Stakeholder Analysis Case Study: Government

by Emily Iem

Background

- Prioritization of a project portfolio for a state government agency

Key points:
- Agency with an annual budget of more than $180M,
- A project budget of $30M over a five-year period
- State agency staff of 35 people
- 24 Local Agencies that administer the program across the state
- Approximately 800 users of the management information system
- Approximately 200,000 citizens receive benefits

Challenges

- A transformation to shift agency's benefit from paper to electronic
- Included updates to an existing management information system and creating a method to process payments to participating vendors.
- The Business Analyst asked to serve as the project manager with business contractors to perform the system implementations.
- Dual report to an information technology (IT) director and the state agency director.
- Project had been attempted a few years prior and had been abandoned in early stages.
- Two distinct phases: procurement and planning/execution.
- Several staff changes occurred throughout the project.
- A large shift in team members and shift of responsibilities for the remaining team when one contract ended early.

Action: Stakeholder Analysis

Define Groups
The BA/PM started by defining goals and objectives and performing a stakeholder analysis.

Identifying Stakeholder Groups
The onion diagram depicts the groups or categories of stakeholders that were initially identified.

The State Agency Staff and IT Operations groups were expanded:
- State Agency Staff:
    - Agency Director
    - Agency Compliance Director
    - Agency Finance Director
    - Agency Services Director
- IT Operations:
    - Chief Information Officer
    - IT Director
    - IT Lead
    - Help Desk

The State Procurement Staff and Federal Agency groups had representatives but there were no distinctions between those representatives.
- The Steering Committee was created with:
    - the Agency Director,
    - the Chief Information Office, and
    - the IT Director.

The combination of stakeholders needed to be analyzed as a group and the Agency and IT Director analyzed as individual stakeholders.

FEDERAL AGENCY

STATE PROCUREMENT STAFF

CURRENT IT OPERATIONS

STATE AGENCY STAFF – DIVISION REPRESENTATIVES
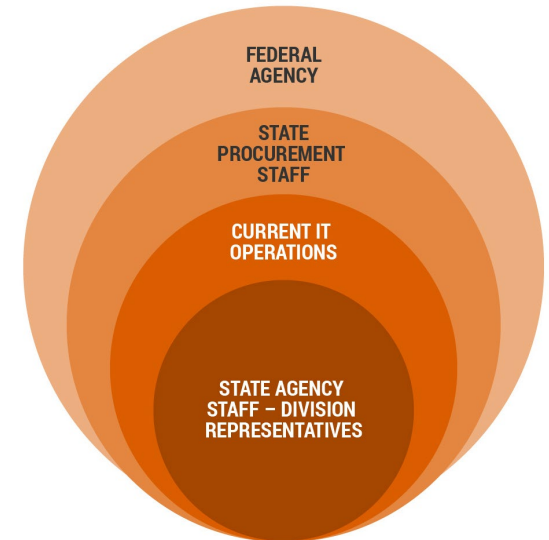
Initial Stakeholder Identification Onion Diagram

Action: Stakeholder Analysis

Identify Stakeholders - First iteration

Conducted interviews
- Information technology (IT) director and the state agency director identified:
  - Subject matter experts (SMEs),
  - Staff participating in operational support for the existing systems and processes, and
  - The federal agency that funded and regulated the administration of the state program.

Collected documents
  - The IT director provided access to previous planning documents.
  - The agency director provided organization charts and background information about the program.

Stakeholders were identified
- This transformation impacted all parts of the organization; stakeholders needed to understand and participate from the beginning.
- Stakeholder participants
  - For the procurement processes to evaluate and hire contractors
  - State procurement officers in the contracting process
  - From each of the divisions within the state agency
  - From IT operations support to evaluate the contractors and since they would be responsible for supporting the new systems and processes
  - The federal agency that regulates the state program was identified as approvers of all major milestones and funding requests

Action: Stakeholder Analysis

Analyzing Stakeholders – First iteration

Stakeholder Matrix

This project had two distinct phases: procurement and planning/execution.
Stakeholder analysis was different for each phase.
During the initial phase, meetings were used to share information.

- Weekly status meetings/work sessions were conducted for a team participating in the contracting process, and
- A monthly meeting was held by the federal agency for their updates and feedback.

Another stakeholder analysis and communication plan
identified required deliverables for the implementation contractors.

The stakeholder matrix categorized the Influence and Impact and was the foundation for communications and engagement through the initial phase.

| Influence		
High	•Agency Director IT Director Chief Information Officer Steering Committee Procurement Office Federal Agency	
Low		•Agency Compliance Director IT Lead Help Desk Agency Finance Director Agency Services Director
	Low	High
	Impact	

	Agency Director	IT Director	Steering Committee	Federal Agency	Procurement Office	Agency Compliance Director	IT Lead	Help Desk
Influence								
Decision-making about the project/initiative goals, staff or budget	x	x	x		x			
Funding authority over the affected units or project/initiative				x				
Approval authority over any of the inputs into or outputs from affected processes	x	x	x	x				
Impact								
Impacts how the stakeholder uses or receives a service or product								
Use the solution on a regular basis								x
Support others who use the solution						x	x	x
Use the outputs of the solution						x	x	

