

# Leading Change: Engaging Critical Stakeholders for Project Success

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# Session Objectives

- Become familiar with a 3-step process for developing a stakeholder engagement plan
  - Identify stakeholders
  - Analyze stakeholders
  - Develop engagement strategies
- Begin developing your own stakeholder engagement plan for one of your current projects

# Change Success Rates

- Half of all large IT projects, defined as those exceeding \$15 million, overrun their budgets by 45 percent. (2012, McKinsey and the University of Oxford)
- Two out of five projects fail to meet their original goals, and of those projects that fail, 50% fail due to ineffective communication. (2013, Program Management Institute )
- Effective communication is associated with a 17% increase in program success. (2012, PricewaterhouseCoopers )
- “Inadequate Change Management and Training” is one of the six main reasons that 20% of ERP implementations fail. (2011, Gartner)

# Resistance to Change

- **Rational:** “I don’t understand (agree with) the proposed change”
- **Emotional:** “I am fearful of the change”
  - loss of autonomy or power
  - anxiety to learn new skills
  - losing existing relationships with co-workers / customers
  - lack of trust in the organization driving the change
- **Fatigue:** “Latest fad – same problem”

**“The active ingredient in facilitating change is supporting others to generate their own insights about how to move forward.”** (Whiting, Jones, Rock, Bendit)

