



**Stakeholder Circle**®

# **SRMM**® **STAKEHOLDER RELATIONSHIP MANAGEMENT MATURITY**

Presented at

**PMI**®  
**Global Congress**  
E M E A 2008

**19-21 May 2008  
St. Julians, Malta.**

**Dr. Lynda M. Bourne**, DPM, PMP, CMACS.  
Director, Stakeholder Management Pty Ltd

For more stakeholder management papers see:  
[www.mosaicprojects.com.au/Resources\\_Papers.html#Stakeholder\\_Papers](http://www.mosaicprojects.com.au/Resources_Papers.html#Stakeholder_Papers)

Stakeholder Management's Home page see:  
[www.stakeholder-management.com](http://www.stakeholder-management.com)

**Stakeholder Management Pty Ltd**  
13 Martin Street  
South Melbourne VIC 3205 Australia  
Tel: +613 9696 8684  
Email: [lyndab@stakeholder-management.com.au](mailto:lyndab@stakeholder-management.com.au)  
Web: [www.stakeholder-management.com](http://www.stakeholder-management.com)

## SRMM®: Stakeholder Relationship Management Maturity

### Introduction

The central role of stakeholders in the successful delivery of projects is becoming increasingly recognised. However, whilst critical to success, the stakeholder's roles are neither passive nor predetermined. The project team has significant opportunities to influence each stakeholder's perceptions and expectations for the benefit of both the stakeholder and the project; but only when there is an effective relationship in place.

Identifying, mapping and prioritising a project's stakeholder community is only the beginning. Projects will only be considered successful when their key stakeholders acknowledge they are a success. This requires the project team to engage effectively with each of its key stakeholders to understand and manage their expectations and then deliver the project to meet or exceed these 'managed expectations'. Expectations are never 'fixed'; effective communication can help change perceptions and expectations to make them realistic and achievable. Conversely, ineffective communications can create the perception of failure in the mind of a stakeholder even when the project is 'on time, on budget and delivering the specified scope'.

Engaging effectively and ethically with key stakeholders to help create a successful project outcome requires significant levels of skill and organisational maturity. This paper will define a five level model of Stakeholder Relationship Management Maturity (SRMM®) and provide a means for organisations to identify their own level of 'readiness' for the introduction of stakeholder engagement practices and to identify areas of potential improvement.

The 5 levels of SRMM® are:

1. Ad hoc: some use of processes;
2. Procedural: focus on processes and tools;
3. Relational: focus on the stakeholders and mutual benefits;
4. Integrated: methodology is repeatable and integrated across all programs and projects;
5. Predictive: used for health checks and predictive risk assessment and management.

This paper is organised as follows: firstly, a theoretical overview on the concept of organisational maturity; secondly, a description of the components of successful Stakeholder Relationship Management (SRM). The third section will define the five stages of Stakeholder Relationship Management Maturity (SRMM®), and outline typical organisational structures or environments for each stage; some Case Study examples are described in the fourth section; the final section draws some initial conclusions.

### Organisational Maturity and Maturity Models

The concept of SRMM® builds on the work of Hillson (1997) and Kerzner (2005) as well as the principles of OPM3 (PMI - Project Management Institute 2003), CMMI (Carnegie Mellon Institute 2006) and the author's own experiences working with organisations seeking to implement a culture of proactive stakeholder engagement using the *Stakeholder Circle*® methodology and support tools.

The Capability Maturity Model Integration (CMMI) from the Software Engineering Institute is perhaps the best known of model of staged views of organisational maturity, although recently CMMI assessments have included the option of being carried out as 'continuous representations' (Carnegie Mellon Institute 2006). The five levels of CMMI maturity are usually described as: initial (1), managed (2), defined (3), quantitatively managed (4) and optimizing (5).

The idea of differing levels of maturity in organisational management and project management has also been extended to other disciplines: a Risk Maturity Model was developed and documented as early as 1997 (Hillson 1997). This model describes four levels of maturity – Naïve (ad hoc), Novice (initial), Normalised (repeatable)

## SRMM®: Stakeholder Relationship Management Maturity

and Natural (managed). Given that most risk within an organisational or project has a human source<sup>1</sup>; also Youker (1992), it makes sense to consider the concept of an organisation, or the projects within an organisation, having varying stages of maturity or 'readiness' to manage stakeholder relationships.

