Stakeholder Analysis

Contents

Introduction

This accelerator serves as an example and a how-to document.

Purpose

Many people are affected by a project, and in return may also influence the project. All people directly and indirectly involved in the project are called stakeholders. A stakeholder group is a set of people who have similar needs in relation to the project. Of course it would not be possible to interact with each stakeholder on an individual basis but by grouping stakeholders, their needs can be addressed in an efficient and effective manner.

Stakeholder Analysis is the process that:

- Is intended for group stakeholders
- Understands what stakeholders expect from the project and what they need in relation to potential risks
- Identifies actions to minimize project risks and maximize benefits by working with the stakeholders.

The purpose of this document is to outline a strategy for conducting stakeholder analysis on the project. The objective of this strategy is to define:

- Guiding principles for conducting stakeholder analysis, planning and monitoring stakeholder actions
- Key stakeholder groups impacted by and influencing the Project
- Stakeholder expectations by group, how they can be measured, and a summary of project tasks and milestones that will need to be put in place to satisfy stakeholder expectations if they represent a project risk

Objective of Stakeholder Analysis

Stakeholder analysis ensures that every stakeholder has been considered when conducting risk assessment work and action planning. In some cases, the risks or benefits associated with a particular group may be minimal, and further action may not be required, but it is important to assess all potential groups to ensure that all possible risks are identified.

By analyzing stakeholders, we can ensure that all the activities that need to be entered in the Change Plan are identified across every area affected or influencing groups of people.

Scope of Stakeholder Analysis

The stakeholder analysis will cover all businesses affected by the project implementation (for example, during the Wave 1 - Operations and also Wave 2 - Sales). Further implementations will require a re-evaluation of the strategy.

The Approach

Diagram 1 outlines the broad approach to stakeholder analysis conducted.

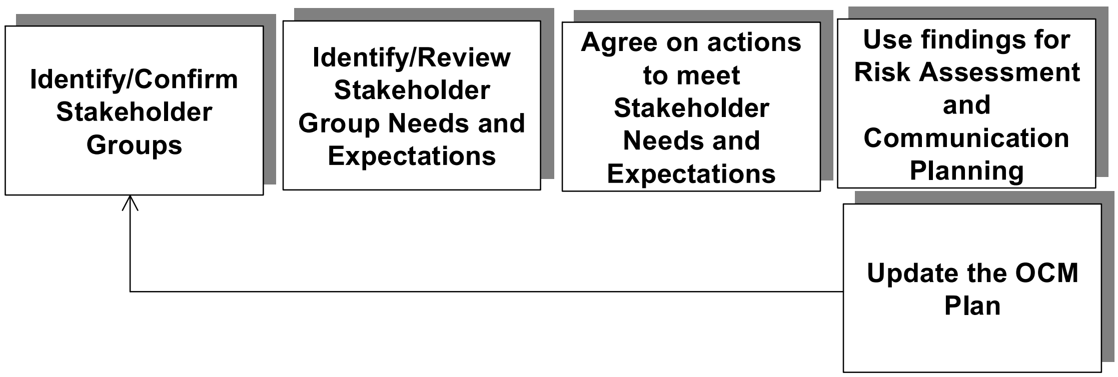

Diagram 1: The Stakeholder Approach

1. Identify/Confirm Stakeholder Groups

The purpose of this activity is to ensure that the correct groupings of stakeholders have been identified for the Project. The following questions helped identify an initial list of stakeholder groups:

- What are the user groups by process area or department?
- Which groups of people are/will the users interact with and subsequently need to be made aware of the changes?
- Who in the organization will need to commit resources and take ownership during the project?
- Who in the organization will need to provide specialist support in aligning the organization or its facilities?
- Who in the organization do the users report to? Who needs to approve/provide resource for realizing the new way of doing business, such as training end users?
- Who are the key external customers, suppliers and other third parties (for example, unions) and how are they affected?

Example

Workshops were conducted with representatives from all the businesses affected, with the Process Team Leader from every area. From the brainstormed lists, groupings of stakeholders were identified based on the following criteria.

