



Dar Al Riyadh Insight #32

Stakeholder Management in Large Complex Programs – An Evolving Ecosystem

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.

An Evolving Ecosystem

The stakeholder environment of which the project is a part can be characterized as:

- **Including the project itself as an equal actor in this complex ecosystem.** This is a key point as the project de facto commands no higher position than any other potential stakeholder. The illusion of preeminence or priority has degraded stakeholder relationships on many large complex projects with corresponding poorer outcomes.
- **Comprised of a web of stakeholder-stakeholder relationships** which are affected not only by changing binary wants, needs and relationships but also by the multiplicity of “tugs” from other parts of this complex web. Large complex projects which focus on their binary stakeholder relationships only are apt to be surprised when these relationships and agreements are “tugged” by other parts of this complex web. Even the best stakeholder maps need to recognize that “the map is not the territory”
- **Complex, turbulent and emergent in nature.** The very multiplicity of direct and indirect stakeholders associated with large complex projects is in itself daunting at first glance but becomes even more so as we think about the range of external stakeholders acting along each supplier, link and flow along a global supply chain. Change is the norm in all human endeavors, unlike what Taylor and Gantt sought to achieve in their early management efforts in a repetitive industrial setting. This continuous, multi-directional and ever evolving set of changes result in turbulence in the broader ecosystem of which the project is a part. This turbulence shapes the stakeholder ecosystem and drives that system to change and new patterns and relationships to emerge. This emergent behavior is a key characteristic of the stakeholder environment of which the project is a part.

This emergence does not stop at the project boundary but acts on the project as well.



- **Giving rise, from its inherent turbulence, to “influencing flows”** which shape the stakeholder ecosystem; drive it to a new and emergent state; and transverse the project boundary shaping and impacting planned transformative flows within both project activities and tasks but also the flows between these activities and tasks.
- **Observable and fungible, but only to the extent that we become part of it** and understand its flows and patterns. We cannot manage but we can engage and through that engagement at least achieve earlier detection of new influencing flows and in some instances act “in” this web of relationships to shift forces in more supportive ways. This leads to a new engagement construct focused on sentries, scouts and ambassadors.
- **Requiring a more comprehensive assessment of project success “that takes into account the views of multiple stakeholders over multiple time frames.”** New measures are required to anticipate stakeholder perceptions of project actions and impacts. These new measures represent a key portion of an expanded set of control points focused externally to the project. Stakeholders throughout the full project life cycle must be considered since success or failure is often judged well after initial construction has been completed. However, work on project success factor scales have shown the strongest correlations to be with:
 - **Public stakeholder satisfaction**
 - **Contractor satisfaction**
 - **Supplier profitability**

The influencing flows described above are observable, but only if we are looking. Project management today often focuses all of its management and project control efforts within the project context. Developing efforts in predictive analytics will let us see degrading performance earlier and likely quantify its impacts if not addressed. But both efforts fall short of what large complex projects demand, namely, awareness and where possible influencing the drivers of change themselves. We may be looking in all the wrong places and further blind ourselves through the assumptions we make at the outset of the project and take as constant forever.

Stakeholder management, as described previously, at least gets us beyond the four corners of the project but still not focused on watching for, finding and where possible modifying the influencing flows that will arise.