

Performance Architecture Roger Addison & Carol Haig

Oops! Forget a Stakeholder?

A division of a U.S. government agency was reorganizing and moving from a standard workday to 24-hour operations. The change to shift work meant reviews and updates for numbers of processes and involved various stakeholders.

As planning progressed, a member of the project steering committee noticed that the list of stakeholders omitted the site's cafeteria. Fortunately, the early discovery of this oversight enabled the cafeteria manager to be included in the subsequent planning and implementation of the 24-hour work schedule. Imagine the consequences if this missing stakeholder was not discovered until implementation!

Unfortunately, a power company was not nearly so fortunate. Its finance group was so caught up in the selection and implementation of a new customer billing system that they neglected to inform customers of the billing changes they would be experiencing. They did not enlighten the customer service call center, either.

When the new system went live, chaos ensued. Customers flooded the company with questions and complaints. Call center representatives had no knowledge of the changed billing system and were unable to help their callers. The fallout from the company's very public mistake affected its brand, image, and community standing. Payments were mishandled and customer checks returned for non-payment. Employees felt marginalized by their management.

More frequently than we would like to acknowledge, stakeholders go missing from process design and development as well as from process revisions and updates. The significance of an overlooked stakeholder can extend far beyond the monetary costs of process redesign.

Why Stakeholders Matter

Business processes have life cycles. They are designed, developed, implemented, updated, and retired. Every process has a customer as well as other stakeholders. It is critical to identify all the stakeholders for a given process early in the development cycle because just as needs change, so can stakeholders. And every time a process is used there is an opportunity to improve, fine-tune, or change it to keep pace with new products, services, systems, customers, and organizational needs.

Every stakeholder has something to gain or lose from a process and each has contributions to make to the development and improvement of that process.

Stakeholder Analysis

So, how do we make sure we identify and include all stakeholders in process development? Conduct a **Stakeholder Analysis** early to ensure all involved functions are represented and to avoid the time, resources, and costs required to fix situations like those at the government agency.

Recently, Carol completed a landscaping project at her home. To date, the finished work is largely hardscape with planting to be done in the cooler, wetter months to come. Carol’s experience with this process provides a close look at the value of stakeholder identification and the importance of each to the success of the project.

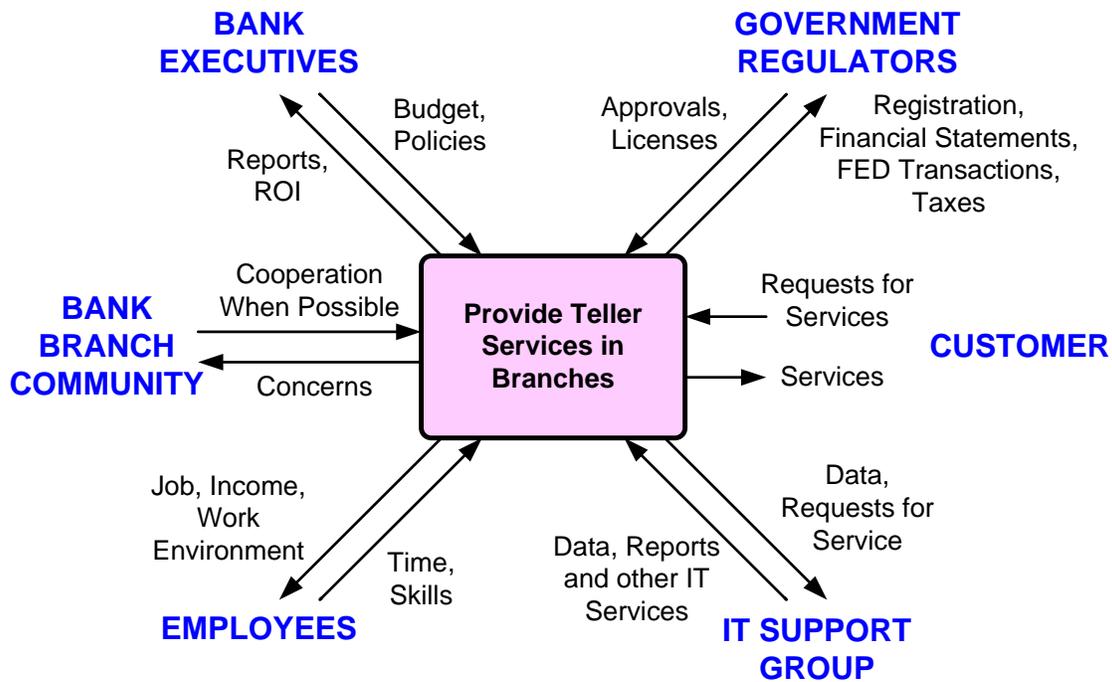


Figure 1. Key Stakeholders of a Process

The model above applies to a wide range of industries and can be customized to reflect stakeholders for a specific process. This example is for a bank. The beauty of this model is that it is flexible and easily adjusts to different situations.

For Carol’s project the landscaping stakeholders reflected the nature of that business:

Stakeholder	Interest
Carol	Customer
Designer	Landscape plans
Contractor	Landscape construction
Workers	Demolition and construction

Suppliers	Materials
Neighbors	Property values, disruption, noise
City	Construction codes, permits
Federal Government – U.S. Postal Service	Mailbox requirements
Power Company	Location of underground power lines
Water Department	Drought-related regulations
Pets – Carol's and neighbors'	Pesticides, equipment
Gardener	Landscape maintenance

Stakeholder Check-in

Once the stakeholder list is created, it is good practice to find out what each expects from the process that is to be built, evaluated, or updated. Some helpful questions to ask:

- How would you describe this process?
- What is your relationship to this process?
- How does your work affect this process?
- How would you know if this process was improved or if it failed?
- What measures do you need to determine if this process is performing well?
- Should this process be improved? Why now?

