

Final Project

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Lecture 3

Stakeholders



PMG 697- MPM – FALL 2021



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY



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- Happy New Semester! Best wishes to all our students, faculty, and staff on a great semester!

Mission & Vision Statements

- **A Mission Statement** defines the company's business, its objectives and its approach to reach those objectives.
- **A Vision Statement** describes the desired future position of the company.
- Elements of Mission and Vision Statements are often combined to provide a statement of the company's purposes, goals and values.

What is Mission Statement?

- **A Mission Statement** is a role or purpose by which an organization intends to serve its stakeholders.
- It describes what the organization does (current capabilities), who it to serve (stakeholders) and what makes the organization unique (justification for existence).
- Mission statement is simply an organization's reason for existing.

Mission Statement

For developing mission of any project, the follow two questions' answers should be written:

1. What are we going to do?
2. How are we going to do it?

Example of mission statement

Farm Fresh Company:

To become the number one product store in main street by selling the highest quality, fresh farm product, from farm to customer in under 24 hours on 75% of our rang and with 89% customer satisfaction>

What is a Vision statement?

- **A Vision Statement** identifies where the organization intends to be in the future or where it should be to best meet the needs of stakeholders.
- **It is a business's guiding image of success**
- “Destiny is not a matter of chance, but of choice. Not something to wish for , but to attain.

What is a Vision statement?

- A good Vision Statement will help when there are no clear answers, or for critical decisions that will impact your products or service. Control your destiny or someone else will.

Vision Statement

- What makes a good Vision Statement?
- It would be short, simple and powerful.
- A Vision is meant to inspire, has an emotional impact.
- It must give a clear direction or mental image to anyone that reads it.
- Provide a sense of belonging to the stakeholders.

Vision Statement Example

- **McDonald's corporate vision** “to move with velocity to drive profitable growth and become an even better McDonald's serving more customers delicious food each day around the world.”.

Objectives

- After developing **mission statement** , **objectives** are required to define. Objectives are much specific than mission statement.
- For example- I want to finish my assignment by 10 o'clock this morning. **That indicates to perform several tasks.**

Objectives

- Objectives must be evaluated by **SMARTER** tool:
 - Specific
 - Measurable
 - Attainable
 - Realistic
 - Timeframe
- **Extending**
 - **Rewarding**

Goal

What is goal?

- Goal is a target to achieve within a specific time.
- Without a goal or aim you can't lead your life with the feeling of satisfaction
- Goal can be one or more objectives that needs to be achieved in specific time.
- Goals help choosing a specific task from various options.

Leading KPIs

- **Leading KPIs** measure performance *before the business* or process result starts to follow a particular pattern or trend. Leading KPIs are used to predict changes or trends, as well as forward looking and help to manage the performance of a system or process.

Leading KPIs

- **Leading indicator** is a predictive measurement, for example; the percentage of people wearing hard hats on a building site is a leading safety indicator.
- **To influence the future**, a type of measurement is required to be predictive rather than a result. For example, if we want ***to increase sales***, a predictive measure could be to make ***more sales calls*** or run more ***marketing campaigns***.

Lagging KPIs

- **Lagging indicator** measure performance *after the business* or process follow a pattern or trend and is used to confirm long-term trends. Lagging indicators are used to determine how well a process or system was managed.

Lagging KPIs

- A lagging indicator is an output measurement, for example; the number of accidents on a building site is a lagging safety indicator.
- They are **an after-the-event** measurement, essential for charting progress but useless when attempting to influence the future.

Lead & Lag Indicators

- Lead indicators are always more difficult to determine than lag indicators. They are predictive and therefore ***do not provide a guarantee of success.***
- lead indicators frequently require ***an investment*** to implement an initiative prior to a result being seen by a lag indicator.

Lead & Lag Indicators

- It is always good practice to use a **combination of lead and lag indicators**. The reason for this is obvious; a lag indicator without a lead indicator will give **no indication** as to how a result will **be achieved** and provide no early warnings about tracking towards a strategic goal.
- **We tend to settle for lag indicators, however, do not underestimate the importance of lead indicators.**

Strategic Objectives	Lead Measure	Lag Measure
Financial perspective Usually, this section concerns itself with key financial data such as revenue, cost of sale, gross margin, expenses and net profit, however it can also include financial initiatives such as risk assessments and cost-benefit data.		
Improve return on investment	Add three more products to the portfolio this year	Return on investment
Broaden revenue portfolio		Revenue growth
Reduce overall costs		Expense costs

