A project manager must be sure to identify and list all potential stakeholders for a project in order to facilitate project success.
Very early in the life of a project, it is critical to identify all of the organizations and people who may have an impact on the project, and all those who may be impacted by the project.

A “stakeholder” is any person or organization that is actively involved in a project, or whose interests may be affected positively or negatively by execution of a project. Stakeholders can be internal to the organization or external. In many projects the public at large will become a stakeholder to be considered during the project. The challenge for the project manager when the public is a stakeholder will be to act while considering public needs. Often there is no direct representative of the public to be consulted during project planning and execution.

A project manager must be sure to identify and list all potential stakeholders for a project. Potential stakeholders include but are not limited to:

- Competitors
- Employees
- Government
- Government regulatory agencies
- Industry trade groups
- Investors
- Labor unions
- Local communities
- National communities
- Professional associations
- Prospective customers
- Prospective employees
- Public at large (Global community)
- Shareholders
- Suppliers

The project manager must document relevant information for all identified stakeholders. This information may include the stakeholder’s interests, involvement, expectations, importance, influence, and impact on the project’s execution as well as any specific communications requirements. It is important to note that although some identified stakeholders may not actually require any communications, those stakeholders should be identified.

When identifying stakeholders and rating their level of interest and involvement in the project, it will become important to use some sort of a tool — a rating scale, an influence diagram, or a chart form to identify the level of power, influence, interest, or impact that the stakeholder may have on the project. There is a sample of a stakeholder needs and expectations form in the forms section of this lesson.
PROCESS ELEMENTS

The Identify Stakeholders process has the following Inputs:

- **Project Charter** High-level document that authorizes the project and assigns/authorizes the project manager
- **Procurement Documents** Identifies procurement contract stakeholders
- **Enterprise Environmental Factors** Consideration factors such as culture, systems, procedures, industry standards
- **Organizational Process Assets** Consideration factors such as templates, lessons learned, stakeholder registers from former projects

The Identify Stakeholders process uses the following Tools & Techniques:

- **Stakeholder Analysis** Gathering and assessing information to determine whose interests should be taken into account for a project
- **Expert Judgment** Expert technical and/or managerial judgment (from any qualified source)

The Identify Stakeholders process has the following Outputs:

- **Stakeholder Register** A document identifying all project stakeholder information, requirements, and classification
- **Stakeholder Management Strategy** Defines the approach to increase stakeholder support and reduce negative impacts represented in a stakeholder analysis matrix

<table>
<thead>
<tr>
<th>Identify Stakeholders (10.1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This process identifies all persons/organizations affected by a project and documents their interests, involvement, and impact on the project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Tools and Techniques</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Project Charter</td>
<td>• Stakeholder Analysis</td>
<td>• Stakeholder Register</td>
</tr>
<tr>
<td>• Procurement Documents</td>
<td>• Expert Judgment</td>
<td>• Stakeholder Management Strategy</td>
</tr>
<tr>
<td>• Enterprise Environmental Factors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Organizational Process Assets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This chart is part of the study aid poster series available at www.truesolutions.com.
**PROCESS DOCUMENTS**

During the Identify Stakeholders process two important documents are created. In order to rate each stakeholder’s importance and impact on the project you need some form of stakeholder analysis. Stakeholder analysis focuses on the stakeholder’s importance to the project, and to the organization, the influence exerted by the stakeholder, plus stakeholder participation and expectations.

A Stakeholder Expectations Questionnaire may be used to analyze specific stakeholder influences and needs. An example of a stakeholder expectations questionnaire is shown below.

<table>
<thead>
<tr>
<th>PROJECT STAKEHOLDERS NEEDS &amp; EXPECTATIONS QUESTIONNAIRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project ID:</td>
</tr>
<tr>
<td>Project Sponsor:</td>
</tr>
</tbody>
</table>

A stakeholder is anyone who will impact, or be impacted by the event. Please provide the stakeholder with the Project Charter document as an introduction to the project.

<table>
<thead>
<tr>
<th>Project</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder</td>
<td>Ext.</td>
</tr>
</tbody>
</table>

**A. Objective** – What results would you require, expect, or desire from the project? Categories of objectives include: function, cost, time, surprises, flexibility, effectiveness.

<table>
<thead>
<tr>
<th>Item</th>
<th>Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

**B. Measures** – What measures could we use to validate that we met these objectives?

| 1    |             |
| 2    |             |
| 3    |             |
| 4    |             |

**C. Impact** – What changes do you expect your area may make to adjust to this change?

| 1    |             |
| 2    |             |
| 3    |             |
| 4    |             |

**D. Involvement** – What do you see as your/your area’s role?


**E. Your Deliverables and Roles** – What items or changes do you think you/your area should provide for the project to be effective? Who would be responsible for these deliverables?

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>
A Stakeholder Register may be used to record a general overview of each stakeholder and their planned/forecasted role on the project. An example of a potential form for use as a stakeholder register is depicted below.

