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

[Diagram showing the stages of change and transition: Denial, Anger, Apathy, Ambivalence, Acceptance, Hope, Enthusiasm]
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

Step 1: Identify Stakeholders

Step 2: Analyze Stakeholders

Step 3: Develop Engagement Strategies

Feedback
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?
- Users
- Managers
- Customers
- Partners / Suppliers
- Support Functions

Who Can Influence?
- Decision Makers
- Funders
- Process Owners
- Policy Makers
- Support Functions
- Influential Individuals
## Example: New Financials ERP

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

**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

<table>
<thead>
<tr>
<th>Stakeholder Name</th>
<th>Influence</th>
<th>Interest</th>
<th>Current Level of Support</th>
<th>Desired Level of Support</th>
<th>Engagement Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sally Johnson</td>
<td>High</td>
<td>High</td>
<td>Support</td>
<td>Support</td>
<td>Actively Involve</td>
</tr>
<tr>
<td>Financial Analysts</td>
<td>Medium</td>
<td>High</td>
<td>Resist</td>
<td>Support</td>
<td>Actively Involve</td>
</tr>
<tr>
<td>Executive Team</td>
<td>High</td>
<td>Low</td>
<td>Let</td>
<td>Support</td>
<td>Communicate and Involve</td>
</tr>
<tr>
<td>Joe Smith</td>
<td>High</td>
<td>Medium</td>
<td>Support</td>
<td>Support</td>
<td>Communicate</td>
</tr>
<tr>
<td>Help Desk</td>
<td>Medium</td>
<td>High</td>
<td>Support</td>
<td>Support</td>
<td>Communicate</td>
</tr>
</tbody>
</table>
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)
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

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


• Program Management Institute, “The High Cost of Low Performance: The Essential Role of Communications,” May 2013.