Strategic Objectives	Lead Measure	Lag Measure
Customer Perspective The company seen from the customer's viewpoint. Unsatisfied customers will look for other suppliers to meet their needs. Customer satisfaction is a lead indicator that can predict potential future loss.		
Increase customer satisfaction	More account management	Customer satisfaction score
Increase company awareness	Number of press articles	Customers call us
Decrease customer attrition	Improved customer service	Number of customers

Strategic Objectives	Lead Measure	Lag Measure
Internal Processes Perspective The ability to determine how well the business is running and whether the products and/ or services meet the needs of its customers and are aligned to the companies' objectives.		
Create innovative products	Product development cycle	New product/service revenue
Improve the Knowledge base	Number of articles submitted	Knowledge base in place
Reduce operational problems	Hours spent with customer	Product/service error rate

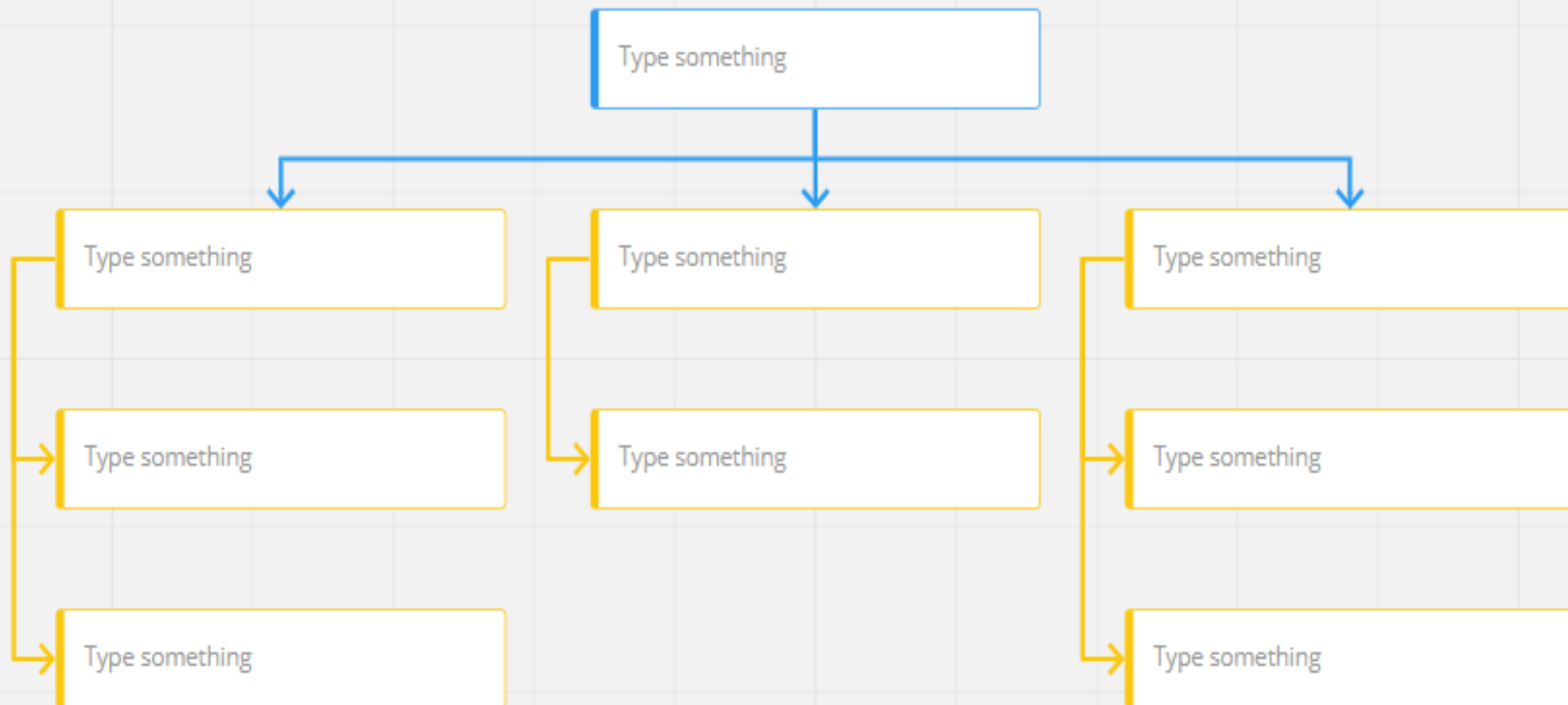
Strategic Objectives	Lead Measure	Lag Measure
Learning and Growth Perspective The main resource in most companies today is its people, it is essential, especially in a climate where technology is changing rapidly, that they grow and learn continuously. Focus must be on where best to spend ever decreasing budgets.		
Development of strategic skills	Service/product cover ratio	Employee satisfaction
Better strategic communication	Information availability	
Alignment of personal goals	Goal alignment	Revenue per employee