## Successful Stakeholder Relationship Management

The definition of *stakeholder* that is the basis of discussion in this paper is:

*Stakeholders are individuals or groups who have an interest or some aspect of rights or ownership in the project, can contribute in the form of knowledge or support, or can impact or be impacted by, the project, its work or outcomes*, (Bourne 2005; Walker, Bourne and Rowlinson, 2008; Walker and Rowlinson, 2008).

Effective relationships with an organisation's entire network of stakeholders are essential for the long-term survival of the organisation itself and the success of the project organisations operating within it (Post, Preston et al. 2002). These relationships must be managed in ways that best meet both stakeholders' needs and expectations and the needs of the organisation.

When describing and defining successful stakeholder relationships the concept of 'directions of influence' (Briner, Hastings and Geddes, 1996; Bourne 2005) provide a starting position for stakeholder management activities: these 'directions' are *upwards*, *downwards*, *outwards*, and *sideways*.

- Managing *upwards* is about developing and maintaining robust relationships with those senior managers whose support is vital to maintain organisational commitment to the project; not all senior managers are important to project success;
- Managing *downwards* refers to the idea of managing the team;
- Managing *sideways* is about managing the project manager's peers to ensure collaboration, rather than competition;
- Managing *outwards* involves considering the needs and impacts of a large group of stakeholders external to the work or the project, and often to the performing organisation. This group will include some (or all) of the following:
  - clients or customers of the performing organisation;
  - users of the solution and their managers;
  - the 'public', ratepayers, voters, lobby or action groups;
  - government or regulatory bodies;
  - shareholders;
  - suppliers of personnel, material or services;
  - families of these stakeholders.

Each of these *outwards* stakeholder groups will have different requirements of the project. They are grouped in one 'direction of influence', but it is important to clarify their requirements of the project and their impacts on the project as separate groups. Exhibit 1 summarises the 'directions of stakeholder influence'.

Directions of Influence	Stakeholders (areas of interest)
Outwards	Client, end-user; stakeholders outside the project;
Downwards	Team members
Upwards	Project owner, senior executives, those who represent organisational commitment
Sideways	Project manager's peers; communities of practice
Internal	Stakeholders who are part of the performing organisation
External	Stakeholders who are outside the performing organisation

**Exhibit 1: Directions of stakeholder influence**

<sup>1</sup> The author's own experience and discussions with (about 500) participants of the *Successful Stakeholder Management* workshops, held over the past three years in all parts of the world indicate that more than 95% of risk is about people not delivering as promised, or not supporting, or actively working against, project outcomes for any specific project.

## SRMM®: Stakeholder Relationship Management Maturity

### Components of successful Stakeholder Relationship Management (SRM)

Whilst the *Stakeholder Circle*® methodology is used as the process framework to describe SRMM® within this paper, it is important to note SRMM® is not dependent on the use of any particular methodology. The methodology simply provides the means for the project team to identify and prioritise a project's key stakeholders, and to develop an appropriate engagement strategy and communications plan to ensure that the needs and expectations of these key stakeholders are understood and managed.

The *Stakeholder Circle*® is based on the premise that a project can only exist with the informed consent of its stakeholder community (Weaver and Bourne, 2002), and that managing the relationships between this community and the project will increase the chances of project success. This community consists of individuals and groups, each with a different potential to influence the project's outcome positively or negatively - stakeholders. The categorisation and charting of key stakeholders' ability to influence the project's success or failure holds the key to targeting the *right* stakeholders at the *right* time in the life of the project. Through this analysis the project team will provide with the *right* level of engagement - information and communication to influence their perceptions, expectations and actions.

The *Stakeholder Circle*® is a flexible model that can be adjusted to cater for changes in stakeholder community membership and stakeholder influence throughout the life of the project. There are five steps to the methodology:

- Step 1: identification of all stakeholders
- Step 2: prioritisation to determine 'who is important'
- Step 3: visualisation to understand the overall stakeholder community
- Step 4: engagement through effective communications
- Step 5: monitoring the effect of the engagement

These steps have been defined in detail elsewhere (Walker, Bourne et al. 2008) and so will only be summarised in this paper.

