EXPERT STAKEHOLDER STRATEGY

EXTRACT: CHAPTER 12

MASTER EXPERT

HOW TO USE EXPERTSHIP TO ACHIEVE PEAK PERFORMANCE, SENIORITY AND INFLUENCE IN A TECHNICAL ROLE

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"A stakeholder is anyone who can ruin your day."

Anon

RELATIONSHIP DOMAIN

STAKEHOLDER ENGAGEMENT

CHAPTER | 12 |

Expert Stakeholder Strategy

Who are the most important professional people in our lives, and what's our strategy for effectively engaging with them and fostering their optimal participation in what we're seeking to achieve?

IN THIS CHAPTER, WE WILL EXPLORE:

- Why is understanding who our stakeholders are, and how we interact with them, important? How does this help us become better experts?
- Why expert stakeholder groups are more complicated and broader than those of other employees.
- What is strategic stakeholder engagement, and why is it an important skill set for experts?
- What would it take for stakeholders to be optimally engaged with the various initiatives we're driving?

IF YOU'VE MADE IT this far in the book, you know we have established one thing very clearly: as experts, we're different. This difference is expressed perhaps most clearly when we explore who our stakeholders are in comparison with typical *people* leaders.

> ***"A stakeholder is anyone who can ruin your day."***

Most organizational structures have evolved with the exclusive intention of facilitating the delivery of the organization's primary activities, services and products to the consumer. There is a clear chain of command that is focused on the assignment of performance targets and holding people to account for delivering against them. Decision-making powers, including authority over allocation of organizational resources, tends to *flow down* these operationally focused hierarchies. Experts are rarely afforded the same powers and representation as those driving core organizational results. Formal lines of authority are often expressed in the form of an organizational chart (also called an *org chart*), as in Figure 12.1.

Capability: STAKEHOLDER ENGAGEMENT

A People Leader's Organizational Chart

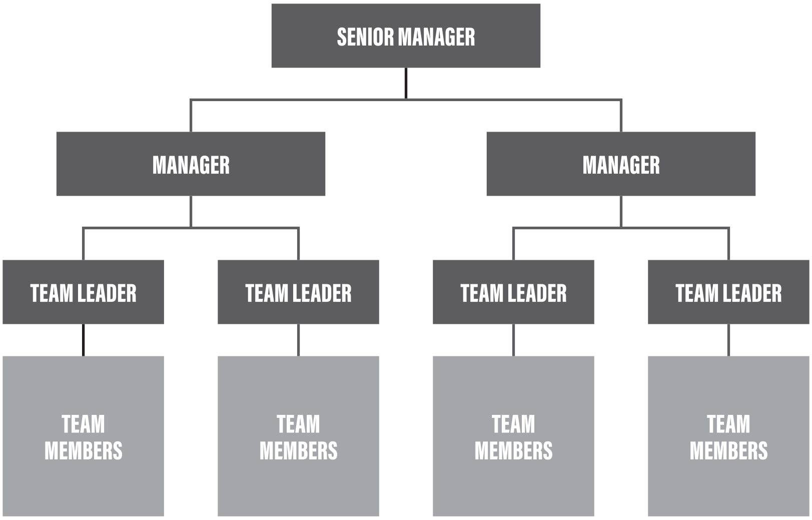

FIGURE 12.1: A People Leader's Organizational Chart

If only the life of an expert was so simple! Our expert roles rarely sit in such well-organized hierarchies. In fact, figuring out where experts sit on an organizational chart is a real challenge for most organizational development people. Often, they can't put us on the lowest rung on the organizational ladder (where "individual contributors" sit) because we're too senior—and occasionally too well-paid. But on the other hand, many of us don't lead teams of people so we can't be put at the management level either.

What to do?

"Experts had better embrace this uniqueness. Indeed, we should leverage it."

On many organizational charts, experts are placed off to one side, often within specialized functions or teams euphemistically referred to as "shared services" or some such term. It's not intuitive to the person drafting the organizational chart what kind of access, representation, authority or resources an expert needs. The fact is: we're weird. And well, we'd better embrace this uniqueness rather than moan about it. Indeed, we should *leverage* it. Being slightly outside a defined chain of command could have advantages. We ought to be able to approach anyone without them suspecting that we're in some way usurping a manager somewhere in the chain. Most experts don't use this advantage enough or lack the enterprise skills to make the conversation count. All too often, access to senior leaders is viewed as something reserved for others in the leadership hierarchy.