- People who are likely to have similar training requirements
- People who are likely to have similar involvement with the project
- People who are likely to have similar communication requirements
- People who are likely to provide similar supporting activities

- People who are at similar levels who may need to lead the project
- People who are likely to have similar change issues

The results of the stakeholder analysis are documented in the Stakeholder Groups section.

2. Identify / Review Stakeholder Expectations/Needs

The purpose of this activity is to review each stakeholder group, and determine likely expectations/needs at various stages of the project life cycle. To ensure that realistic expectations are identified, measures are assigned to them. In addition, priorities are assigned to each of the expectations to ensure that the required level of project planning can take place.

Example

The Project Team conducted 15 interviews with representatives from every stakeholder group to ensure that a fair sample of people was interviewed.

They were asked the following questions, for each stage of the project life cycle.

- What expectations do you have of the new system and all its components?
- What expectations do you have about your level of support for the Project Team?
- What expectations do you have about communication from the Project Team?
- What are the key issues or concerns that you have about the project?
- If we were to address your expectations, how could they be measured?
- What priorities should we assign to each of your expectations?

The results of the stakeholder expectations analysis are documented in the Stakeholder Expectations section.

3. Agree on Actions to Meet Needs and Expectations

The purpose of this activity is to confirm actions that can be used to meet or exceed the needs and expectations of affected stakeholder groups. It is also about managing expectations about what cannot be achieved, validate assumptions and decisions, and prepare stakeholders for the upcoming changes. The findings from the stakeholder analysis typically feed the four main streams of OCM activities, which are communication, sponsorship and leadership, business optimization and project team management. Most of the stakeholder needs are linked to communication and thus feed particular risks addressed in the communication plan but there are other activities, which affect project team management, sponsorship and leadership, and organization optimization.

Example

The stakeholder groups were explored with program management, Process Team Leaders, the Training Managers, and HR management from the businesses. A draft list of needs/expectations and actions were compiled and confirmed in telephone interviews with representatives from stakeholder groups.

The list of actions, by stakeholder group can be found in the Action Plan section of this document.

4. Use findings for Risk Assessment and Communication Planning

Some of the stakeholder analysis findings can be used to help with the risk assessment and communication planning.

5. Update OCM plan and execute activities

The purpose of this activity is to ensure that all findings from the stakeholder analysis, communication planning and risk assessment are integrated in the overall change program, as documented on the OCM plan. The OCM plan then ensures that activities are executed and their effectiveness is measured. In many cases this will require confirmation and validation of the stakeholder analysis throughout the project implementation.

Example of Stakeholder Groups

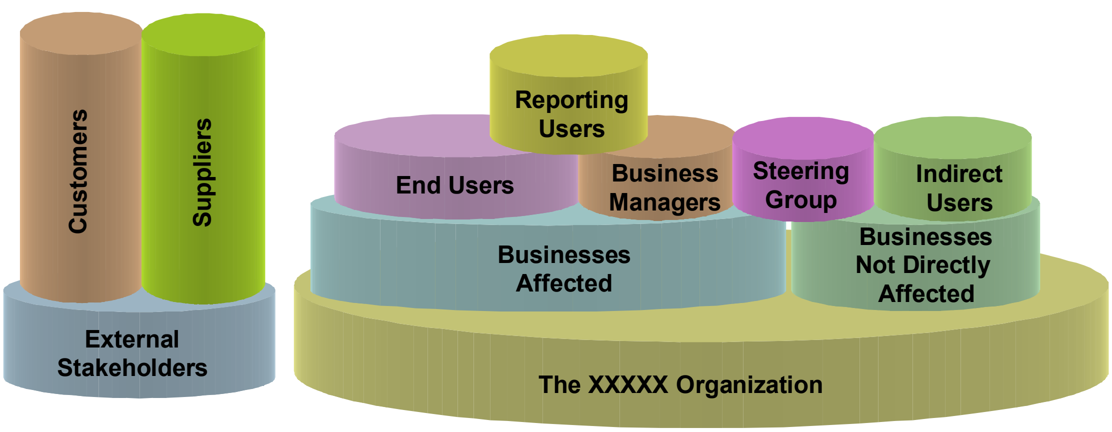

Diagram 2: The Stakeholder Groups

End Users are the drivers of the SAP system - using transactions to input data and creating documents to run the business.