#### Step 1: identify

In this step a small group of project team members develop a list of stakeholders with the test of: 'which individuals or groups are impacted by the project, or can impact the project'; and then identify the two aspects of the relationship between the project and its stakeholders - how is each stakeholder important to the project, and what does he/she expect from success (or failure) of the project. The final part of Step 1 is to begin the categorisation process by documenting each stakeholder's 'directions of influence': upwards, downwards, outwards, and sideways, internal and external: this data is important for developing targeted communication. Understanding a stakeholder's expectations of the project will help focus the contents of the communication messages – the 'what'.

#### Step 2: prioritise

For complex projects the unranked, unrefined, list can be quite large<sup>2</sup>. The project team needs to understand which of these stakeholders are more important *at this time in the project*. The *Stakeholder Circle*® methodology provides a system for rating and therefore ranking stakeholders according to their relative importance to the project based on three aspects; the stakeholders:

- Power to 'kill' the project – 'power';
- Closeness to the project – 'proximity';
- 'Urgency' – how important is this project to the stakeholder and how prepared are they to act to achieve their own outcomes (positive or negative). Urgency of itself is difficult to rate consistently<sup>3</sup>; for ease of application it is further divided into 'value' and 'action'.

<sup>2</sup> In working with organisations using the Stakeholder Circle® methodology and software for mapping and managing stakeholder relationships, the author has assisted in projects that have over 300 stakeholders (both individuals and groups) identified in the first step.

<sup>3</sup> During the 12 months research in development of this methodology, it became evident that the concept of 'urgency' was too multi-dimensional for consistency. Once the concept was developed in two parts – 'value' and 'action' it was possible to apply the new ratings consistently.

## SRMM®: Stakeholder Relationship Management Maturity

An index number is calculated from the four sets of ratings developed by the team. A ranked list of stakeholders with the most important stakeholder identified by the highest index, the second highest next most important, and so on thus showing the relative importance of all members of the stakeholder community.

### Step 3: visualise

The project team need to understand the structure of their stakeholder community; a graphical representation of the community highlighting key aspects can be most effective in helping build the needed understanding and insights. The *Stakeholder Circle*® tool develops a multidimensional ‘map’ of the project’s stakeholder community, showing the project’s key stakeholders (as assessed by the project team). The representations of the project community will be different for each project and for each phase of the project reflecting the project’s unique relationship pattern. For more information on using the *Stakeholder Circle*® visualisation tool for project analysis see Bourne (2005) and Walker, Bourne et al. (2008).

### Step 4: engage

Engagement is centred on identifying communication approaches tailored to the attitude, expectations and needs of the individuals or groups identified and categorised in the previous three steps. Developing a stakeholder Engagement Profile (or mapping of stakeholder attitude) constitutes the final process in collecting data on the stakeholders, leading to the creation of targeted communication plans for effective stakeholder management.

The Engagement Profile is created by assessing and documenting the attitudes of key stakeholders through:

- Assessing current levels of:
  - stakeholder support (or opposition) for the project’s work and outcomes; and
  - The stakeholder’s level of receptiveness to information (messages) about the project
- Determining the optimal level of:
  - stakeholder support for the project’s work and outcomes and
  - receptiveness to information about the project.

#### Targeted communication

The final step before developing the communication plan is to categorise each stakeholder into one of three groups:

1. The current attitude is **equal to** the optimal position
2. The current attitude is **better than** the optimal position
3. The current attitude is **worse than** the optimal position

In the first instance where the current attitude is **equal to** the optimal position, communication can be maintained at a ‘business as usual’ level. The usual frequency of regular reports, meetings, and presentations can be safely maintained. For the situation where the current attitude is **better than** the optimal position, the best approach will depend on the relationship and should be developed based on the team’s knowledge of the stakeholder. The third category where the current engagement position is **worse than** the optimal position, requires careful consideration. If the stakeholder is important to the overall success of the project, the team will need to focus their efforts on ‘heroic’ communication.

Based on this understanding of each stakeholder’s attitude, a communication plan can be developed, including:

- determining specific messages or message forms (reports) based on the stakeholder’s expectations;
- how messages will be delivered;
- by whom;
- whether the messages will be formal or informal, written or oral;
- at what frequency (this will vary according to the gaps identified between the current attitude of a stakeholder and the optimal attitude).

## SRMM®: Stakeholder Relationship Management Maturity

### Step 5: monitor

Monitoring the effectiveness of communication is critical, where the communication is being effective, the current plan should be maintained, where it is not working, the communication plan should be changed.

