



# Project Management

MGT 30725

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# Lesson 10 –Project Communication and Stakeholder Management

## Agenda

- Communication Planning
- Managing Stakeholders information requirements

# Learning Objectives

- Understand the importance of good communications on projects and the need to develop soft skills
- Review key concepts related to communications
- Explain how to create a communications management plan
- Describe how to manage communications
- Discuss methods for controlling communications
- List various methods for improving project communications

# Importance of Good Communications

- The greatest threat to many projects is a failure to communicate
- Research shows that professionals must be able to communicate effectively to succeed in their positions
- Strong verbal and non-technical skills are a key factor in career advancement for any professionals

# Project Communications Management Processes

## **1.Planning communications management:**

Determining the information and communications needs of the stakeholders

**2.Managing communications:** Creating, distributing, storing, retrieving, and disposing of project communications based on the communications management plan

**3.Controlling communications:** Monitoring and controlling project communications to ensure that stakeholder communication needs are met

# Project Communications Management Summary

## Planning

Process: **Plan communications management**

Outputs: Communications management plan, project documents updates

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## Executing

Process: **Manage communications**

Outputs: Project communications, project documents updates, project management plan updates, and organizational process assets updates

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## Monitoring and Controlling

Process: **Control communications**

Outputs: Work performance information, change requests, project documents updates, and organizational process assets updates

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Project Start

Project Finish

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# Keys to Good Communications

- Project managers say they spend as much as 90 percent of their time communicating
- Need to focus on group and individual communication needs
- Use formal and informal methods for communicating
- Distribute important information in an effective and timely manner
- Set the stage for communicating bad news
- Determine the number of communication channels



# Importance of Face-to-Face Communication

- Research says that in a face-to-face interaction:
  - 58 percent of communication is through body language.
  - 35 percent of communication is through how the words are said
  - 7 percent of communication is through the content or words that are spoken
- Pay attention to more than just the actual words someone is saying
- A person's tone of voice and body language say a lot about how he or she really feels



# Personal Preferences Affect Communication Needs

- Introverts like more private communications, while extroverts like to discuss things in public
- Intuitive people like to understand the big picture, while sensing people need step-by-step details
- Thinkers want to know the logic behind decisions, while feeling people want to know how something affects them personally
- Judging people are driven to meet deadlines while perceiving people need more help in developing and following plans

# Encouraging More Face-to-Face Interactions

- Short, frequent meetings are often very effective in projects
- Stand-up meetings force people to focus on what they really need to communicate
- Some companies have policies preventing the use of e-mail between certain hours or even entire days of the week

# Distributing Information in an Effective and Timely Manner

- Don't bury crucial information
- Don't be afraid to report bad information
- Oral communication via meetings and informal talks helps bring important information—good and bad—out into the open

