



Dar Al Riyadh Insight #31

Stakeholder Management in Large Complex Programs – A Focus on Influencing Flows

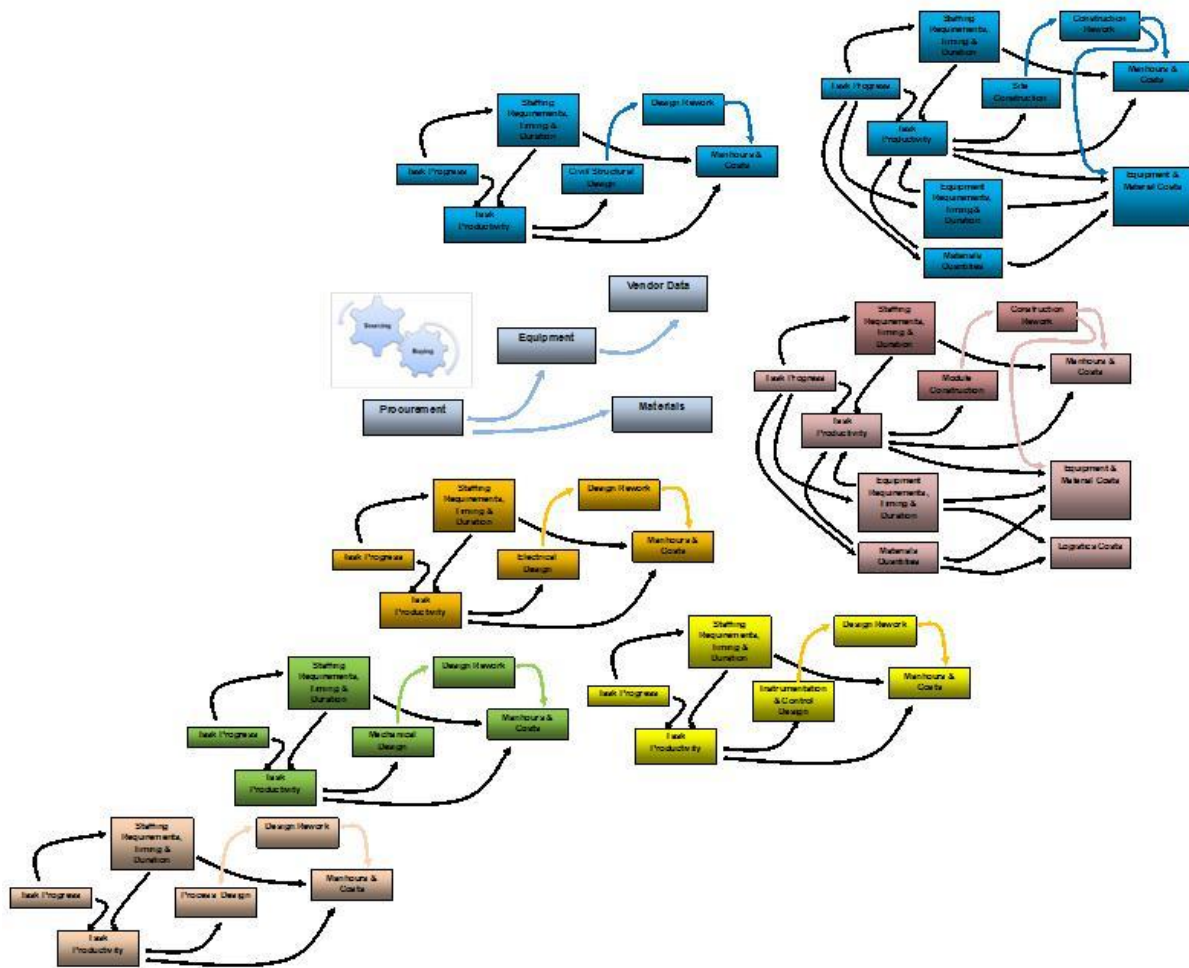
Dar Al Riyadh Insights reflect the knowledge and experience of our Board, executives and staff in leading and providing PMC, design and construction management services. Dar Al Riyadh believes in the importance of broadly sharing knowledge with our clients and staff to improve project outcomes for the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

A Focus on Influencing Flows

Large complex projects demand a different type of relationship and management approach to the broader and ever changing stakeholder environment which is acted upon by the project and which in turn acts upon the project. The disruptive effect of stakeholder driven change can be simply illustrated in the following two figures.

In the first figure we can gain a sense of the normal transformational flows which a project experiences as it moves from early process design through to construction. For the purposes of this illustration we have eliminated the inter-task flows which require increase focus and emphasis in large complex projects.

