



Dar Al Riyadh Insight #27

Stakeholder Management in Large Complex Programs – Step 4 - Stakeholder Objectives

Dar Al Riyadh Insights reflect the knowledge and experience of our Board, executives and staff in leading and providing PMC, design and construction management services. Dar Al Riyadh believes in the importance of broadly sharing knowledge with our clients and staff to improve project outcomes for the benefit of the Kingdom of Saudi Arabia.

The key steps in the overall stakeholder management process are discussed in this series of Insights. These activities and their effectiveness can have as much to do with shaping overall program success as the “hard” engineering, procurement and construction activities undertaken.

In this Insight we describe the fourth of six steps for managing stakeholders in large complex programs.

Step 4 - Stakeholder Objectives

An initial survey of what stakeholders are trying to accomplish either in the way or program or project outcome or avoided concerns will be identified initially by the program manager and refined through the stakeholder engagement process and feedback from project level contractors.

The identification of stakeholder issues sets the stage for determining the objectives each stakeholder would like to see achieved as a result of the programs implementation. In determining these various objectives it is important to ascertain when a minimum outcome is dictated by externalities such as regulation, politics, or targeted rates of return as examples.

Stakeholder objectives must be focused of “needs” versus “wants”.

It is important to recognize that stakeholder objectives compete not only with the maximization of financial returns measured on a discrete project or program basis but also with each other. This last point is often overlooked. **It may not possible to satisfy all stakeholder objectives even if we were committed to.**

With respect to the competition of stakeholder objectives with a program’s financial returns it is necessary to ensure we are looking at full life cycle returns. Meeting stakeholder objectives should act to maximize these long term returns compared to what the situation would be in the absence of satisfying these



objectives. This drives us to a more rational framework for evaluating and responding to the objectives of each stakeholder.

For example when dealing with a regulatory authority, failing to meet their bonafide regulatory objectives could result in denial of a construction or operating permit. Such a situation does not result in attractive financial outcomes.