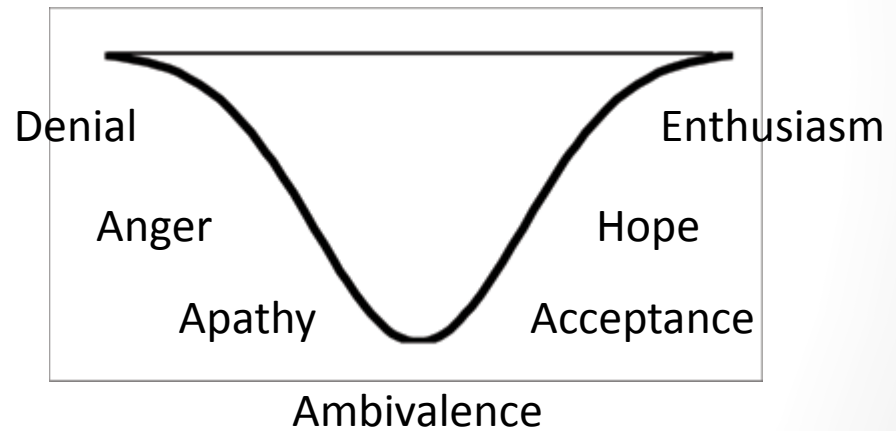
# Change vs. Transition

## Change is External

- New technology
- New role
- New process
- New boss
- New office space

## Transition is Internal

- Psychological process



# Stakeholder Engagement Supports Change Adoption

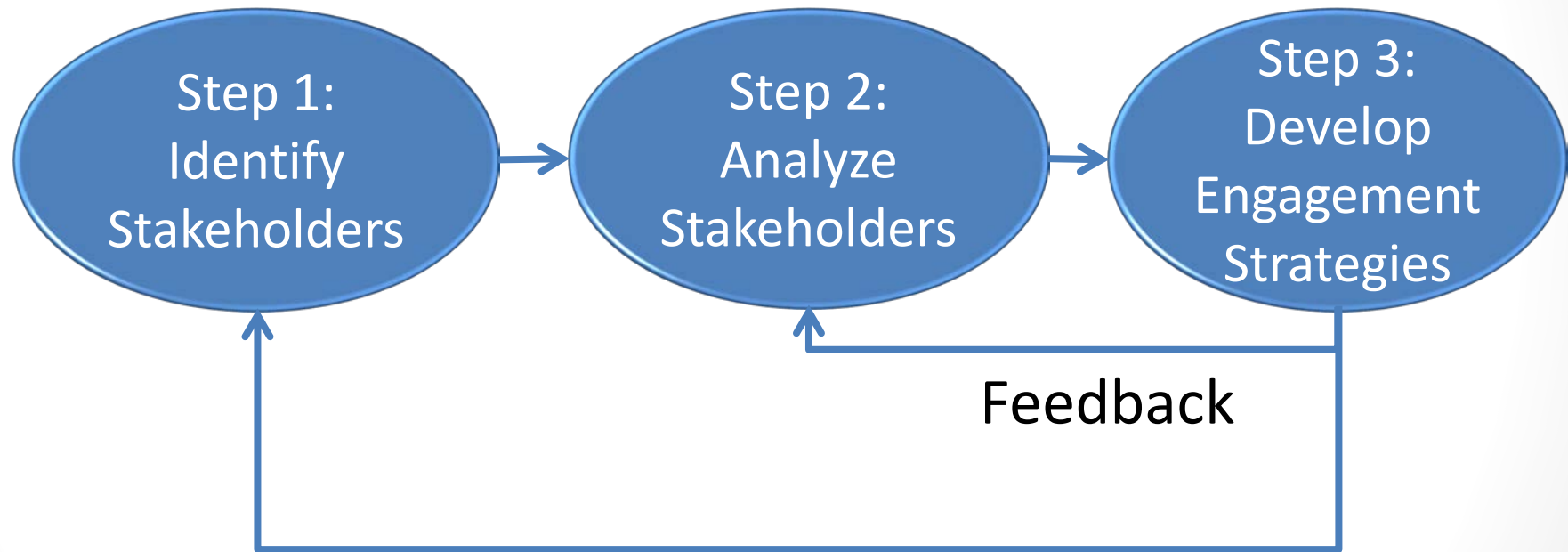
- Employees are more willing to accept change when they are part of defining the problem and designing the change
- Neuroscience is proving how the brain reacts to change in collaborative environments (engaged) vs. command/control environments (told)
- Diversity in thinking results in better solutions

**“Stakeholder engagement invites stakeholders into the conversation about the change BEFORE the change takes place**

# Stakeholder Defined

- A stakeholder is defined as any individual or group that can affect or be affected by an organization's activity
  - a “stake” in the organization's activity
- As software architects, your stakeholders are those individuals or groups that can affect the adoption of new technology or will be affected by the introduction of new technology