Action: Stakeholder Analysis
Define Groups and Identify Stakeholders - Next iteration

Define Stakeholder Groups – Next iteration

- Stakeholder groups responsible for the provision of services and the end customers were added. The focus of this stakeholder analysis included users of the solution and the products that the solution made.
- The onion diagram was updated to show the new stakeholder groups.
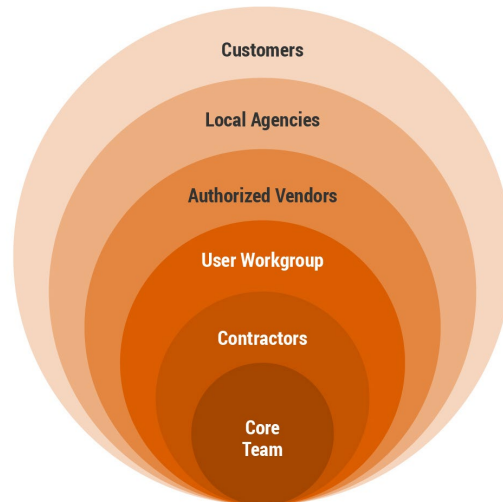
Identifying Stakeholders – Next iteration

- During the procurement and evaluation phases, it was decided that a core team of agency staff selected from various divisions and based on responsibilities, would be the project team.
  - After two years the contractors were signed and ready to begin.
  - Three contractors were hired to:
    - Update a management information system for benefit issuance,
    - Process payments to participating vendors, and
    - Perform independent verification and validation (monitor other contractors' performance and the internal teams' participation and approach) to ensure objectives and timeline would be met.

Action: Stakeholder Analysis
Analyzing Stakeholders – Next iteration

- New stakeholder groups and shifting project activities from procurement to planning (and eventual execution) created a need to re-evaluate the stakeholder matrix and update the positioning of stakeholders.
- Local Agency service providers became increasingly impacted.
- New members on the project team needed to be placed on the matrix.

	Low Impact	High Impact
High Influence	•Agency Director IT Director Chief Information Officer Steering Committee Procurement Office Federal Agency	•Authorized Vendors Local Agencies
Low Influence		•Agency Compliance Director IT Lead Help Desk Agency Finance Director Agency Services Director Customers User Work Group Contractors

Influence / Impact

Action: Stakeholder Analysis

Maintaining Stakeholder Analysis

- A communication plan to outline stakeholder communication needs and methods to measure its effectiveness was created. Effectiveness measures were used to maintain stakeholder analysis, as well as several project monitoring and execution activities.

Team Contact List

- A team contact list was created early on and maintained throughout the project. Ensuring that all new team members were added to the list and team members that left were removed is an important stakeholder task.
- Several staff changes occurred throughout the project and one of the contracts ended early causing a large shift in team members and responsibilities for the remaining team.

Action:Risk Management

Risks	Mitigating action
Risk management identified: • New stakeholders and activities, • Potential new stakeholder groups, and • Possible consequences for ineffective stakeholder analysis was documented and tracked.	Two risk management tasks were performed: • Monthly risk identification, and • Weekly risk updates/reporting.

• Participating vendors weren't ready for the change, and
• Lack of communication and training.
	• Multiple media formats to contact the participating vendors were used including:
	  • email blasts,
	  • physical mailings,
	  • direct phone calls,
	  • a demonstration event (of technology), and
	  • in-person visits to their individual locations.

• Federal agency review of documents and timelines would cause delays in the project activities.	• Risks and issues were communicated, • Deliverable outlines were sent in advance to ensure that contents would meet expectations, and • Preview tasks were created for certain members of the agency to get their buy-in on contents before the formal review and approval was requested.

• Local agency staff wouldn't participate in user acceptance testing, and
• Negative feedback and lack of buy-in with the end-product.
	• User workgroup was created with representation from half of the local agencies.
	• Presentations were given:
	  • project updates,
	  • timeline of activities, and
	  • product demonstrations during development at quarterly meetings.

Action
Team Learnings

Surveys

The Core Team conducted surveys with local organizations and the user work group to gauge the effectiveness of the communication.

Feedback	Action
Not enough demonstration of the solution.	The team Added screenshots to regular updates, and Provided an onsite demonstration of the test solution to show basic process and functionality.

Conducted Lessons Learned

At the end of each development phase, the PM and the IV&V contractor conducted lessons learned to help the team. The lessons learned were not limited to stakeholder analysis but included topics that directly affected and contributed to ongoing stakeholder analysis:

- Communication,
- Status reporting and updates, and
- Risk and issue management.

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Lessons Learned

Performing effective stakeholder analysis included several iterations of:

- Defining stakeholder groups,
- Analyzing stakeholders, and
- Maintaining the analysis.

This focus on stakeholder analysis allowed the project manager, project leadership, and core team members to:
- ✓ Navigate several risks and issues,
- ✓ Manage large project change including contractor changes in year three,
- ✓ Come several million dollars under budget,
- ✓ Meet a Federal mandate to make this transition, and
- ✓ Receive positive feedback about the benefit experience from customers and vendors.

THANK YOU

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