Develop Project Charter

- Develop Project Charter is the process of developing a document that formally ***authorizes the existence of a project*** and provides the project manager with the authority to apply organizational resources to project activities. The key benefit of this process is a ***well-defined project*** start and project boundaries, creation of a formal record of the project, and a direct way for senior management to formally accept and commit to the project.

What Is Organizational Chart?

- An **organizational chart** is a diagram that visually conveys a company's internal structure by detailing the roles, responsibilities, and relationships between individuals within an entity.
- An organizational chart graphically represents an organization's structure, highlighting the different jobs, departments, and responsibilities that connect the company's employees to each other and to the management team.



What Is Organizational Chart?

- Organizational charts can be broad-based, depicting the overall company, or can be department- or unit-specific, focusing on one spoke on the wheel.
- Most org charts are structured by using the "hierarchical" model, which shows management or other high-ranking officials on top, and lower-level employees beneath them.
- Other types of charts include the flat org chart, the matrix chart, and the divisional org chart.

What Is Organizational Chart?

- Regardless of an organization's structure, org charts are extraordinarily useful when an entity is contemplating **restructuring its workforce** or changing its management complex. **Most importantly**, *org charts let employees transparently see how their roles fit into the overall company structure.*

What Should an Organizational Chart Show?

- An organizational chart should visually show what **the hierarchical status of a particular employee relative to other individuals within the company.** For example, an assistant director will invariably fall directly below a director on the chart, indicating that the former reports to the latter.

What are the Types of Organization Charts?

What Are the Most Commonly Used Organizational Charts?

Project Management office

- A Project Management Office (also called PMO), is an office or department within an organization that defines and maintains standards for project management. The Project Management Office provides guidance and standards in the execution of projects.
- A successful PMO is a combination **of good people, processes and tools.**

Project Management office

- Apart from just **managing project** portfolios, here are the other benefits it delivers:

- ❖ **Strategic planning and governance:**

- By scoring projects using predefined criteria, the strategic selection of potential projects can be done according to the business goals of the organization.

Project Management office

❖ Best practices and process:

- PMOs implement and consolidate best practices and processes within the organization and standardize the process across all departments and services.
- Provides consistent project management guidance, methods, systems, tools and metrics for consistent project outcomes throughout the organization.

Project Management office

❖ Common language, culture and mindset

- A PMO helps disseminate a common project culture and mindset by informing, communicating and training employees about different techniques, methodologies and best practices in the industry

Project Management office

❖ Resource Management:

PMOs also manage and allocate resources effectively across all projects, by managing priorities based on timelines, budgets, resource loads and what-if analysis information and accordingly ***providing the right resources, at the right time.***