# Stakeholder Engagement Framework





# Stakeholder Framework

## Ensures Appropriate Focus

**Step 1:  
Identify  
Stakeholders**

**Step 2:  
Analyze  
Stakeholders**

**Step 3:  
Develop  
Engagement  
Strategies**

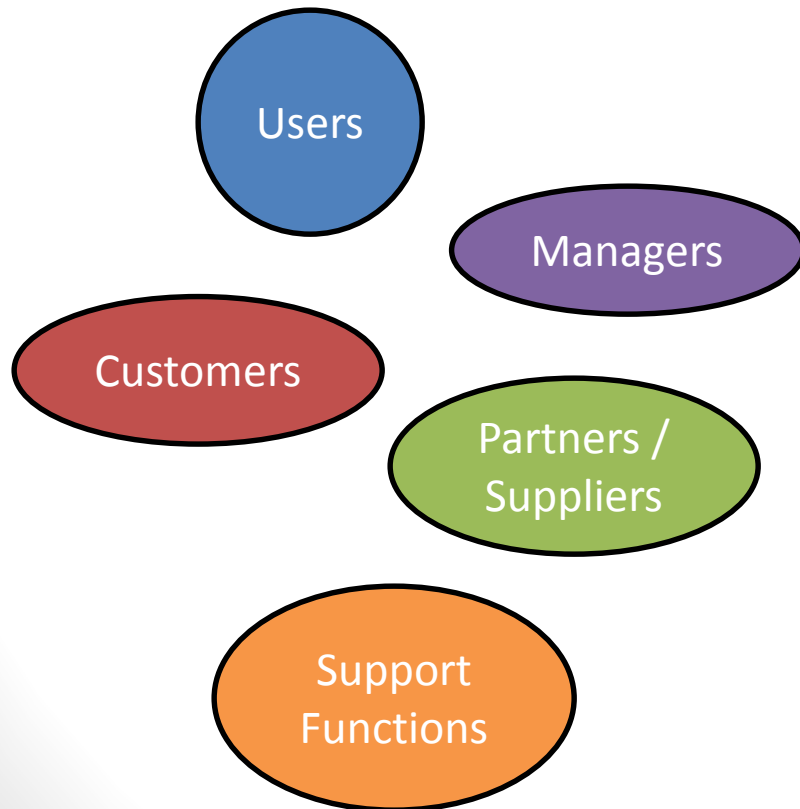
**All  
Stakeholders**

**Critical  
Stakeholders**

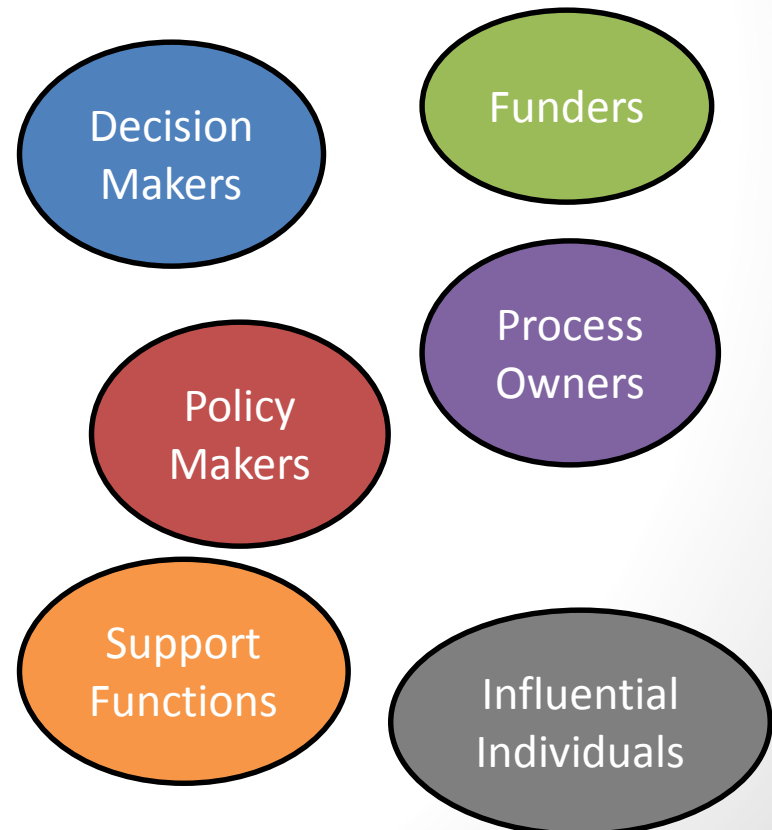
**Maximum  
Impact**

# Step 1: Identify Your Stakeholders

Who Will Be Affected?



Who Can Influence?



# Example: New Financials ERP

| Stakeholder Name   | Title or Position (if an individual) | Organization               | Notes                                   |
|--------------------|--------------------------------------|----------------------------|---|
| Sally Johnson      | CFO                                  | Finance and Administration | Sponsor for new financials ERP solution |
| Financial Analysts |                                      | Finance and Administration | Will use new ERP solution               |
| Executive Team     |                                      | DRs of CEO                 | Funding approval, solution approval     |
| Joe Smith          | Manager                              | Legal                      | Responsible for new financial policies  |
| Help Desk          |                                      | IT                         | 1 <sup>st</sup> line support to users   |

# Try It Out



- Think of a technology change in your organization
- Identify 2-3 stakeholders for your technology change
  - Who will be affected by the change? Who can influence the change?
- Complete the first 3 columns of the stakeholder analysis and engagement form (download or paper)
- Form triads with those closest to you
- Share high level overview of the technology change and the stakeholders you identified (2 minutes each)