<table>
<thead>
<tr>
<th>Project Stakeholder Name</th>
<th>Specific Information Needs</th>
<th>Project Interests</th>
<th>Impact on Project</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Types &amp; Frequency of Communication</td>
<td>Specific Areas of Interest and Participation</td>
<td>Positive, Negative, Influencer, Supporter, Roadblock</td>
<td>Decision Maker, Collaborator, Participant, Consultant, Information Recipient</td>
</tr>
</tbody>
</table>

PROCESS TASKS

The following is a list of some of the common tasks associated with the Identify Stakeholders process:

1. Identify and document a list of all project stakeholders
   - Determine who internal stakeholders may be
   - Identify/document external stakeholders
   - Prioritize the stakeholder list by anticipated participation or importance

2. Validate the Stakeholder Register (list)
   - Network with stakeholders to determine specific project interests and needs
   - Evaluate stakeholder organization influence to determine stakeholder positioning on the project

3. Create a high-level approach for communicating with all stakeholders
   - Prepare a document describing what the overall approach will be toward stakeholder management for the project
   - Develop a preliminary communication plan intended to address general stakeholder needs

4. Define your responsibilities as project manager, and those of other stakeholders
   - Define which stakeholders will be participating and will have an interest by project phases of the project life cycle to be used on the project
   - Communicate the approach to key project stakeholders in order to obtain buy-in

THINK ABOUT IT

When applying the Identify Stakeholders process it is important to note that while this particular process is a new process to the PMBOK® Guide Fourth Edition, it is not a new process to project management. It is also a process that is often overlooked—with sometimes disastrous results.

While working as project manager for a major automotive manufacturer during Y2K, I was leading a project to change the way automotive replacement parts were sold and distributed. We already had identified a rather large, overwhelming
project team intended to work together to create and deploy the systems and new business processes. But we failed to clearly identify all of the stakeholders and their interests.

When we started the implementation planning it was quickly determined that the end user needs and technical specifications of systems that were in use had not been properly identified. The goals and objectives that the end users had were mostly different from the plan, as documented in the scope statement and the Project Statement of Work. Additionally, political factions within the project began to have internal wars over stated objectives and how to achieve the objectives from a technical standpoint. Major portions of the overall organization considered themselves to be stakeholders, yet were not identified on any list as a project stakeholder.

The immediate program manager, project manager, and team clearly understood what was planned and what the stated goals and objectives were for the program and the project. But, the program and project managers failed to clearly identify who else needed to have input and knowledge of the program.

Using the Identify Stakeholders process effectively could have saved many hours of misdirection and resource misallocation (and lots of money). Ultimately, our project was only moderately successful with a small group of end users that were deployed during that fiscal year. But we could have been highly successful if we had identified all of our stakeholders and their needs before committing to a course of action.

Contributed by Tim Bergmann, PMP

**MUST KNOW CONCEPTS**

1. A “stakeholder” is any person or organization that is actively involved in a project, or whose interests may be affected positively or negatively by execution of a project.

2. The Identify Stakeholders process is used to identify all people or organizations that may be impacted by or have an impact on a project.

3. A key Output of the Identify Stakeholders process is the Stakeholder Register, which lists the project’s stakeholders and relevant information for each stakeholder or stakeholder group.

4. Stakeholder Analysis is a technique used to determine each stakeholder’s interest, influence, participation, and expectations for a project.
LESSON QUIZ

Instructions
Here are some questions to help reinforce your learning.
Complete this quiz from memory to the best of your ability. For each question, circle or check your selected answer on this page or a separate piece of paper. When complete, check your results by comparing your answers to the preferred answers provided in Appendix A.

Please note that Knowledge Check questions are not actual PMP Exam questions. These questions are intended to reinforce key terms, concepts, and themes. While these Knowledge Check questions are typical of what you can expect on your PMP Exam, many actual PMP Exam questions are more in-depth, designed to challenge your judgment (not rote memory) in applying concepts, processes, and methodologies.

1. Which of the following best describes the Identify Stakeholders process?
   A. The Identify Stakeholders process is used to identify all people or organizations that may be impacted by or have an impact on a project.
   B. The Identify Stakeholders process is used to determine the communication needs of project stakeholders.
   C. The Identify Stakeholders process is used to make project information available to project stakeholders.
   D. The Identify Stakeholders process is used to ensure that communications with project stakeholders is productive and meets the needs and desires of those stakeholders.

2. You have just been appointed as the project manager to an organization that you are not familiar with. One of your first tasks is to identify stakeholders for your project. What are the three steps you would perform to analyze stakeholders?
   A. Identify internal stakeholders, identify external stakeholders, and ask them how they would like to be communicated with
   B. Identify all potential stakeholders, identify the potential impact or support of each stakeholder, and assess how they might respond to various situations
C. Identify all potential stakeholders, ask how they would like to be communicated with, and build alliances with those who are the most important stakeholders

D. Identify all potential stakeholders, identify the potential impact or support of each stakeholder, and build alliances with those who are the most important stakeholders

3. The key Output for Identify Stakeholders includes:
   A. Communications Management plan
   B. Stakeholder Register
   C. Stakeholder Issues report
   D. Stakeholder Analysis

End of Lesson 7