An organizational chart for experts is much more complex, multilayered and fluid than that of people leaders. With that in mind, rather than a chart, we've chosen to represent it as an *operating environment* (see Figure 12.2).

Capability: STAKEHOLDER ENGAGEMENT

The Expert Operating Environment

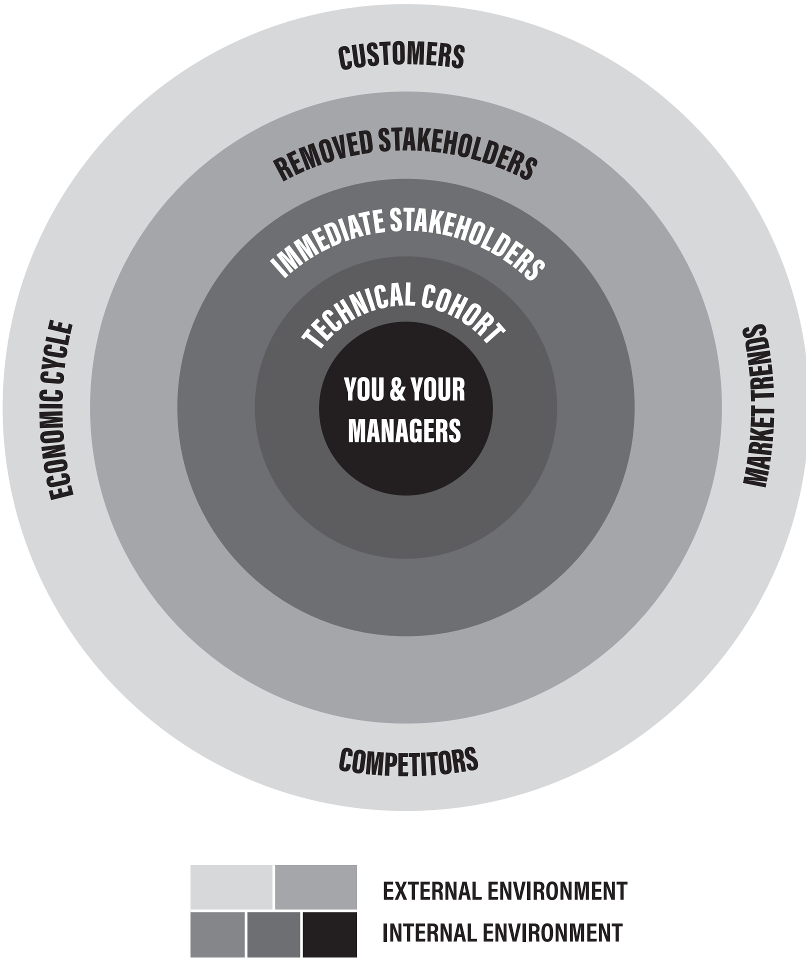

FIGURE 12.2: The Expert Operating Environment

A unique feature of an expert's organizational chart is that we often communicate and work with colleagues at all levels of the organization, frequently reach out to stakeholders who are in other departments or other organizations. This means a feature of us being the best experts we can be is that we have to adopt a sophisticated expert stakeholder strategy. The reality is that every expert's organizational chart is quite different.

"The organization doesn't typically recognize experts as vital voices to include in key decisions."

When we ask experts to list all of their stakeholders, we find that they can effortlessly place 60 or 70 colleagues on a stakeholder map. If we give experts a little more devoted time, the number of stakeholders typically reaches over one hundred. That is, let's face it, a lot of relationships to initiate, maintain, optimize and nurture. And of course, most of us don't do so because we don't believe that we have the time—and perhaps because we haven't thought about the most efficient way to do it or the value in doing so.

That's what this chapter is all about.

But before we delve into stakeholder engagement, a few more thoughts on how we're *different* from people leaders. Our uniqueness has multiple impacts, even on the allocation of space within a building. This is because our status isn't clear, which means teams of experts sometimes get less "prime real estate"—we're typically situated away from the action, away from access to senior leaders, and so on—than other more obviously value-adding teams, such as sales, for example. As experts, we know the meaning (and look) of the "back room."

