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Project Stakeholders

by Sophia

This tutorial will explain the role of project stakeholders by identifying and defining:

1. Project Stakeholders

Many people will have opinions about what needs to be done, what needs to be spent, and how the work should proceed. These people are called **project stakeholders** because they have an interest in the deliverables. Their opinions and their approvals determine whether a project is successful or not.

It will be the responsibility of the project manager to identify stakeholders and document their needs. The stakeholders will help define the deliverables of a project, and ultimately, determine the success of a project.

IN CONTEXT

Your group is tasked to create a new type of suit designed for astronauts on spacewalks. How do you identify the stakeholders on this project?

As a project manager, the following is a list you should use to decide if someone is a stakeholder:

- They have an interest in the project. Perhaps, in this case, a high-level executive initiated the process to create this new space suit.
- They are affected by what the project delivers, either directly, or indirectly. The organization that manufactures the suit is directly affected. There is another level that is indirectly affected, which is the company that made tools for the older version. They need to create tools to support the new suit.
- Their opinion of the deliverables can impact the results of the project. In your case, the astronaut scheduled to wear the suit.

Don't count on the support of every stakeholder when the project starts. It might be the end users who support the creation of a more flexible suit, or maybe the engineers want a suit that's easy to maintain. There might also be members of a budget committee that don't approve the additional expense or an executive that believes rovers should be used instead of astronauts.

One of the project's earliest goals may include addressing various concerns. It's important to communicate

often and clearly with stakeholders about project progress, and ultimately, its outcomes.

> 📄 **TERM TO KNOW**
>
> **Project Stakeholders**
> Individuals inside or outside an organization that have an interest in a project or its deliverables.

2. Types of Stakeholders

Project stakeholders can include:

- Project Sponsor
- Project Manager
- Project Team Members
- Key Decision Makers
- Users

The initial project stakeholder will likely be the **project sponsor**. They will have oversight and budget authority over the project. As the sponsor, they may also have initiated the project, such as the groups discussed earlier who wanted a new space suit.
It's critical to communicate well with project sponsors since they often advocate for the project.

The project manager will naturally be a stakeholder, but if the project impacts other projects, then the managers of those projects might need to be stakeholders too.
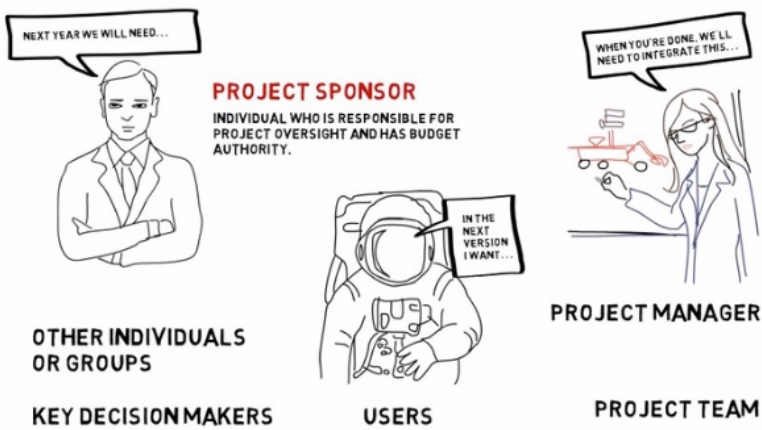
> ↗ **EXAMPLE** A suit used for a spacewalk must work with monitoring equipment, which may introduce another stakeholder: the project manager of the project involving monitoring the quality of equipment and usage.

Project team members facilitate the project's work to successful completion. This may include experienced individuals, especially those who've worked on similar projects and might help define deliverables. They too can act as stakeholders.

Key decision makers may require a large chain of people that need to approve certain elements at each stage, such as budget, schedule, and resource negotiations.

> ↗ **EXAMPLE** Building a space suit might involve public money. In that case, political decision-makers would be stakeholders too.

Customers or users who benefit or directly interact with deliverables created by the project can be stakeholders. Sometimes the user population could be very large. In that case, target users can be defined to serve as representatives.

Project Sponsor

The individual who is responsible for project oversight and has budget authority.

SUMMARY

Now you know the criteria for being a **project stakeholder** and the different types of stakeholders. Remember the checklist to determine who should be a stakeholder. If a person or a group is interested in the project or has the ability to affect the scope of the project, they are likely to be a **type of stakeholder**. A project sponsor may oversee the entire project and have budget authority over the project.

Source: This work is adapted from Sophia Author Jeff Carroll.

TERMS TO KNOW

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