Carol's stated goals for the landscaping were to assemble a team with:

- Deep knowledge of their specialties and experience working in her city
- Members who meshed well and respected each other
- Reliable communication protocols
- Enjoyment in their work and pride in their accomplishments

It was important to Carol that the job site be a happy one. After all, construction was to be underway at her home every day for more than two months.

Given her goals and the nature of this project, Carol conducted a modified stakeholder check-in. She focused on relationship building among the designer, the landscape contractor, the gardener, and herself to clarify expectations, identify options, and determine how design plan changes would be addressed and resolved. She relied on their knowledge of local and Federal government requirements to ensure that these were met.

Landscaping Process Stages

Carol's landscaping went smoothly, largely because she and her project team had a Performance Architect's mindset. Performance Architects invest time at the front-end of their projects because they know that a flawed analysis (like overlooking a stakeholder) can be a recipe for disaster, and that a careful design with attention to detail can help avoid serious problems as the project progresses.

A review of the way this project unfolded revealed the critical dependencies in its stages of development because the output from each stage was the input for the next:

Stage	Input	Output
1 – Design	Requirements and ideas	Landscape plans
2 – Construction schedule	Landscape plans	Construction schedule
3 – Installation	Construction schedule	Finished landscape
4 – Maintenance	Finished landscape	Maintenance schedule

Garbage In/Garbage Out

With the Input/Output dependencies moving the landscaping process from one stage to the next, it was important to evaluate the quality and utility of each output. A flawed output, such as the Landscape Design, would create a problem input for the next stage, Construction schedule. This is why extra time and attention at the early stages of any process initiative are so critical.

For the landscaping, it was not always obvious which stages were key to each stakeholder's involvement. In retrospect, this is what it looked like:

Stakeholder	Key Stages
Carol	1 2 3 4
Designer	1 2 3 4
Contractor	1 2 3 4
Workers	1 2 3
Suppliers	1 2 3 4
Neighbors	1 2 3 4
City	1 2 3
Federal Government – U.S. Postal Service	1 2 3
Power Company	1 2 3
Water Department	1 2 3 4
Pets – Carol's and neighbors'	1 2 3
Julie the Gardener	1 2 3 4

To illustrate with an example that may not be immediately obvious: The Supplier stakeholders encompassed wholesale and retail sellers of everything from paving stones to electrical components, lumber, and irrigation materials. There were also basics like electrical cords, water hoses, paint, and power tools. Whether purchased, rented, or owned by the contractor or his workers, all supplies had to:

- Be of the quality specified in the Design in Stage 1
- Meet the delivery and operational needs of the Construction schedule in Stage 2
- Look and perform as expected at Installation in Stage 3
- Be easy to evaluate and repair during Maintenance in Stage 4

Here is another: Neighbors have a vested interest in any home improvement project in their neighborhood. Carol lives on a small street. Most neighbors are keenly aware of work being done at nearby properties. While Carol did her best to let her nearest neighbors know of upcoming demolition work or stone cutting, both of which are particularly noisy and dusty, she was also forthcoming about the overall plans and how her front yard would look when all the work was completed. Properties usually increase in value when a neighbor makes home improvements. A new and enhanced landscape raises all boats.

Processes Evolve

While the landscaping went very well, there were some surprises during the process that required a new perspective, a re-design, or a work-around. There were also a few newly added features, some of which were the result of a problem or opportunity. For example, when the existing drainage system was discovered to be incomplete (a problem), additional planning, time, and expense had to be added to the installation schedule to make it right. Such events are opportunities to make improvements to the existing process by upgrading materials, omitting a planned item, or otherwise making a needed adjustment. All processes are organic and can be improved while in use. At such times, the stakeholders' feedback and recommendations can be invaluable to the success of the process.

Summary

Stakeholders are invested in the processes that enable them to complete their work, meet goals, and provide products and services to the ultimate stakeholder, the customer. Identifying all stakeholders every time a new process is contemplated or an existing process is reviewed and updated paves the way for a successful outcome.

Use the **Stakeholder Analysis** model to help identify your stakeholders. Conduct a **Stakeholder Check-in** to specify their interests and involvement in the process development or update. Identify the Inputs and Outputs for the process to be sure the handoffs will meet the needs for the next stage of development.

Finally, every time a process is used or examined, there is an opportunity to make it better. Don't miss this chance.

References

Addison, R. and Harmon, P. (2013, April). *New ideas in performance analysis: The key to process improvement*. Paper presented at the meeting of the International Society for Performance Improvement, Reno.

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Authors



Roger Addison has a Ph.D. in Educational Physiology from Baylor and is Certified in Performance Improvement Technologies (CPT). He is the co-author of *Performance Architecture* and an internationally respected performance improvement consultant. He is the founder and Chief Performance Officer of Addison Consulting. Previously he

was the Senior Director of Human Performance Improvement for the International Society for Performance Improvement (ISPI) where he was responsible for educational programs and implementing performance improvement systems.



Carol Haig is a Certified Performance Technologist (CPT) and has more than 30 years of multi-industry experience partnering with organizations to improve their employees' performance. Carol is known for her superior skills in project management, analysis and problem/opportunity identification, and instructional design and facilitation. She has consulted with executives and line managers, established and managed training departments, trained trainers, written for professional publications and mentored performance consultants. She is co-author of *Performance Architecture*.