Key information flows around the organization, but the expert population is not necessarily viewed as a vital recipient of certain data, nor as a vital voice to include in key discussions. This is often reflected by where senior management "park us" on the floor plan.

This isn't an ideal situation for us because, ultimately, our success depends upon building a complex web of effective alliances across the organization.

All experts need to be proactive in changing this state of affairs rather than being passive or even grumpy about it and waiting for years for the rest of the organization to wake up to the value we create.

At the Master Expert level, we have to be proactive in identifying which key individuals and teams across it's vital we connect with, understand and engage with. This often entails gaining access to stakeholders who would not be obvious to others, including the stakeholders themselves.

Defining Stakeholders

THE WORD "STAKEHOLDER" HAS become much more common in recent years. In fact, it's now used so freely in most business environments that it's in danger of losing its true meaning. Put simply, a stakeholder is anyone who has an interest, or a "stake", in the success or failure of our enterprise. The origins of the word come from gambling. In the early 18th century, a stakeholder was the person who held the stakes of two gamblers in a bet and then paid the winner.

We interact with, depend upon, and deliver for many varieties of people every day. Their commitment levels and expectations shape almost everything we do. They might be someone whose positive commitment or disposition is pivotal to our success. We might rely on their labor, their financial support, their decisions or their endorsement—or even all four. They could also be someone who, if not satisfied or feeling somehow threatened, could make life difficult for us.

They could be the intended beneficiary of what we're doing. They could even be someone who simply stands to gain or lose through what we're doing or anyone who might impact our work, such as a key decision-maker who we barely ever connect with and might not even have direct access to. All of these people could prove to be a critical stakeholder to engage with.

> ***"Politically astute experts recognize that the success of all enterprises rests upon a network of goodwill."***

A more popular description of a stakeholder among experts we have worked with might be "anyone who can ruin our day." As experts, we tend to have a lot of these people floating around us.

Given the nature of our work, in larger matrix organizations, the number of possible stakeholders we have, visible or invisible, is scary.

Politically astute experts recognize that the success of all enterprises rests upon a *network of goodwill*. It makes sense, therefore, that we proactively identify who all the critical parties are, what their needs are likely to be, how they'll likely see and respond to the enterprise (and specifically the initiatives), and where we might depend upon them being engaged. Having conducted such an analysis, we can then formulate and execute engagement strategies to get those stakeholders favorably inclined and contributing as desired.

In this chapter, we'll explore how to do this effectively, how to get on the front foot, and how to make our most vital stakeholder engagements super-effective.

Stakeholder Engagement in Play

LET'S EXPLORE HOW STAKEHOLDER engagement can play out positively and negatively in a real-world situation.

Meet Marsha. She is a software architect who builds functionality in a software application used by customer-facing operations staff. In her early career, Marsha's stakeholder map was limited to members of her technical cohort, the business analysts who took the briefs from the operations team and passed them on to her, and her manager. These relationships were almost purely transactional in nature. She was operating, at this time, at the Specialist level in her stakeholder engagement because her networks were limited, single-lens, very tactical, and she was mostly reactive in the way she interfaced with them.

After a few years working with the application, Marsha started to expand her network. Her stakeholder map now featured other senior IT managers, not just her own manager. She had extended her influence out to other IT management team members, including those in networking, server management and testing. More importantly, she had started building closer relationships with the operations team.

This began with her working with some individual contributors involved in testing, and then working more closely with operations managers. She began to attend meetings where briefs were taken by the business analysts, a process from which previously she had been excluded. Marsha also reached out to other shared services providers, such as her HR business partner and the finance business partner, who was responsible for financial reporting, budgeting and, crucially, procurement for IT services.

But her relationships were still mostly *time-bound transactional* projects. At this stage, Marsha had progressed from Specialist to the Expert level. She had broadened her internal network in her organization, become more multi-lens, and started to manage stakeholder engagements more proactively. But there was still room for growth.

Today, Marsha has grown a significant internal network, including senior operations managers, a broad spectrum of IT staff, and a wide cohort of end users in the operations team, all of whom inform her software architecture and coding decisions. She has also started to build effective relationships with people who do what she does in other parts of the global business, implements networking best and next practice, and shares innovations from her team with the broader organization. And, against her introverted nature, she has started networking outside her organization, joining broader interest groups and exploring how other industries and professions operate, think about and deal with challenges.

"Engagement entails evoking people's discretionary effort and stimulating them to be positively disposed to contributing to our efforts."