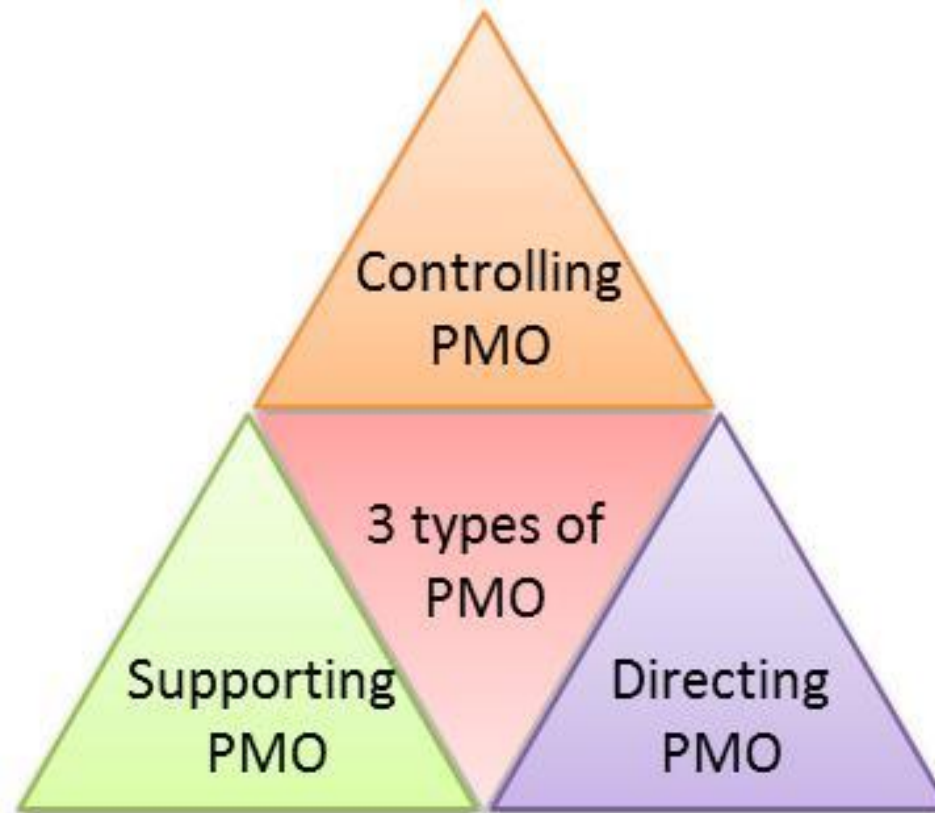
Project Management office

❖ Creating and maintaining project artifacts, archives and tool sets

PMOs provide templates, tools and software to manage project efforts.

They invest in tools for managing projects - which pays off in ensuring reliable data, which enables early visibility into project performance for *better decision-making*.

Project Management office



Stakeholders Management

- ❖ Projects do not exist in isolation. Even if there is a defined brief, budget, program and scope of work the project is still subject to **external influences**.
- ❖ The project exists within a 'political' environment, populated by all those who have a **particular stake or interest** in the outcome of the project. This political environment and the expectations of stakeholders **represent significant risk to a project**.

Stakeholders Management

- ❖ It is unlikely that the requirements of all stakeholders will coincide and they will seek to influence the project **in order to meet their own requirements**. However if the views of project stakeholders are **not addressed** and if stakeholders are **not involved** in the development of the project, then the project is unlikely to deliver optimum value for all involved.

Stakeholders Management

- ❖ It is important that project managers strike the **right balance** between ***stakeholder involvement and isolation*** of the project from external influence in order to achieve delivery on **cost and time** but also to **maximize benefit** for the client and his stakeholders.

Reference

Johnson, G. & Scholes, K. (2002) Exploring Corporate Strategy. UK:Prentice Hall

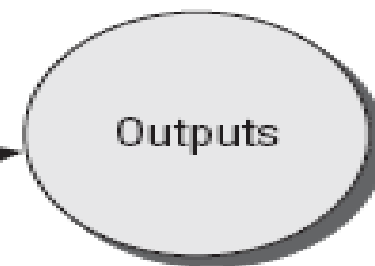
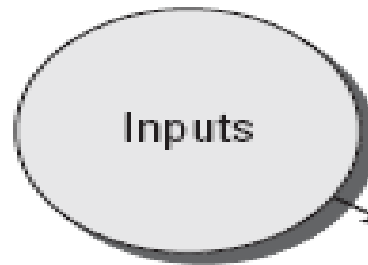
Stakeholders Management

❖ Identify Stakeholders

Identify Stakeholders is the first process of the **Project Communications** Management Knowledge Area, and part of the Initiating process group. This process **involves identifying and documenting** all the stakeholders on the project, including their interests, impact, and potential negative influences on the project. Stakeholder identification should occur as early as possible in the project and continue throughout its life.

Stakeholders Management

- Project Charter
- Procurement Documents
- Enterprise Environmental Factors
- Organizational Process Assets



- Stakeholder Register
- Stakeholder Management Strategy

- Stakeholder Analysis
- Expert Judgment



Stakeholders Management

- ❖ Stakeholders are those who have a stake or an interest in a project or strategy undertaken by an organization, they will be **affected** in some way be the project and so have an interest in **influencing it**. They may **benefit** from the project and so will be **supportive** about it; conversely, the project may **damage** their interests or they may perceive it will have a **negative** outcome for them so they will seek to **stop it**.

Stakeholders Management

There are **two groups** of project stakeholders, (**internal and external**) to the client organization. The type most usually recognized are the external stakeholders, however the management of internal stakeholders is often more problematic.

Stakeholders Management

External Stakeholders

Are the individuals or organizations who are not part of the client organization but nevertheless **have an interest** in the project. For publicly funded projects the number of stakeholders who can be identified is high.