Each time the stakeholder community is re-assessed and the engagement profile updated, any changes in the gap between the current profile and the optimal profile must be considered. This movement (or lack of movement) provides an indicator of the current communication plan's effectiveness in influencing the attitudes of key stakeholders.

If there has been a worsening of the gap between the current profile and the optimal profile, this is a strong indicator that the communication strategy developed for this stakeholder is not having the desired effect; it should provide the evidence needed to try a different approach. If there has been an improvement in the gap between the current profile and the optimal profile, this may indicate that the communication strategy is working and encourage its continuation. However, during the review, it is essential to consider the project overall environment to ensure that any identified changes have been caused by the project's communication efforts rather than by external circumstances.

### SRMM® Defined

As with all 'maturity models', the level of 'readiness' or maturity described in SRMM® simply defines the starting point for planning the implementation of processes improvements to enhance the effective management of 'stakeholder engagement' within and around projects (or the organisation). In developing this concept a number of levels of organisational 'readiness' have been described that link organisational willingness to engage proactively in developing and maintaining relationships with stakeholders, to techniques or processes that can assist in achieving those objectives. Recognising which level of readiness an organisation is closest to, defines the starting point for these process improvements. Using SRMM® will enable the most effective and pragmatic implementation of stakeholder management and engagement practices within an organisation. It achieves this outcome by providing a framework for progressively building capability, in alignment with organisational maturity, towards proactively managing stakeholder relationships.

The process model used in this paper is the *Stakeholder Circle*® methodology and supporting tools, simply because it has been the basis of the author's research program for the last six years, and data is readily available to support the on-going development of the SRMM® concept. However it is important to note that SRMM® is independent of any particular methodology, the only requirement to use SRMM® effectively is to use a structured series of processes (repeatable and measurable) that can be built into 'the methodology' used by an organisation.

Exhibit 2 summarises the five levels of SRMM®. Each level is described in more detail in the next section and the description of each level will be further enhanced by a focus on six different attributes:

- Use of standardised processes;
- Centralised support;
- Organisation-wide implementation with SRM included in management KPIs;
- Application of SRM methodology and processes beyond projects, programs and portfolios;
- Development of typical view of a 'normal stakeholder community' for each project type or division;
- Proactive use of the 'typical view' of a stakeholder community (compared to a specific project) for risk assessment, 'health reviews', etc.

## SRMM®: Stakeholder Relationship Management Maturity

### The five Levels of SRMM®

SRMM Stages	Standard processes	Central support	Org-wide use	Beyond projects	Typical 'stakeholder communities'	Risk handling & 'health reviews'
<b>1. Ad hoc:</b> some use of processes	<b>Some</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>2. Procedural:</b> focus on processes and tools	<b>Yes</b>	<b>Some</b>	<b>No</b>	<b>Some</b>	<b>No</b>	<b>No</b>
<b>3. Relational:</b> focus on the stakeholders and mutual benefits	<b>Yes</b>	<b>Yes</b>	<b>Some.</b>	<b>Some</b>	<b>Some</b>	<b>No</b>
<b>4. Integrated:</b> methodology repeatable, integrated	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Some</b>	<b>Some</b>	<b>Some</b>
<b>5. Predictive:</b> health checks and other predictive assessments	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

**Exhibit 2: Summary of SRMM® levels**

#### Level 1: Ad hoc

This level is characterised by isolated pockets of awareness of the need for stakeholder management and through the use of simple tools.

- **Standardised Processes: Some** - Isolated attempts to use various stakeholder management methodologies
- **Centralised Support: No** - Support where it exists is through personal networks
- **Organisation-wide implementation; SRM part of KPIs: No** - Some relationship management 'heroes'; but the implementation is specific and disappears when the 'hero' moves to another role or leaves the organisation.
- **Application of beyond projects, programs and portfolios: No** - SRM usually only focussed on a few projects or specific problems
- **Development of a typical view of a 'normal stakeholder community': No** - Where used, stakeholder data and communication plans developed in isolation during the planning phase and rarely updated
- **Proactive use of the typical view of a 'normal stakeholder community' for risk assessment, 'health reviews', etc: No.**

#### Level 2: Procedural

This level is characterised by some individuals having knowledge of the importance of SRM, routine use of tools and processes, with an internal focus on measurement and the 'Project benefits' of these activities.