She's heading to Master Expert level. Marsha has advanced from **local and narrow** to **broad and global** in terms of her organizational network. Her network quality has become more multi-lens, and networking outside of her organization will build her ability to see things strategically and in the context of broader market forces. Additionally, her network management has definitely moved from purely reactive to much more proactive.

The results of Marsha's active cultivation of new engagements are that she is much better known across the business, the quality and relevance of her work has improved as more insight is brought to bear on what the business really wants, and she is seen by those around her as more valuable and as possessing significant future potential.

Marsha's journey is one that every expert can take. If we have the drive, energy, commitment and technique.

From Management To Engagement

ENGAGING WITH STAKEHOLDERS REQUIRES more than merely identifying and managing them. Engagement entails evoking people's discretionary effort and stimulating them to be positively disposed to contributing to our efforts. Indeed, we dislike the phrase *stakeholder management* because it implies that all stakeholders can be managed, and as every expert knows, this is definitely not the case. We also hear from experts that the more they attempt to *manage* some stakeholders, the more obstinate they become.

> ***"Stakeholder engagement is more of an emotional and/or psychological state than a purely rational one."***

An outstanding outcome of a Master Expert brilliantly engaging a stakeholder might, for example, be having an important economic stakeholder positively inclined to prioritize the funding of our projects. Or a key decision-maker whose sanction we depend upon feeling positively predisposed to making a favorable decision informed by all the relevant criteria. In other words, someone who listens to and respects our opinion, has clarity about our needs, and is sympathetic toward them. Or someone whose contribution of time and effort our outputs depend on striving with all their might to fulfill our needs or expectations of them. These are the type of stakeholder engagements we dream of having because they directly contribute to the value we can create for our organization.

As experts, we're often one step removed from end users or customers, but we similarly hope to create a sense of satisfaction, loyalty and even advocacy for our services and efforts.

It is, of course, a mistake to assume that stakeholders are automatically favorably disposed toward us. Among the experts the authors have worked with, in many cases, the opposite is true. Experts tell us all the time that the very people they feel their services can help in the organization resist their proposals and suggestions. These people usually imply that the experts don't understand their needs or the pressure they're under. Sometimes, of course, this is painfully true.

We can't, as experts, even rely on our stakeholders' basic emotional warmth toward our needs and proposals, even if these needs and proposals are based on a logically sound case or pragmatic reasoning. For example, in many of the large finance or IT teams we have worked with, no one appears to have any time for personal interaction that builds connection and warmth as it's simply not part of the culture. In these highly technical environments, stakeholder engagement tends to be transactional and a race to secure resources.

Defining engagement

Engagement is an attitudinal state presupposing high levels of trust and commitment toward a relationship.

A stakeholder who has been positively engaged will consider the expert his or her ally with a sense of shared purpose. There will be a sense of the expert being of value. The stakeholder will be inclined to support or advocate for the expert and will take pleasure in providing a service or funding that the expert needs.

Such a level of engagement is worth its weight in gold—especially because, as experts, we often cannot exercise or rely on formal authority, power, representation and control of resources. We need to build a network of goodwill across the human ecosystem in which we operate. Others' engagement cannot be taken for granted or simply assumed, no matter how much logical sense it makes. Engagement has to be worked at.

Typically, when stakeholders see an alignment of interests, they strive for mutual benefit. In the absence of perceiving such interests being met, engagement will almost certainly be lower than we would desire. In really problematic cases, there could be active disengagement, where there is a perceived conflict of interest or some form of antipathy. Such disengagement often arises from stakeholder needs or expectations remaining unmet, even though they might have never been officially articulated or contracted for.

If we don't intimately know what the needs of our stakeholders are, it's very difficult to build a clear alignment of interests and therefore positive engagement. Stakeholders going without their key needs being met often creates tension, and the human mind typically forms an attitude toward those it sees as in some way responsible for such needs remaining unmet. Therefore, identifying and addressing ***felt needs*** is a shrewd and proactive strategy for a Master Expert to adopt as it often highlights opportunities to engage specific stakeholders around the needs they're already passionately committed to addressing.

As experts, we don't just strive to ***have*** stakeholder relationships. We aspire to build stakeholder engagements.