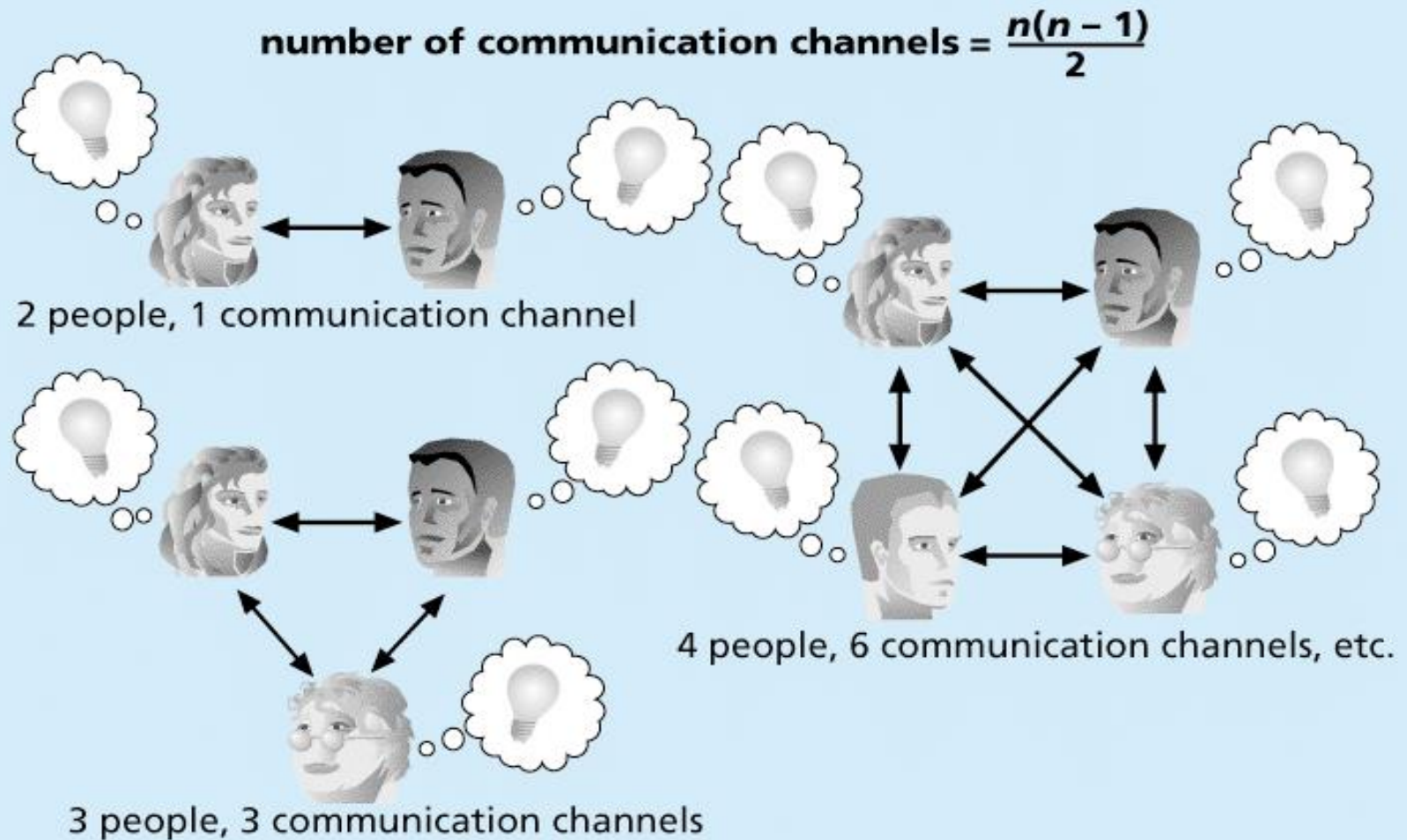
# Other Communication Considerations

- Rarely does the receiver interpret a message exactly as the sender intended
- Geographic location and cultural background affect the complexity of project communications
  - Different working hours
  - Language barriers
  - Different cultural norms

# Determining the Number of Communications Channels

- As the number of people involved increases, the complexity of communications increases because there are more communications channels or pathways through which people can communicate.
- Number of communications channels =  $\frac{n(n-1)}{2}$   
where  $n$  is the number of people involved

# The Impact of the Number of People on Communications Channels



# 1.Planning Communications Management

- Every project should include some type of **communications management plan**, a document that guides project communications
- The communications management plan varies with the needs of the project, but some type of written plan should always be prepared
- For small projects, the communications management plan can be part of the team contract
- For large projects, it should be a separate document



# Communications Management Plan Contents

1. Stakeholder communications requirements
2. Information to be communicated, including format, content, and level of detail
3. Who will receive the information and who will produce it
4. Suggested methods or technologies for conveying the information
5. Frequency of communication
6. Escalation procedures for resolving issues
7. Revision procedures for updating the communications management plan
8. A glossary of common terminology

# Sample Stakeholder Analysis for Project Communications

Stakeholders	Document Name	Document Format	Contact Person	Due
Customer management	Monthly status report	Hard copy and meeting	Tina Erndt, Tom Silva	First of month
Customer business staff	Monthly status report	Hard copy	Julie Grant, Sergey Cristobal	First of month
Customer technical staff	Monthly status report	E-mail	Li Chau, Nancy Michaels	First of month
Internal management	Monthly status report	Hard copy and meeting	Bob Thomson	First of month
Internal business and technical staff	Monthly status report	Intranet	Angie Liu	First of month
Training subcontractor	Training plan	Hard copy	Jonathan Kraus	November 1
Software subcontractor	Software implementation plan	E-mail	Najwa Gates	June 1

Comments: Put the titles and dates of documents in e-mail headings and have recipients acknowledge receipt.