- **Standardised Processes: Yes** - But processes not widely accepted or used. Organisation focus is on 'rolling out' standard tools and processes.
- **Centralised Support: Some** - Support exists through manuals, supplier support mechanisms, or local 'experts'

## SRMM®: Stakeholder Relationship Management Maturity

- **Organisation-wide implementation; SRM part of KPIs: No** - Process or tools may generate reports that can be included either whole or in summary for reporting where used
- **Application of beyond projects, programs and portfolios: Some** - Limited recognition of the need to focus on SRM beyond projects: for programs or organisation-specific needs such as pre-qualification of tender bids
- **Development of a typical view of a ‘normal stakeholder community’: No.** The value of tracking and updating information on each projects’ unique community is recognised but not integrated across the organisation
- **Proactive use of the typical view of a ‘normal stakeholder community’ for risk assessment, ‘health reviews’, etc: No.**

### Level 3: Relational

This level is characterised by more generalised understanding of the importance of SRM, with an external focus on engaging stakeholders and use of tools and processes to achieve and measure this, along with a specific focus on ‘mutual benefits’.

- **Standardised Processes: Yes** - The use of a standard methodology is recognised and expected. Effective Stakeholder management is seen as important in the successful delivery of business initiatives and projects. Managers focus on mutuality and shared benefits.
- **Centralised Support: Yes** – a PMO (or similar) provides some formal support, mentoring and training
- **Organisation-wide implementation; SRM part of KPIs: Some** - The use of SRM starts to expand beyond projects and programs. Some aspect of SRM are included in some managers’ KPIs. Information, data and graphical reporting formats showing changes/ improvements in stakeholder attitudes used to guide some decision making
- **Application of beyond projects, programs and portfolios: Some.** The recognition of the benefit of SRM for applications such as mergers and acquisitions, bid preparation analysis, competitor analysis and management spreads
- **Development of a typical view of a ‘normal stakeholder community’: Some** – There is a recognition of the need to maintain updated data on each stakeholder community; standardised process and tools support this and incorporate the means to illustrate the community in an organisation-specific manner. Spreadsheets or multi-dimension graphical representation becomes important
- **Proactive use of the typical view of a ‘normal stakeholder community’ for risk assessment, ‘health reviews’, etc: No.**

### Level 4: Integrated

This level is characterised by commitment to continuous improvement and strong internal support within the organisation; a focus that recognises individual stakeholders may be involved in many projects / programs and transfer expectations / experience; Multi faceted focus; Use of tools and processes to integrate information and gain ‘insight’; recognition of overall benefit / win-win’

- **Standardised Processes: Yes** - The organisation’s focus moves to measuring the practical benefits of effective stakeholder engagement and management.
- **Centralised Support: Yes** - Central Support Unit dedicated to SRM training, support and mentoring
- **Organisation-wide implementation; SRM part of KPIs: Yes**
- **Application of beyond projects, programs and portfolios: Some** - The development of specific applications to meet the organisation’s unique needs may occur to facilitate the development of specific communication strategies and plans
- **Development of a typical view of a ‘normal stakeholder community’: Some** -Standardised data allows analysis of stakeholder issues, opportunities and threats on an ad hoc basis
- **Proactive use of the typical view of a ‘normal stakeholder community’ for risk assessment, ‘health reviews’, etc: Some** - The assessment of Stakeholders is a routine part of the organisation’s assessment of risk, opportunities, etc.



## SRMM®: Stakeholder Relationship Management Maturity

### Level 5: Predictive

This level is characterised by corporate management focus with collection of Lessons Learned (historical) data; and regular use of information for project ‘health checks’ (is the project ‘normal’) and predictive risk assessment. There is a genuine commitment to improved ‘CSR’ as an organisational principle.

- **Standardised Processes: Yes**
- **Centralised Support: Yes**
- **Organisation-wide implementation; SRM part of KPIs: Yes**
- **Application of beyond projects, programs and portfolios: Yes**
- **Development of a typical view of a ‘normal stakeholder community’: Yes**
- **Proactive use of the typical view of a ‘normal stakeholder community’ for risk assessment, ‘health reviews’, etc: Yes**

### Using the SRMM® assessments

As stated in the introduction of this paper, the purpose of an organisation understanding the current level of stakeholder relationship management maturity is purely for the purpose of defining a starting point for the implementation of appropriate stakeholder relationship management processes and practices.