The reality is that, just like everyone else in the organization, we're always competing for finite amounts of time, energy, attention and resources. Prioritization of decisions is often driven by tribal loyalties, traditions, and affinities that exist in the organization, not on cold, hard logic. The conclusion we must draw, because all of the evidence suggests that this is now clearly the case, is that stakeholder engagement is more of an emotional and/or psychological state than a purely rational one. This means, as experts, we need to pick up our game and start building effective engagement with our stakeholders. These relationships need to be strong on many levels in order to succeed.

How to Improve Stakeholder Engagement

WE CAN INCREASE THE likelihood of a stakeholder feeling engaged, favorably disposed, and inclined to strive to help us by satisfying one or more of the following criteria:

- Connection. Demonstrating a clear connection between the initiative we're seeking to engage the stakeholder in and one of their most keenly felt needs, and then satisfying such needs. Linking our initiative to the more efficient execution of the organization's strategy may be one way of doing this. While offering the initiative as a solution to one of the key challenges the stakeholder faces may be another. Alternatively, we can frame the initiative as a way to win new customers or get greater satisfaction scores from the community. We call this "joining the dots."

> ***"If the only time we reach out to a stakeholder is when we need something, then that's not a relationship. It's a transaction."***

- Contribution. Illustrating how their involvement, support or contribution delivers a tangible and sought benefit or perceived value and then delivering accordingly. To warrant the effort to deliver their contribution, the stakeholder needs to believe in the sought benefit or perceived value. So, we might ask a stakeholder in the finance department to talk to our project team about the way in which finance reporting is conducted. We'd have to be clear about the benefits of the finance executive spending time doing so (providing context, building understanding, creating an opportunity to ask questions directly to finance, making sure finance's interests were taken into account, and so on). The ideal approach here is for us to test whether the stakeholder sees the benefit in the same way as we do. In practice, they often don't, and that's helpful to know.
- Relationship. Developing a relationship with the stakeholder that is characterized by a high level of trust, shared interests, values and

purpose, as well as emotional warmth and mutual empathy. Later in this section, we explain Stakeholder Health Checks, an ideal method for building trust and empathy. Another method is simply to make sure that we understand what keeps that stakeholder awake at night and taking that into account in our dealings with them. We can also ask them for feedback on what we could do better. This openness tends to be well received and builds trust and warmth. The stakeholder can see we're striving to do our best for them.

Stakeholder Mapping

WE'RE ALL WORKING IN human enterprises with many different types of stakeholders. But how do we decide who's got more at stake than others? Who is the beneficiary of what we do? Who is the main contributor? What is it we're depending on from each of our stakeholders? Are we just small dots on their landscape? Or are we as significant to them as they are to us?

Relationships often just develop organically, which could mean that unless we have intentionally reached out to somebody and cultivated a connection with them, there is no relationship. If the only time we make contact is when we need something from them, the relationship is transactional, single-direction, and unlikely to be optimal. When we consider the stakeholders who treat us like this, we don't exactly get enthused when they contact us, do we? And yet, our research suggests that this style of relationship among experts is the norm rather than the exception.

> ***"Many experts are stuck in a destructive reactive cycle, unable to free themselves from the shackles of incoming work – all of which is urgent and important."***

However, what if we put a proactive relationship engagement strategy in place? We could find out what they need, what they're passionate about, what they're committed to, and what their concerns are. We can learn what happens if those concerns or needs aren't met. Would that, for example, affect their commitment levels?