The Steering Committee (Group) are a group of business and project directors who have responsibility for governing the project and providing high level direction.

Business Managers are senior representatives of the businesses areas affected by the new system. They primarily provide resources and users to support the project.

Reporting Users (for example, Cost Center Managers) will use the system on an occasional basis to produce reports.

Indirect Users are users that may not be going live in the system but are affected by other areas in terms of procedural or more indirect change.

Expert Users are representatives from the business areas either full or part time on the project who provide business input to the project. This includes involvement in design decisions and transferring knowledge gained to users during training after support after Going Live and support.

The Project Team includes full time personnel who perform project activities including consultants and people seconded from the businesses.

Customers and Suppliers are those external groups affected by the new system in terms of changes to procedures, systems and /or external documents (such as Invoices).

The Stakeholder Needs and Expectations

Stakeholder	Expectations/Needs	Measures
End Users	▪ To be kept informed of project activities that will affect them ▪ To be told the benefits of the new system in relation to their own department ▪ To understand key activities of the project at a high level, for example, legacy system cut off and system Go Live date ▪ To know the benefits they are going to get from the new system ▪ To understand the business areas that the SAP software will be supporting ▪ To have an awareness of when job related changes will come into effect ▪ To feel that their business has been included in design decisions by a representative from their area attending workshops ▪ To feel assured that they are going to get trained and educated in the new system procedures and transactions to allow them to perform in the new environment	▪ Percentage of users who have had an update at each project phase ▪ Number of functionality demonstrations and questions and answer workshops ▪ Percentage of questions and issues resolved by the project at any given time ▪ Percentage of business areas represented at process design workshops ▪ Number of training days made available to end users

Stakeholder	Expectations/Needs	Measures
Steering Committee Members	▪ To be kept informed of high level issues and progress of the project ▪ To review the scope and business benefits of the project initially and on the basis of exception throughout the project	▪ Number of planned workshops conducted ▪ Number of unresolved issues ▪ Steering Committee members able to describe project scope and benefits
Business Unit Managers	▪ To be kept informed of any issues within the project and the progress at a high level ▪ To be able to contribute to the scope at a high level ▪ To be informed what is expected of them, for example, to deal with any business issues affecting their business area ▪ To have an awareness of the project benefits relating to the business area and an understanding of the resource requirements and cost implications	▪ Number of briefing sessions made available to business unit managers at each project phase ▪ Number of business issues resolved by the business areas / the number outstanding at each phase ▪ Survey results indicating preparedness and understanding of their staff
Reporting Users	▪ To understand the benefits of new SAP system reporting functionality and the movement away from traditional paper based reports ▪ To understand the deliverables required from them at a high level and the changes to their area ▪ To feel that their business has been included in the design decisions by representatives attending workshops ▪ To feel assured that they are going to get trained and educated in the new system and procedures ▪ To know the responsibilities of those involved in the reporting processes and to	▪ Percentage of users who have had an update at each project phase ▪ Number of functionality demonstrations and questions and answer workshops ▪ Percentage of questions and issues resolved by the project at any given time ▪ Percentage of business areas represented at process design workshops ▪ Number of training days made available to end users

Stakeholder	Expectations/Needs	Measures
	be aware of the process and time schedules for any changes	
Indirect Users	▪ To be informed of changes to their area by understanding high level plans and having key outcomes highlighted for them during the project ▪ To understand the benefits of the new procedures and the usage of the new system ▪ To know the responsibilities of those involved and be aware of the process and time schedules for change ▪ To feel that their business has been included in the design decisions by representatives attending workshops	▪ Number of communications distributed ▪ Number of indirect users involved in the design workshops ▪ Number of issues outstanding relating to the indirect procedures in the design
Expert Users	▪ To understand project activities, timing and the outcomes required ▪ To ensure that their business requirements have been represented in the system design ▪ To understand the benefits of their involvement in the project ▪ To be provided with the education of the SAP system to perform their project activities ▪ To understand and deliver key messages back to the business ▪ To know exactly when training is available and which courses are relevant	▪ Number of induction days provided on average to expert users ▪ Percentage of expert users relative to users ▪ Number of communication events supported by expert users ▪ Number of issues raised by expert users about their relationship with the project ▪ Attendance in testing sessions
The Project Team	▪ To understand the plan at a high level and the key activities and outcomes ▪ To understand their roles	▪ Number of Project Team members taken through project updates at the start of each phase