SRMM Stage	Features	Methodology Steps	Reporting / Tools	Comments
<b>1. Ad hoc:</b> some use of processes	One area recognises the need for improved SHM	Generally focuses on simplified selected steps. Sometimes just Steps 4 and 5	Self-developed tools - Word templates - Spreadsheet lists	Requires continuous and significant management ‘push’ to maintain impetus
<b>2. Procedural:</b> focus on processes and tools	SHM introduced as part of implementation of consistent processes (perhaps result of CMMI assessment)	Sometimes all five steps but truncated and simplified	Standardised tools - Word templates - Spreadsheets with macros - Simple database	Require continuous and significant management ‘push’ to maintain impetus
<b>3. Relational:</b> focus on the stakeholders and mutual benefits	Recognition of usefulness for competitor analysis, or support for mergers/acquisition	All five steps implemented. Move towards valuing insights / information in decision making	Fully functional tools - Spreadsheets with macros - Sophisticated databases	Useful for specific applications or events; rarely with an intention of continuous application
<b>4. Integrated:</b> methodology is repeatable and integrated	‘Business as usual’ application using the full methodology for all projects and selected operational work	Steps 1 – 5 with Step 4: engage and Step 5: being vital for evidence of success	Graphic reports, visualisation, engagement profiles, etc, used in management reports and KPIs	The methodology and tool are used as a demonstration of repeatable application within that part of the organisation
<b>5. Predictive:</b> used for health checks, predictive risk assessment and management:	Implementation of the full methodology and supporting tools tool	Steps 1 - 5. ‘Lessons Learned’ & comparative data. Integrated data across programs, etc.	Trend reporting, pro-active risk identification (unusual profiles) Comparison between projects and different categories of work	Organisation –wide and complete focus on continuous improvement as competitive advantage

**Exhibit 3 – Suggested connection between levels of ‘readiness’ and SRM implementation**

## SRMM<sup>®</sup>: Stakeholder Relationship Management Maturity

A pragmatic implementation strategy that is not too ambitious and which builds on recognised aspects of stakeholder relationship management already achieved has a better chance of success<sup>4</sup>; Exhibit 3 suggests such a pragmatic implementation approach based on SRMM<sup>®</sup> assessments.<sup>5</sup>

### SRMM<sup>®</sup> Case Studies

The idea and the data that forms the SRMM<sup>®</sup> categories have originated from my experiences in working with organisations around the world in implementing the *Stakeholder Circle*<sup>®</sup> methodology and in some cases the SHC database tool as well. This next section describes the organisations that formed the basis for these SRMM categorisations.

#### Level 1: Major European transport company

This organisation was a division of a global transport company. This division was operating in an increasingly competitive market: all opportunities for expansion were hard fought. Management recognised that one winning strategy would be to develop a culture of stakeholder engagement to ensure that important stakeholder relationships were developed and nurtured and that methods for competitor analysis were formalised and documented. One particular group in the division led the initiative. Initially management of this group believed that the ‘mindset’ would be changed through a series of training workshops delivered to each of the regions. This group fulfilled all the criteria for level 1 – with the aim to achieve level 2 criteria within 12 months.

#### Level 2: Australian State Govt. Department #1

The exemplar for this level was a program group within a State Government department; they had been directed to do a CMMI assessment. The results of the assessment showed, among other things, that there was a need for standard tools and processes to support stakeholder management. As part of this rollout, the SHC database was used to analyse and manage stakeholders for a highly complex, high profile, politically sensitive program. The team spent two days, identified over 100 stakeholders, set up the communications plan, and never updated this original data again, always claiming to be too busy on the tactical issues surrounding completion of the program. While they aspired to achieve level 3, they would never actually achieve this because maintaining the data and the relationships were left solely to the project team to do. They were simply overwhelmed with day to day ‘stuff’.

#### Level 3: No organisation identified

#### Level 4: Australian State Government Department #2

A growing environmental protection attitude is leading the movement away from uncontrolled use of private vehicle to developing strategies for co-ordinated and more efficient networks of different types of public transport within the state boundaries. In commissioning the strategy and developing recommendations for implementation, it was realised that management of the conflicting and diverse needs and requirements of all those groups and individuals who felt that they needed to have input was key to success. The SHC was adopted in full with multiple workshops being held to identify the summary (or program level) of stakeholders along with the lower regional levels of stakeholders. In an efficiently and documented project, using both the methodology and the software, this organisation demonstrated level 4 ‘readiness’, even proposing a creative

---

<sup>4</sup> My experience in implementing programs for stakeholder relationship management in organisations both government and private in Australia and Europe, led me to this conclusion. See the description of case studies for more information.

