

## Stakeholder management in the agile project environment

Stakeholders of a project are all persons or groups of persons who have a special interest in the successful implementation of the project. Classic examples of a stakeholder in projects are internally the project owner, the employees, but also the shareholders, customers, partners, dealers and suppliers. In agile project management, these stakeholders play a central role in the project, as they bring the user perspective into the project as a controlling element. With their view of things, they therefore ensure that a product is developed according to their specifications. Only in this way is it possible to react promptly and adequately to market impulses and special requests from customers. The flexibility that this approach provides for implementation creates the best conditions for the development of innovative products and services.

In agile Scrum projects, stakeholder management is one of the main tasks of the product owner to integrate the impulses of the market or the customers into the project development. A product owner acts as a link to the market, since one of his responsibilities is to ensure that the product can serve the needs of the market. It is therefore extremely important for the product owner to maintain a very good relationship with the individual stakeholders of the project and to have excellent knowledge of the market. Due to his central role, the Product Owner should always be communicative and know the market so that the new offering can meet the requirements of both the market and the stakeholders. He acts as the stakeholder's representative. The Scrum Master - i.e., the moderator or facilitator of a project - may not be considered a stakeholder due to his role in project management.

The structure of an agile work environment today makes it mandatory to take digital potential into account when communicating. With it, anyone can network with anyone and across all borders. For product owners, digitalization means that they must assume they will be working with international stakeholders. For this, at least knowledge of the English language is an absolute necessity, and time differences must be taken into account when organizing meetings. It helps to map corporate processes transparently and to speed up their flow by providing quick access to relevant information. Therefore, companies - especially if they are internationally positioned - should establish a solution through which they can ensure closer cooperation and communication with the individual stakeholders.

### Development of a stakeholder management strategy

The goal of stakeholder management in the agile project environment is to ensure that all those involved and affected by the project feel that they are being taken into account. They are given the right to make an appropriate contribution and their requirements are integrated. Effective stakeholder management increases the chances of project success manifold, as satisfied stakeholders are the critical success factor in the implementation of the project. To manage all stakeholders, a strategy should be developed based on four basic steps:

#### 1. identification of all those involved in the project

First and foremost, it is necessary to identify all those involved in the project. It is a matter of finding out how each individual will be affected by the project. The name, the current involvement in the project and the specific role of each person must be recorded in a register. In addition, all roles must be weighted for the success of a project.

#### 2. identification and documentation of the stakeholder's specific role

In order to get a picture of a stakeholder's involvement and appearance within a project, the project manager should have met each stakeholder in person. The main point is to assess how one

stakeholder is influenced by another. These personal characteristics of the stakeholder complement the register data.

### 3. prioritization of all stakeholders

Depending on their self-interest and the degree of impact on the project, the stakeholders have a different priority for the project manager. Stakeholders who have their own self-interest and influence on the project can influence project sponsors and decision makers. Second are those with less self-interest, supporters and mentors. Last are the stakeholders who are only indirectly affected by the project's success.

### 4. creation of a communication plan

For stakeholder management to be successful, communication is the link. It is the only way to determine at any time whether the project can continue as it is. It is important to document all conversations. Record the frequency, type of communication, who participated in the conversations, and what the results were.

In der Praxis hat sich gezeigt, dass für ein effizientes Stakeholder Management bestimmte Kriterien den Erfolg absichern. Um das Vertrauen und die Einsatzbereitschaft der Stakeholder zu gewinnen, muss der Projektmanager Transparenz herstellen. Gleichzeitig muss er klar kommunizieren und gewährleisten, dass sämtliche vom Projekt Betroffenen über Aufgaben und Ziele informiert werden. Der dritte wichtige Faktor liegt darin, dass alle mit einbezogen werden. Hierbei gilt der Faktor der Einbeziehung – d.h. die verschiedenen Standpunkte und Erfahrungen müssen berücksichtigt werden. Zur gleichen Zeit müssen alle fair behandelt sein.

### Not all stakeholders are equally important for a project

Not all stakeholders are equally relevant to the success of a project. This means that they are treated differently in the context of the project. Therefore, a so-called stakeholder matrix should be developed, which classifies the stakeholders according to the factors of power and interest. Overall, this results in a categorization into four groups:

1. groups of people with a lot of power and a high level of interest. These stakeholder groups are particularly relevant for the success of the project, which is why close cooperation is especially important.
2. groups of people with a lot of power but little interest. For these stakeholder groups it is important that they are satisfied by the progress and implementation of the project.
3. for groups with little power but a high interest in the implementation of the project, they must be kept fully informed about the progress of the project.
4. for groups of people with little power and a low level of interest, it applies that this stakeholder group is continuously monitored.

The identified groups of people must be divided into these categories so that they are all treated according to their claims on the project. Such a stakeholder matrix is particularly recommended for complex processes with many stakeholders in order to create a uniform understanding of the project and to be able to structure it more clearly.

## How stakeholder management works

Good stakeholder management requires human soft skills, because the product owner must use his or her personal skills to communicate clearly with the stakeholders. What counts most is an understanding of the respective role - both as a position within the project, but also as a person. Particularly in the case of stakeholders with a critical or negative attitude, it is essential to understand why they have a negative attitude toward the project. In the best case, it is possible to turn a project opponent into a project supporter. In addition, a relationship must be established with the relevant stakeholder. This important phase is primarily about creating trust.

Since the stakeholders and their personalities are known, the product owner can now communicate with them in a targeted manner. It is important in communication to find the right interpersonal level, because it can quickly happen that messages sent through messenger or e-mail are misunderstood. A fourth point is consultation, which is mostly underused. This is not only about informing all stakeholders, but also about active consultation. Through this factor, all those involved in the project are involved and the product owner benefits from the specialized knowledge of the stakeholders during the meetings and is able to build a good relationship.

## Possible obstacles to effective stakeholder management

It is often the case that companies find it difficult to keep stakeholders engaged over the long term. This can be seen above all in large projects that run over a long period of time. The main reason is that this type of project management is associated with a high level of administrative effort. Especially when there is other work to be done, these administrative tasks remain in the background. Sometimes product owners wish that the individual stakeholders would not get too involved. They fear that stakeholder engagement could cause too much reaction to the developments of the project and team members would not be able to continue working and implementing their project ideas.

In some cases, stakeholders also have a vested interest in the success of the project, but often they only provide their comments. This can lead to problems in access to information, transparency and the application of necessary tools. The reason is that some stakeholders value being kept informed on an ongoing basis. In many cases, these stakeholders want a direct form of communication with a staff member who will act as a direct point of contact on the project. In many cases, this access to the project is associated with the fact that other stakeholders on the agilely organized project do not find sufficient opportunities for alignment.

## What happens if there is no stakeholder management?

If insufficient attention is paid to stakeholder management during the planning and implementation of projects, this can cause a project to fail in the worst case. It is therefore all the more important to involve all stakeholders in a project according to their role. For the product owner of a project, this means that he must maintain open, clear and transparent communication with the stakeholders throughout the entire project. At the same time, he or she needs a keen sense for any discrepancies that may arise and must be able to justify his or her own actions with factually sound arguments. Regularity and a simple exchange of information are essential in order not to jeopardize the success of a project.