## 2. Managing Communications

- Managing communications is a large part of a project manager's job
- Getting project information to the right people at the right time and in a useful format is just as important as developing the information in the first place
- **Important considerations** include the use of technology, the appropriate methods and media to use, and performance reporting

# Using Technology to Enhance Creation and Distribution

- Technology can facilitate the process of creating and distributing information, when used properly
- It is important to select the appropriate communication method and media

# Classifications for Communication Methods

- *Interactive communication*: Two or more people interact to exchange information via meetings, phone calls, or video conferencing. Most effective way to ensure common understanding
- *Push communication*: Information is sent or pushed to recipients without their request via reports, e-mails, faxes, voice mails, and other means. Ensures that the information is distributed, but does not ensure that it was received or understood
- *Pull communication* Information is sent to recipients at their request via Web sites, bulletin boards, e-learning, knowledge repositories like blogs, and other means

# Media Choice Table

KEY: 1 = EXCELLENT HOW WELL MEDIUM IS SUITED TO:	2 = ADEQUATE		3 = INAPPROPRIATE			
	HARD COPY	TELEPHONE CALL	VOICE MAIL	E-MAIL	MEETING	WEB SITE
Assessing commitment	3	2	3	3	1	3
Building consensus	3	2	3	3	1	3
Mediating a conflict	3	2	3	3	1	3
Resolving a misunderstanding	3	1	3	3	2	3
Addressing negative behavior	3	2	3	2	1	3
Expressing support/appreciation	1	2	2	1	2	3
Encouraging creative thinking	2	3	3	1	3	3
Making an ironic statement	3	2	2	3	1	3
Conveying a reference document	1	3	3	3	3	1
Reinforcing one's authority	1	2	3	3	1	2
Providing a permanent record	1	3	3	1	3	1
Maintaining confidentiality	2	1	2	3	1	3
Conveying simple information	3	2	1	1	2	3
Asking an informational question	3	2	1	1	3	3
Making a simple request	3	3	1	1	3	3
Giving complex instructions	3	3	3	2	1	2
Addressing many people	2	3	3 or 1*	2	3	1

Galati, Tess. Email Composition and Communication (EmC2) Practical Communications, Inc. (www.pracom.com) (2001).

\*Depends on system functionality

# Reporting Performance

Performance reporting keeps stakeholders informed about how resources are being used to achieve project objectives

- **Status reports** describe where the project stands at a specific point in time
- **Progress reports** describe what the project team has accomplished during a certain period of time
- **Forecast** predict future project status and progress based on past information and trends



# 3. Controlling Communications

- The main goal of controlling communications is to ensure the optimal flow of information throughout the entire project life cycle
- The project manager and project team should use their various reporting systems, expert judgment, and meetings to assess how well communications are working. If problems exist, the project manager and team need to take action, which often requires changes to the earlier processes of planning and managing project communications
- It is often beneficial to have a facilitator from outside the project team assess how well communications are working

# Suggestions for Improving Project Communications

- Develop better communication skills
- Run effective meetings
- Use e-mail and other technologies effectively
- Use templates for project communications

# Developing Better Communication Skills

- Most companies spend a lot of money on technical training for their employees, even when employees might benefit more from communications training
- Individual employees are also more likely to enroll voluntarily in classes to learn the latest technology than in classes that develop soft skills
- As organizations become more global, they realize they must invest in ways to improve communication with people from different countries and cultures
- It takes leadership to improve communication

# Media Snapshot

- Communications technology, such as using e-mail and searching the Web, should help improve project communications, but it can also cause conflict
- How? Cybers hackers are people who should be working, but instead spend their time online doing non-work-related activities, such as annoying friends or co-workers by sending unimportant e-mails
- A study by Websense suggested that employees are using the Web more and more for personal reasons, and it is costing U.S. companies \$178 billion annually, or \$5,000 per employee
- A 2008 survey found that more than a quarter of U.S. employers have fired workers for misusing e-mail and one-third have fired workers for misusing the Internet on the job

# Learning Objectives – Stake holder management

- Understand the importance of project stakeholder management throughout the life of a project
- Discuss the process of identifying stakeholders, how to create a stakeholder register, and how to perform a stakeholder analysis
- Describe the contents of a stakeholder management plan
- Understand the process of managing stakeholder engagement and how to use an issue log effectively
- Explain methods for controlling stakeholder engagement

# Project Stakeholder Management Processes

- **Identifying stakeholders:**

- Identifying everyone involved in the project or affected by it, and determining the best ways to manage relationships with them.

- **Planning stakeholder management:**

- Determining strategies to effectively engage stakeholders

- **Managing stakeholder engagement:**

- Communicating and working with project stakeholders to satisfy their needs and expectations, resolving issues, and fostering engagement in project decisions and activities

- **Controlling stakeholder engagement:**

- Monitoring stakeholder relationships and adjusting plans and strategies for engaging stakeholders as needed

# Project Stakeholder Management Processes

## Initiating

Process: **Identify stakeholders**

Outputs: Stakeholder register

## Planning

Process: **Plan stakeholder management**

Outputs: Stakeholder management plan, project documents updates

## Executing

Process: **Manage stakeholder engagement**

Outputs: Issue log, change requests, project management plan updates, project documents updates, organizational process assets updates