Capability: STAKEHOLDER ENGAGEMENT

A Sample Stakeholder Map

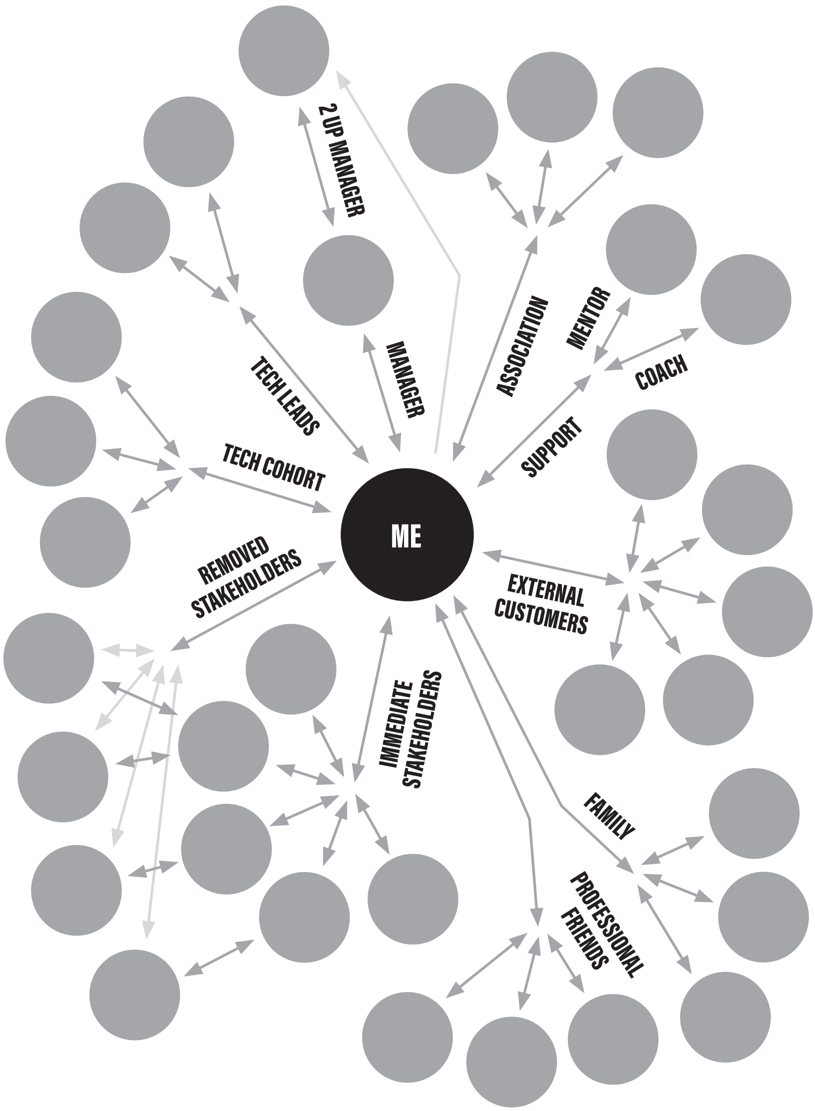

FIGURE 12.3: A Sample Stakeholder Map

One activity we have found very helpful is building a stakeholder map (see an example in Figure 12.3) While most employees working in large organizations have complex stakeholder maps, in our experience, experts often have even more complex stakeholder maps. We have complicated and multifaceted reporting lines; we have membership in numerous cross-disciplinary teams; we interact with international colleagues in different time zones; and we often report to multiple managers who have conflicting agendas. We typically have an extraordinarily high number of relationships to keep in good working order and an impossible number of "clients" to service, many of whom express insatiable demand.

If we don't take a strategic approach to determining which relationships to focus on (and which we can reasonably de-emphasize), and if we don't explore the keys to getting high engagement levels, then the whole situation becomes unmanageable. At the outset, most experts we have worked with rarely have a clear and holistic view of their entire stakeholder map. Rarely have they prioritized the most vital relationships. And they often have no strategy for maintaining relationships while busy on other projects.

Indeed, how they spend their time is often dictated by others, leaving them stuck in a destructive reactive cycle, unable to free themselves from the shackles of incoming work, all of which is urgent and important to those requesting it. The result is that many experts don't focus on activities that add the most value. And as a consequence of this, some critical stakeholder relationships become broken and need to be fixed.

Developing a stakeholder map is a simple enough process, but we'd like to offer some advice on how to get maximum value and insight from the exercise.

A Strategic Approach to Stakeholder Engagement

HERE IS A FIVE-STEP strategy for improving stakeholder engagement (see Figure 12.4).

Step 1 – Identify

The first step is to populate a stakeholder map. Essentially, this is a mind map of all the relationships we have. We need to understand who all of our stakeholders are in order to prioritize them later. For a detailed description of how to go about this, see our primer in the next chapter of this book.

Step 2 – Prioritize

The next step is to prioritize. The large number of stakeholders we have identified can't all be equally important. Some require or deserve more time and attention from us than others.

While we may well have senior people on our maps, key colleagues elsewhere along the value chain may be the stakeholders we most heavily rely on to bring our work to life. Whose needs and commitment levels matter most of all? For whom, or with whom, can we create the most value? Who needs to be aware of the value we have created? Upon whom do we depend the most to continue creating value?