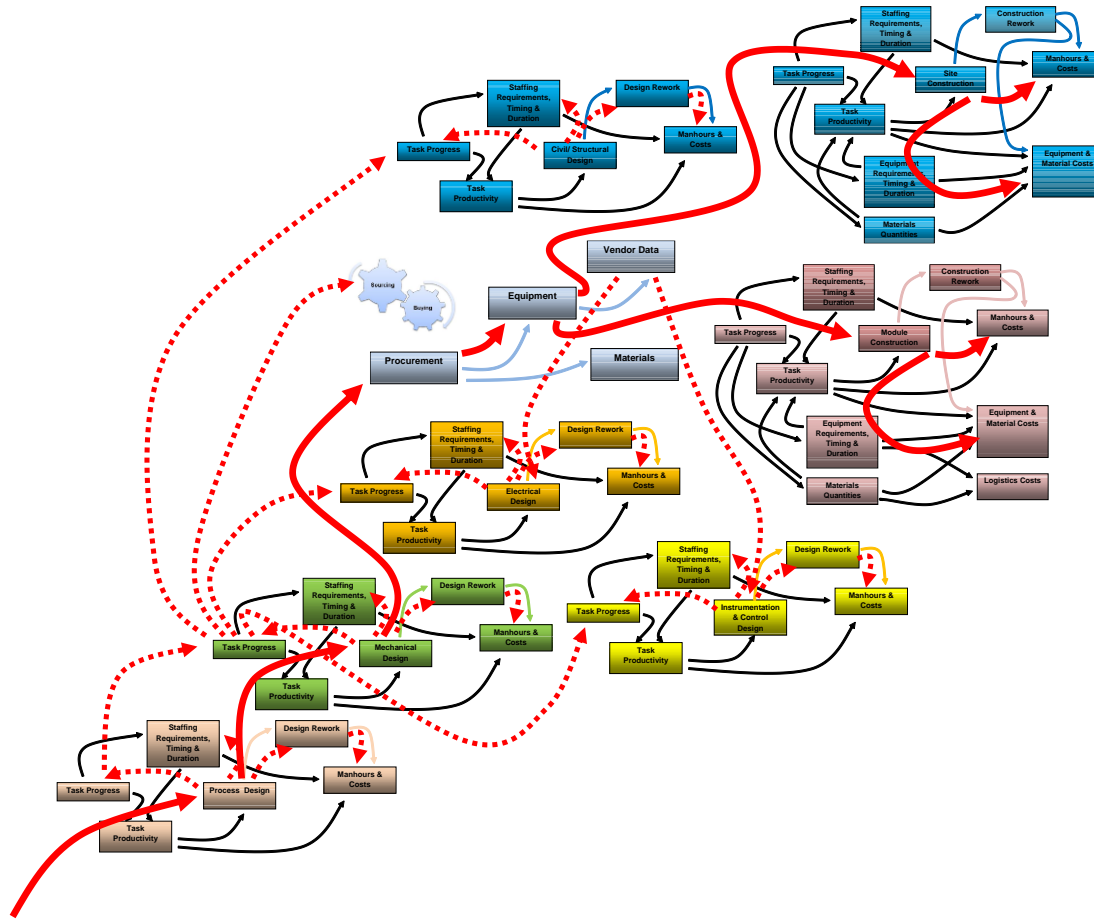
Each task along the project chain is associated with more normal types of uncertainties that are regularly encountered and the notion of a certain level of rework as being part of the regular project process is shown. The task related activities shown are relational considerations rather than the sequential transformative steps one would expect.



Simplified Flows in a Project without Shareholder Driven Disruption

Although extremely simplified, the figure above illustrates that a certain level of turbulence exists even in well planned and executed tasks.

In the second figure the impact of a process change driven by one or more stakeholders is shown. Affecting stakeholders could have been political, regulatory or judicial in nature or alternately the process change could be driven by boards and investors as a result of changed market or financial circumstances. Irrespective of which stakeholder originated the change its impact is significant as can be seen in the second figure. The particular change illustrated is shown to happen early in the project development process but the impacts of the change cascade through the entirety of project execution.



Stakeholder Driven Process Change

Cascading Disruption in a Project Experiencing Shareholder Driven Changes

Task level activities are reconfigured, delayed or experience more extensive rework as a result of stakeholder driven change. Such changes may happen at any point in the project development and execution process and a multitude of changes may arise from different stakeholder sources throughout the project. Addressing this significant disruptive risk requires a new approach to engaging the project stakeholder environment and a refocusing of efforts from merely identifying the impact of stakeholder driven changes earlier on in the project's progress and forecasting likely impacts. Increasingly, large complex projects need a more outward and engaging focus together with new metrics targeted at potential drivers of change rather than earlier detection of negative trends.