## Monitoring and Controlling

Process: **Control stakeholder engagement**

Outputs: Work performance information, change requests, project documents updates, organizational process assets updates

Project Start

Project Finish



# Identifying Stakeholders

- *Internal project stakeholders* generally include the project sponsor, project team, support staff, and internal customers for the project. Other internal stakeholders include top management, other functional managers, and other project managers
- *External project stakeholders* include the project's customers (if they are external to the organization), competitors, suppliers, and other external groups that are potentially involved in the project or affected by it, such as government officials and concerned citizens

# Stakeholder Register

- A stakeholder register includes basic information on stakeholders:
  - Identification information:
    - The stakeholders' names, positions, locations, roles in the project, and contact information
  - Assessment information:
    - The stakeholders' major requirements and expectations, potential influences, and phases of the project in which stakeholders have the most interest
  - Stakeholder classification:
    - Is the stakeholder internal or external to the organization? Is the stakeholder a supporter of the project or resistant to it?

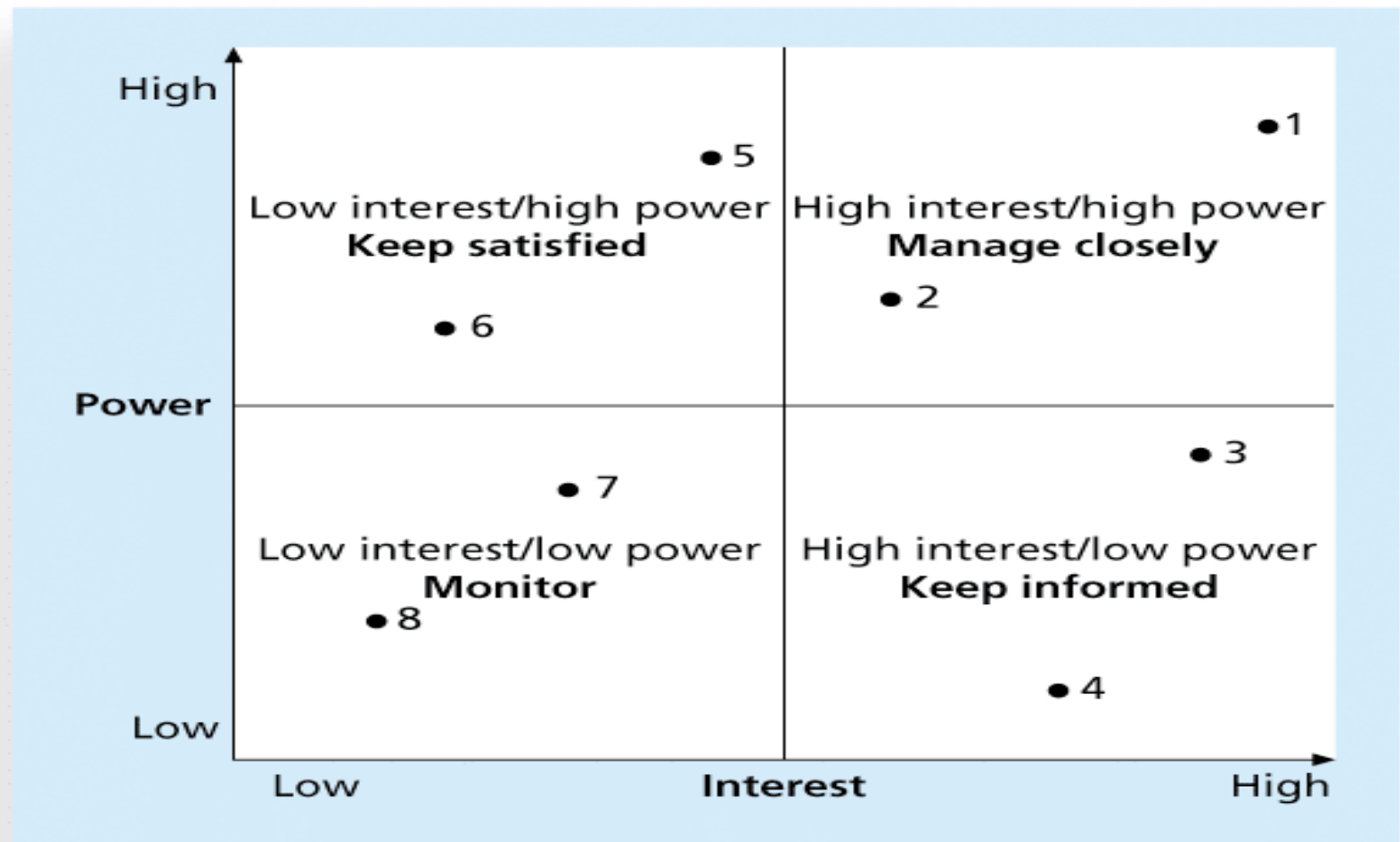
# Sample Stakeholder Register

Name	Position	Internal/ External	Project Role	Contact Information
Stephen	VP of Operations	Internal	Project sponsor	stephen@globaloil.com
Betsy	CFO	Internal	Senior manager, approves funds	betsy@globaloil.com
Chien	CIO	Internal	Senior manager, PM's boss	chien@globaloil.com
Ryan	IT analyst	Internal	Team member	ryan@globaloil.com
Lori	Director, Accounting	Internal	Senior manager	lori@globaloil.com
Sanjay	Director, Refineries	Internal	Senior manager of largest refinery	sanjay@globaloil.com
Debra	Consultant	External	Project manager	debra@gmail.com
Suppliers	Suppliers	External	Supply software	suppliers@gmail.com

# Classifying Stakeholders

- After identifying key project stakeholders, you can use different classification models to determine an approach for managing stakeholder relationships
- A **power/interest grid** can be used to group stakeholders based on their level of authority (power) and their level of concern (interest) for project outcomes

# Power/Interest Grid



# Planning Stakeholder Management

- After identifying and analyzing stakeholders, project teams should develop a plan for management them
- The stakeholder management plan can include:
  - Current and desired engagement levels
  - Interrelationships between stakeholders
  - Communication requirements
  - Potential management strategies for each stakeholders
  - Methods for updating the stakeholder management plan

# Managing Stakeholder Engagement

- Project success is often measured in terms of customer/sponsor satisfaction
- Project sponsors often rank scope, time, and cost goals in order of importance and provide guidelines on how to balance the triple constraint
- This ranking can be shown in an expectations management matrix to help clarify expectations