LARGE GROUP DEBRIEF

# Step 2: Analyze Your Stakeholders

## ANALYZE

- Level of Influence to support or block the change
- Level of Interest in seeing the change happen
- Current level of support for the change
- Desired level of support given stakeholder influence and interest

ENGAGEMENT APPROACH

## INVOLVE

- Involve Critical Stakeholders:
  - High influencers to increase level of support
  - Resistors

## COMMUNICATE

- Communicate frequently with all high influencers to keep them satisfied with the direction and progress
- Keep all stakeholders informed

# Example

| Stakeholder Name   | Influence | Interest | Current Level of Support | Desired Level of Support | Engagement Approach     |
|--------------------|-----------|----------|--------------------------|--------------------------|-------------------------|
| Sally Johnson      | High      | High     | Support                  | Support                  | Actively Involve        |
| Financial Analysts | Medium    | High     | Resist                   | Support                  | Actively Involve        |
| Executive Team     | High      | Low      | Let                      | Support                  | Communicate and Involve |
| Joe Smith          | High      | Medium   | Support                  | Support                  | Communicate             |
| Help Desk          | Medium    | High     | Support                  | Support                  | Communicate             |

# Try It Out



- Analyze those 2-3 stakeholders you identified
- Complete the next 5 columns on the Stakeholder Analysis and Engagement Form (downloaded or paper)
- Share in your triads your analysis of your stakeholders (2 minutes each)

LARGE GROUP DEBRIEF

# Step 3: Develop Engagement Strategies

## Involvement Strategies (High Touch)

- One-on-one meetings
- Focus groups / Roundtable discussions
- Team members
  - Requirements / Design
  - Testing
  - Vendor selection
- Pilot project
- Demo feedback
- SME challenge team

## Communication Strategies (Light Touch, 2-Way)

- Update meetings
- Town hall meetings
- Roadshows
- Email announcements
- Newsletters
- Webcasts
- Suggestion Box
- Surveys
- Cascading meetings



# Example

| Stakeholder Name          | Engagement Strategy  | Key Messages   | Dates / Frequency  | Person Responsible                     |
|---------------------------|--|--|--|--|
| 2 Lead Financial Analysts | SMEs on Design Team  | Provide financial expertise to system design; share progress with peers formally and informally                    | 25% assignment   | Project Manager                        |
| Financial Analysts        | Group meetings with managers, CFO, HR                                  | Initial change announcement: Share: reason for change, how this will affect them, timeframe for change.            | Initial announce on 5/1. Updates during regular quarterly meetings | Sally Johnson                          |
| Financial Analysts        | Engage Topeka branch in pilot.   | Experience of branch, benefits, issues, improvements as a result of pilot,   | 12/1-1/31  | Project Manager, Topeka branch manager |
| Executive Team            | Executive team meetings update; staff presentations during site visits | Communicate \$ savings and improved service, project budget, timeframe. ET needs to be comfortable with messages.. | Biweekly   | Sally Johnson                          |

# Try It Out



- Develop engagement strategies for those 2-3 stakeholders you identified
- Complete the Stakeholder Analysis and Engagement Form (downloaded or paper)
- Share your ideas about engagement strategies in your triads (2 minutes each)

LARGE GROUP DEBRIEF

# Implementing Your Stakeholder Engagement Plan

- Apply project management best practices to your engagement plan
  - Add key engagement activities to your project plan
  - Create a calendar view of your engagement activities
  - Track completion of engagement activities
- Continually re-assess / revise your engagement plan
  - Have your stakeholders changed?
  - Have stakeholder levels of support changed? Influence? Interest?
  - Have circumstances changed that require different messaging?

# Leverage Your Partners In...

HR, Organization Development, Communications

- Input on your stakeholder engagement plan
- Logistics
- Change management
- Communications



- Questions?
- Reactions?
- How is this different for you?
- How is this helpful?

# References

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