These generally consist of:

Stakeholders Management

- Funders, whether this be a government department, grant provider or private sector partner.
- Users, whether these be passengers for a transport project or visitors .
- Regulatory authorities. Most commonly the planning authorities
- Those affected, who may be neighbors or those working or living nearby.
- The press and media are another significant group who can greatly influence perception of the project and its perceived, and actual, success.

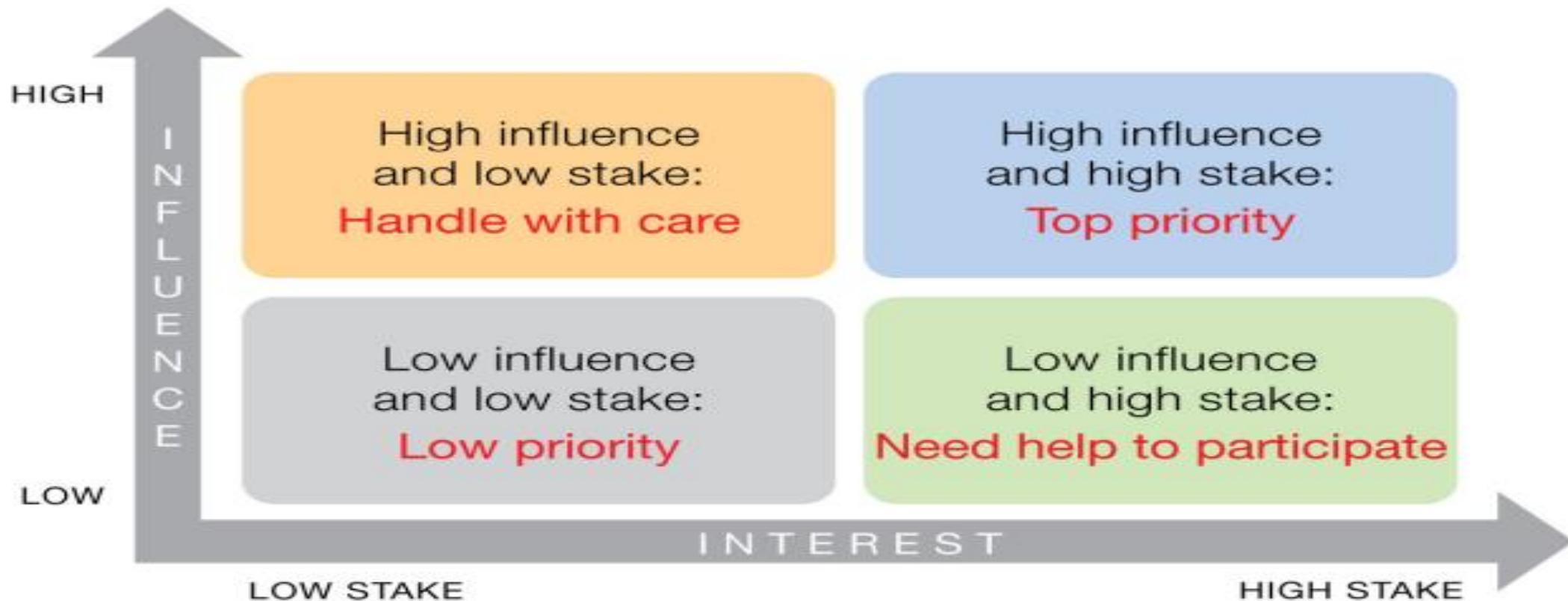
Stakeholders Analysis

Stakeholder analysis can be used **to understand** the stakeholder environment and to prioritize management resources.

It can be undertaken as follows:-

- The first step is **to identify stakeholders**, you can't manage them if you don't know who they are, list them out. (Involve all members of the team).
- Next decide on **the level of power and interest** each individual stakeholder has to influence the project. This is not a precise art, the assessment can only be based on the perceptions of the team.

Stakeholders Analysis



Stakeholders Analysis

- You will then need to define whether the individual stakeholder groups **are positive or negative about the project**. You will probably find that those with a **high level of interest**, on the right of the matrix are either strongly supportive or otherwise, this is not surprising as their interest is high and so they have an opinion. Those on the left may have no strongly formed views

Stakeholders Management

Active Management of Stakeholders

The basic requirement is to manage the project so that positive stakeholders are in the bottom right hand corner and negative stakeholders are out of that corner. You need to remember that the **matrix is dynamic**, changes of individual within stakeholder organizations or changes to your project will be reflected in the matrix. **The following are some ideas for strategies that you or the client may wish to adopt to deal with the various groups.**