# Expectations Management Matrix

Measure of Success	Priority	Expectations	Guidelines
Scope	1	The scope statement clearly defines mandatory requirements and optional requirements.	Focus on meeting mandatory requirements before considering optional ones. In this case, following corporate IT standards is optional.
Time	1	There is little give in the project completion date. The schedule is very realistic.	The project sponsor must be alerted if any issues might affect meeting schedule goals.
Cost	3	This project is crucial to the organization. If you can clearly justify the need for more funds, they can be made available.	There are strict rules for project expenditures and escalation procedures. Cost is very important, but it takes a back seat to meeting schedule and then scope goals.
Technology/standards	2	There are several potential solutions available, but only one that meets all of the sponsor's technical requirements, especially for accounting.	While corporate IT standards are important, an exception makes sense in this case.

# Issue Logs

- Understanding the stakeholders' expectations can help in managing issues
- Issues should be documented in an **issue log**, a tool used to document, monitor, and track issues that need resolution
- Unresolved issues can be a major source of conflict and result in stakeholder expectations not being met
- Issue logs can address other knowledge areas as well

# Sample Issue Log

Issue #	Description	Impact	Date Reported	Reported By	Assigned To	Priority (H/M/L)	Due Date	Status	Comments
1	Need requirements categorized as mandatory and optional	Cannot do much without it	Feb. 4	Ryan	Stephen	H	Feb. 8	Closed	Requirements clearly labeled
2	Need shorter list of potential suppliers—no more than 10	Will delay evaluation without it	Feb. 6	Debra	Ryan	H	Feb. 12	Open	Almost finished; needed requirements categorized first
Etc.									

# Best Practice

- Project managers are often faced with challenges, especially in managing stakeholders
- Sometimes they simply cannot meet requests from important stakeholders
- Suggestions for handling these situations include the following:
  - Be clear from the start
  - Explain the consequences
  - Have a contingency plan
  - Avoid surprises
  - Take a stand

# Controlling Stakeholder Engagement

- You cannot control stakeholders, but you can control their level of engagement
- Engagement involves a dialogue in which people seek understanding and solutions to issues of mutual concern
- Many teachers are familiar with various techniques for engaging students
- It is important to set the proper tone at the start of a class or project

# Ways to Control Engagement

- Key stakeholders should be invited to actively participate in a kick-off meeting rather than merely attending it
- The project manager should emphasize that a dialogue is expected at the meeting, including texts or whatever means of communication the stakeholders prefer. The project manager should also meet with important stakeholders before the kick-off meeting
- The project schedule should include activities and deliverables related to stakeholder engagement, such as surveys, reviews, demonstrations, and sign-offs.