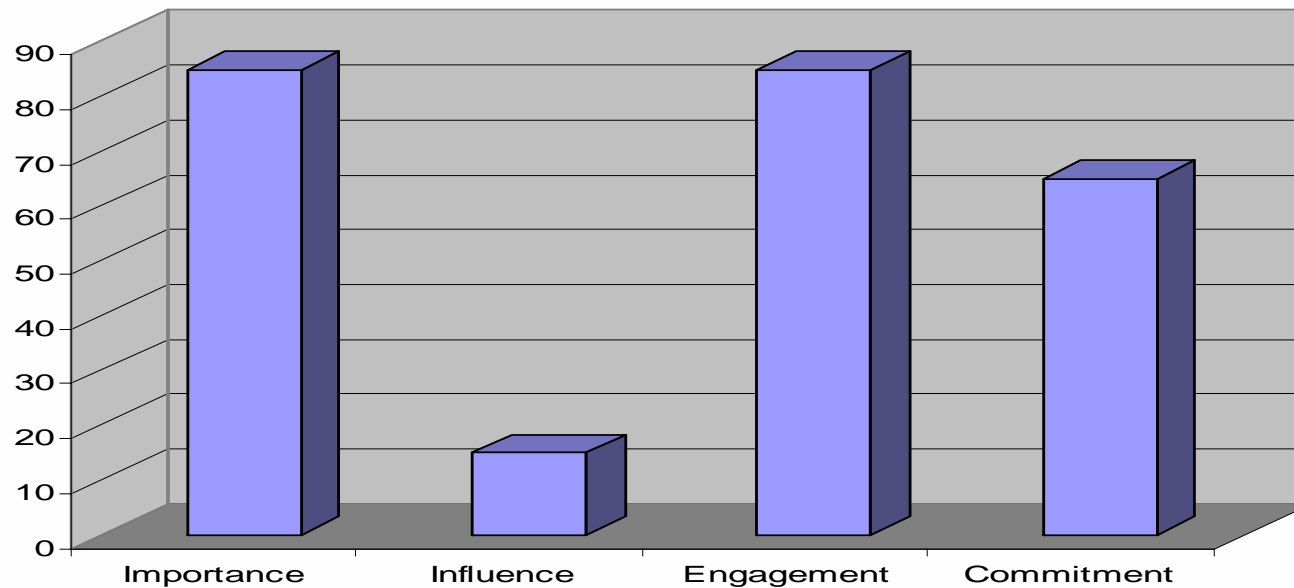
# Possible Outcome 2



**Conclusion** – Worst possible outcome; lack of importance, influence, engagement or commitment

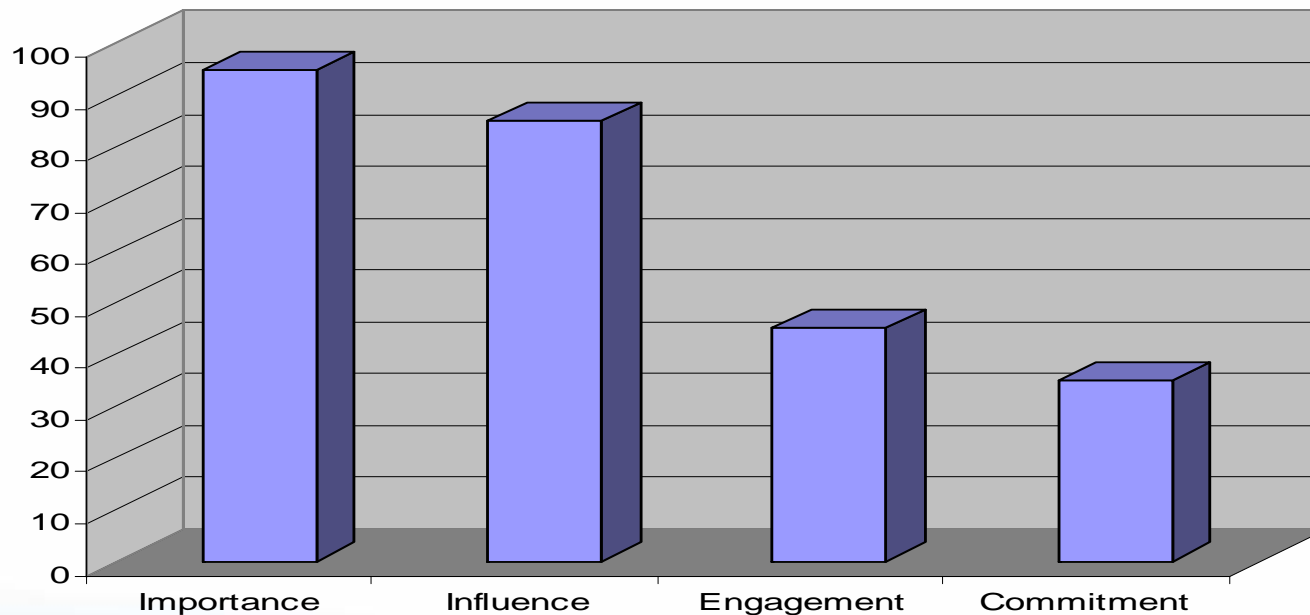


# Possible Outcome 3



**Conclusion** – Project considered important, but participants may not have sufficient decision-making power to ensure project success

# Possible Outcome 4



**Conclusion** – The project is considered important and stakeholders have sufficient authority; however, failure to commit and engage presents significant risks



# Case Study

- Previous EMR project failed because former CIO selected and implemented system without stakeholder support
- New CIO wanted a project charter to assess support for a new EMR project
- We conducted a stakeholders' analysis first to determine if it was worthwhile to proceed with the project charter



# Importance

<b>Entity</b>	<b>% Support</b>
IT Steering Committee	86
Project Steering Committee	93
Executive Committee	77
<b>Overall</b>	<b>85</b>

**Conclusion** – Key project stakeholders were very interested in the EMR project



# Influence

<b>Entity</b>	<b>% Support</b>
IT Steering Committee	51
Project Steering Committee	47
Executive Committee	59
<b>Overall</b>	<b>52</b>

**Conclusion** – No single individual will have complete influence over the project, but most indicated they will have “informal” status to affect decision-making



# Engagement

<b>Entity</b>	<b>% Support</b>
IT Steering Committee	70
Project Steering Committee	84
Executive Committee	64
<b>Overall</b>	<b>73</b>