Stakeholders Management

The primary components of **a stakeholder management plan** are:

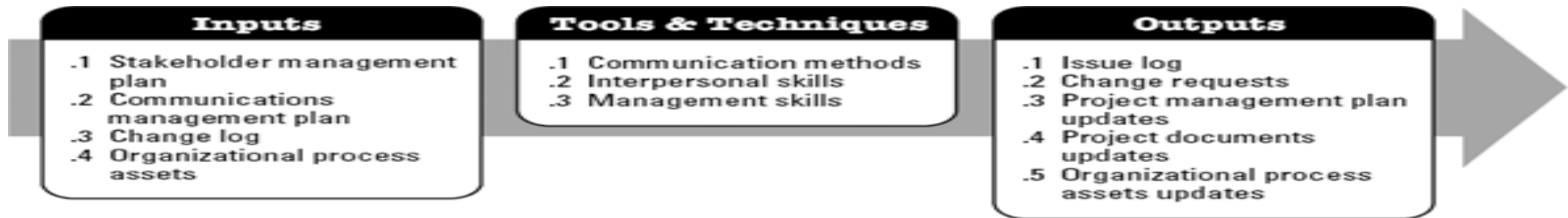
A list of all known stakeholders. Include their information.

- **Prioritization of stakeholders.** Rank stakeholders based on their ability to influence your project and how much they care about its outcome.
- **Stakeholder expectations.** You must document everything, including how they prefer to communicate and what they want to be involved with.
- **Communication rules.** The plan should outline the level, frequency, and type of communication with each stakeholder.
- **Action plans.** This is the meat of your plan — It's where you outline how you will manage stakeholder involvement and what steps to take to ensure expectations are met.

Stakeholders Management

Manage Stakeholder Engagement

Manage Stakeholder Engagement is the process of communicating and working with stakeholders to meet their needs/expectations, address issues as they occur, and foster appropriate stakeholder engagement in project activities throughout the project life cycle.



High Power, High Interest

If they are positive provide them with information to maintain their support, look after them well they are important. Don't ignore them just because they are not causing you any problems at the moment. Involve them in your project, make them part of your project steering group (if they are not already), involve them in decisions, use them to lobby other groups and make sure they voice their support. Those with high power and interest, who are negative are a big problem and you need to put effort into dealing with them

Management Strategies

Positive

- Provide information to maintain their support
- Consult with them prior to taking project decisions
- Meet with them regularly
- Consult with them, involve them and seek to build their confidence in the project and the team
- Encourage them to act as advocates for the project

Management Strategies

Negative

- Attempt to develop their support and change their view by ensuring they fully understand the project and the benefits it will deliver. Their resistance maybe due to lack of information or understanding.
- Attempt to build their confidence in you and in the team.
- Find out what is important to them.
- Demonstrate that you are doing your best to limit adverse effects on them.
- Counter any negative influence they may have on others.

High Power, Low interest

The high power, low interest group are the unexploded bombs – their interest is low, at the moment. However if the project alters or the individuals change their interest may **suddenly increase** and they will use their **power to influence the project**.

Management Strategies

- Maintain a careful watching brief, make sure that changes to the project or changes within the stakeholder organization do not suddenly increase the level of negative interest.
- Find out what is important to these groups and make sure that the project does not adversely affect this. If the project is likely to have a positive effect for them make sure they are aware.
- Beware of other negative stakeholders passing information to this group to encourage them to oppose the project.

High Interest, Low Power.

If they are positive they are strong allies – treat them well, provide them with information, involve them, use them to lobby other groups. If they are negative, they will probably deluge you with e-mails and phone calls, you need to ensure that you don't spend too much time on them.

Management Strategies

- Positive
 - Maintain their enthusiasm and interest in the project, they are good allies.
 - Provide them with information, invite them to presentations, involve them as much as resources allow.
 - Seek their input and opinion if you can, they will be flattered by this, but ensure that you do not get too many opinions.

Management Strategies

Negative

- This is a group that you will probably know all too well, because of their high level of interest they will probably deluge you (or your client) with e-mails and other correspondence. You need to be sure that you do not spend too much time on them, remember their power is low.
- You may need to get the project sponsor or client representative to take a firm line with them they can use a lot of time and resource.

Low Power, Low Interest.

Make sure you don't **spend too much time** on them but if they are supportive provide them with information and be nice to them, their position or view may change in the future

Management strategies

- Ensure they receive the project newsletter, have access to a project website or are invited to presentations.