Stakeholder	Expectations/Needs	Measures
	and responsibilities within project and team ▪ To understand the level of accountability and the deliverable responsibilities as a team and as individuals and how it will add value to the business ▪ To provide feedback sessions for people inside and outside the team during the project ▪ Understand the expectations about project communication and managing relationships outside of the team ▪ To understand how issues can be escalated and feel supported ▪ To know what is going to happen to them after go live	▪ Number of project roles which do not have documented accountability statements ▪ Number of feedback workshops conducted ▪ Number of communication events conducted by project team members ▪ Staff turnover
Customers and Suppliers	▪ To be informed of the high level activity plans which will affect them during the project ▪ To be informed of changes to procedures and documentation on the project	▪ Number of communications that are sent out to customers and suppliers ▪ Percentage of customers and suppliers covered by awareness communications

The content of the stakeholder analysis becomes more detailed as the project progresses. Regular updates are required and should be planned as part of the OCM Plan.

The Action Plans

The following table is only an extract and should be used as an example.

Stakeholder	Action	Owner	Date
End Users	Provide communication events covering ▪ Project updates ▪ Benefits ▪ Key activities ▪ Scope of the system ▪ Job related change plans.	OCM Team *Add Name*	Feb-2002
	Provide a checklist of businesses to ensure that all areas impacted are considered when inviting people to workshop events.	Program Manager and Process Team Leaders *Add Name*	Feb-2002
	Develop communications about training events to cover ▪ The types of training available ▪ The timetable ▪ The approach ▪ How to register for a course	Training Manager *Add Name*	Mar-2002
Steering Group Members	Organize scope review sessions to communicate scope and discuss issues	Integration Manager *Add Name*	Monthly
	Ensure that scope gets on the agenda of Steering Group meetings	Program Manager *Add Name*	Planned
Business Unit Managers	Publish a document to communicate the design issues process to all businesses affected	Program Manager *Add Name*	Mar-2002
	Conduct briefing sessions with key business unit managers	Program Manager	Monthly
Reporting Users	Provide communication events covering ▪ Project updates ▪ Benefits ▪ Key activities ▪ Scope of the system	OCM Team *Add Name*	Feb-2002
	Provide a checklist of businesses to ensure that all areas impacted are considered when inviting people to reporting workshop events.	Program Manager and Process Team Leaders *Add Name*	Feb-2002

Stakeholder	Action	Owner	Date
	Develop communications about training events to cover ▪ The types of training available ▪ The timetable ▪ The approach ▪ How to register for a course	Training Manager *Add Name*	Mar-2002
Indirect Users	Provide communication events covering ▪ Project updates ▪ Benefits ▪ Key changes ▪ Scope of the process changes	Process Team Leaders *Add Name*	Feb-2002
	Provide a checklist of businesses to ensure that all areas impacted are considered when inviting people to reporting workshop events.	Process Team Leaders *Add Name*	Feb-2002
	Publish high level procedure documents on the Intranet once they have been bought off	OCM Team and Process Team Leaders *Add Name*	Jul-2002
Expert Users	Develop a training needs analysis and a training strategy to cover the education of expert users	Training Manager *Add Name*	Jul-2002
	Publish lists of SAP training courses which are recommended to the businesses for their Expert Users	Training Manger *Add Name*	May-2002
	Produce question and answer documents for Expert Users to use back in the line areas to ensure consistent communication	OCM Team *Add Name*	June-2002
The Project Team	Produce project phase updates to be delivered before the last day of the previous phase	OCM Team *Add Name*	Every Phase
	Produce responsibility statements for every person on the project team	Program Managers *Add Name*	Feb-2002
	Create a library of standard material that can be used by the project team when delivering presentations to the business	OCM Team *Add Name*	Mar-2002
Customers and Suppliers	Provide communication packs for customers and suppliers to be tailored and used by local businesses impacted	OCM Team and Super Users *Add Name*	Aug-2002