<sup>5</sup> I introduced the concept of SRMM at a SHM workshop in the UK for construction related project team members, academics and consultants. This group of 16 people reviewed the concept and the detail of the SRMM levels and some modifications were made as a result. However, the consensus of the participants was that this model would be useful in their organisations for supporting pragmatic implementations of stakeholder engagement practices.

## SRMM®: Stakeholder Relationship Management Maturity

additional use of the methodology and software in the guise of providing the ability to develop program reports from the rolling up of the various regional reports

### Level 5: Australian Federal Govt. Department

An initiative was begun in an Australian Federal Government Department to develop a series of reports for continuously checking the 'health' of large complex projects. The projects undertaken by this department were complex, would take years to deliver and were constantly beset by political issues and interference from high ranking government officials. The review process would consist of developing benchmark report – showing both project team members and management alike what a healthy project in this culture and at this stage would look like. Reviews would be a simple matter of comparing the baseline with the existing report and attempting to reconcile or explain the differences. From a stakeholder management and communication perspective, baselines would be developed from a series of stakeholder analyses on the projects at each phase and overtime a view of the typical stakeholder community developed as a baseline.

## Conclusion

This paper explores the concept of Stakeholder Relationship Management Maturity (SRMM®) as a measure of the 'readiness' of an organisation to introduce stakeholder management process and practices.

It is primarily a tool for organisations. While SRMM® can be of significant benefit when used to support the development of stakeholder management within 'a project', it will be of greater benefit when applied to all organisational activities (project and operational) in a staged approach, supported by a well constructed methodology and tools set such as the *Stakeholder Circle*®.

Implementing a stakeholder engagement practice is a major organisational change and needs sustained management support; recognition of its long-term nature, and consistent and frequent targeted communication about the SRMM® 'improvement project'. Developing a full SRMM® capability is a costly exercise for an organisation; using a staged approach such as the one described in this paper will increase the chance of success and assist the organisation in realising the objectives of its investment in its people and its processes.

There is still much work to be done in gathering evidence of the success of such an approach. This work will be in the form of research undertaken by the author and colleagues and well as responses from participants in stakeholder management workshops and conference delegates.

---

## References

- Bourne, L. (2005). Project Relationship Management and the Stakeholder Circle. Graduate School of Business. Melbourne, RMIT University. Doctor of Project Management.
- Briner, W., C. Hastings, and M. Geddes. (1996). Project Leadership. Aldershot, Hampshire, UK, Gower.
- Carnegie Mellon Institute (2006). The Capability Maturity Model: CMMI for Development The SEI Series in Software Engineering. Reading, Massachusetts, Addison-Wesley.
- Hillson, D., A (1997). "Towards a Risk Maturity Model." International Journal of Project and Business Risk Management 1(1): 35 - 45.
- Kerzner, H. (2005). Using the Project Management Maturity Model. Hoboken, New Jersey, Wiley.

## SRMM<sup>®</sup>: Stakeholder Relationship Management Maturity

PMI - Project Management Institute (2003). Organizational Project Management Maturity Model (OPM3). Pennsylvania, Project Management Institute Inc.

Post, J. E., L. E. Preston, and S. Sachs (2002). "Managing the Extended Enterprise: The New Stakeholder View." California Management Review **45**(1): 6 - 28.

Walker, D. H. T., L. Bourne, and S. Rowlinson. (2008). Stakeholders and the supply chain. Procurement Systems: a cross-industry project management perspective. London, Taylor & Francis: 70 - 100. ed D. H. T. Walker and S. Rowlinson

Weaver, P. and L. Bourne (2002). Projects - Fact or Fiction? PMI Conference - Maximising Project Value, Melbourne, PMI Melbourne Chapter.

Youker, R. (1992). "Managing the international project environment." International Journal of Project Management **10**(4): 219 - 226.

---

**Additional papers on all aspects of project management are available for download free of charge at: [www.mosaicprojects.com.au/Resources.html](http://www.mosaicprojects.com.au/Resources.html)**



The **Stakeholder Circle**<sup>®</sup> tool mentioned in this paper is commercially available. For additional information and to download a free version of the tool you are invited to visit the Stakeholder Management Pty Ltd website: <http://www.stakeholder-management.com>