**Conclusion** – Key stakeholder engagement in the EMR project is relatively high



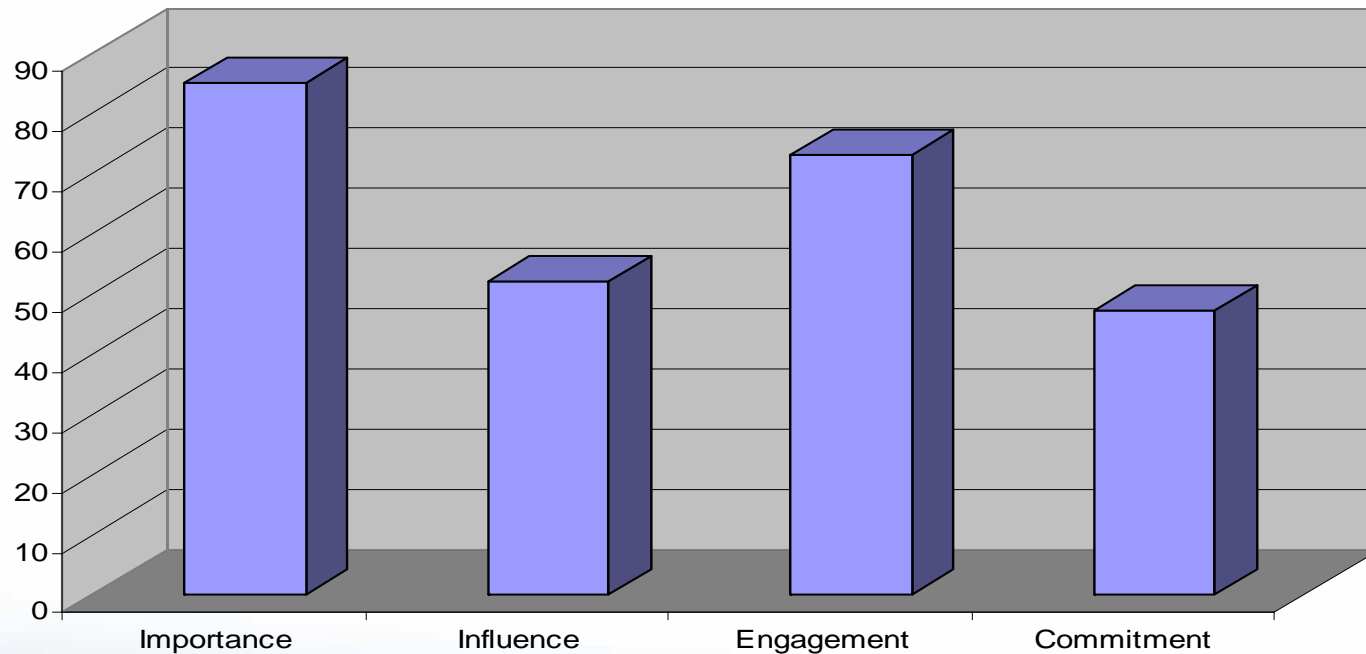
# Commitment

<b>Entity</b>	<b>% Support</b>
IT Steering Committee	41
Project Steering Committee	44
Executive Committee	55
<b>Overall</b>	<b>47</b>

**Conclusion** – Commitment to the EMR project is low, but individuals indicated this is due to other priorities not lack of interest



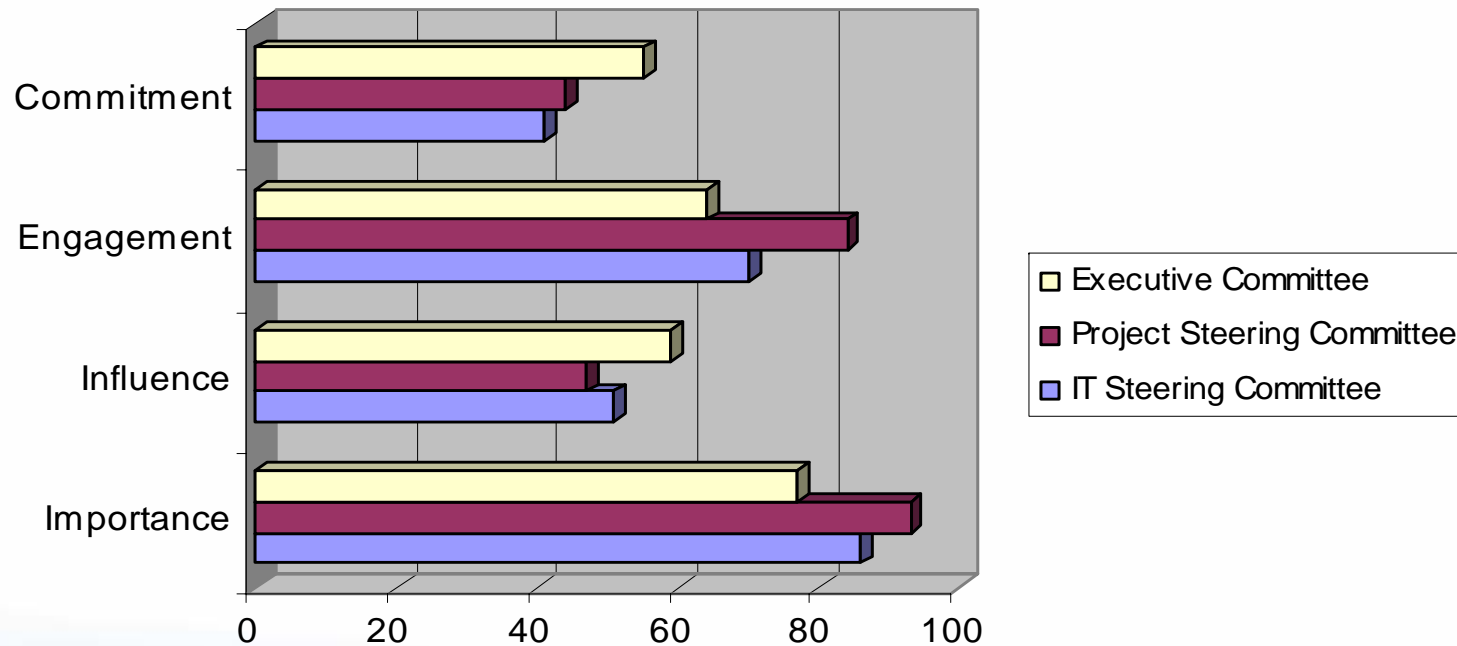
# Comparison of Factors



**Conclusion** – While the project is considered important, the participants operate on a consensus model and the availability of resources may affect successful project completion



# Comparison by Entity



**Conclusion** – Consistent responses from stakeholders on the Project Steering Committee suggest that entity has the right membership



# Recommendations

- Prepare an EMR Project Charter, based on the results of a stakeholders' analysis
- Change corporate priorities to ensure the EMR project has the required resources for successful completion



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