When undertaking this exercise "live" in our workshops and coaching pods, we encourage our participants to start by identifying their top five most important stakeholders. Once they have done this, we ask them to consider the criteria they used to make this decision. The ensuing discussion is usually quite insightful. Typically, seniority isn't the primary consideration in the expert world. Sometimes it's the most demanding stakeholders who make the list, ahead of those stakeholders for whom we could add the most value. Or stakeholders who are the most visible (local). Or stakeholders who we enjoy working with. None of these criteria ought to be in play for a Master Expert.

Ensuring that the right stakeholders are prioritized for the right reasons is a critical early task once a stakeholder map has been compiled.

Step 3 – Understand

Next, conduct a Stakeholder Health Check. We cover how to do this in detail in the next chapter. Essentially, we're seeking to understand several things:

- What is the current condition of each stakeholder relationship, and why?
- What are trust levels like, and why?
- How frequently do we interact, and is that optimal?
- To what extent do we and the stakeholder get what we both need and expect from each other?
- What are the stakeholder's needs, and ours? To what extent are they aligned? This needs analysis can include both *functional needs* (such as a report or information) and *implicit human needs*, e.g., the need to be valued, to feel cared for, to progress, and so on. Which needs are most keenly felt and, therefore, easiest to motivate the stakeholder to act on?

Step 4 – Build

Armed with the insights from the above analysis and health check, it's time for us to build engagement by developing an engagement strategy. What do we have to offer these stakeholders that might be appealing to them? How might we initiate a conversation? What proposition are we taking to them? Ideally, how often should we connect?

Capability: STAKEHOLDER ENGAGEMENT

An Expert Stakeholder Strategy

Capability: KNOWLEDGE EXPERT

IDENTIFY	**SCOPE**	▪ Internal / External ▪ Local / Global ▪ Current / Future
	TACTICS	▪ Individual not team-focused ▪ Absentees?
PRIORITIZE	**SCOPE**	▪ Categorize by importance ▪ Categorize by type ▪ Categorize by frequency
	TACTICS	▪ Map to key performance requirements, key projects
UNDERSTAND	**SCOPE**	▪ Our needs / their needs ▪ Our measures / their measures ▪ Our derailers / their derailers
	TACTICS	▪ Stakeholder health checks ▪ Advanced needs analysis
BUILD	**SCOPE**	▪ Find win-win settings ▪ Establish success metrics
	TACTICS	▪ Identify early wins ▪ Build trust & understanding
OPERATE	**SCOPE**	▪ Establish operating rhythm ▪ Agree communication protocols ▪ Measure effectiveness
	TACTICS	▪ Celebrate wins ▪ Analyze failures

FIGURE 12.4: An Expert Stakeholder Strategy

Undertaking stakeholder health checks tends to generate a to-do list, which is a way of moving forward with stakeholders. Establishing what would be defined as a great success for the stakeholder relationship, what our priorities should be, and what both we and the stakeholder are committed to and passionate about are all vital questions when creating a win-win stakeholder relationship.

Not every stakeholder will be willing to offer up their innermost felt needs because these might be quite personal (for example, showing insecurity with "I don't want to get fired" or personal ambition with "I want to be promoted or paid more"). To get to this level of understanding, we need to be able to ask penetrative questions in a highly diplomatic manner. We need to build trust. Truly understanding the needs of our stakeholders may take *many* conversations over time.

One way to fast-track building trust is to share our own motivations and concerns. This requires us to trust first and be vulnerable. This isn't an emotionally comfortable zone for many experts. It takes courage and technique, but it also pays big dividends.

Step 5 – Rhythm

Having put all the right building blocks in place, the stakeholder engagement needs to find its operating rhythm. We want the arrangements (meetings, connections, information sharing and so on) to become natural and effective for both parties. We need to ensure we're checking in with appropriate frequency, celebrating what's working, and quickly rectifying what isn't. We also need to be aware that many circumstances change quite quickly, which will impact the prioritization and value each party might want to give to the engagement. It'll certainly result in needs or expectations shifting, so we have to be prepared to reset and recast where necessary.

For some stakeholders, the rhythm might be a daily check-in. For others, once a quarter (or longer) might suffice. Some stakeholders are happy with regular email updates. Others might find face-to-face interactions more effective (whether physical or via video conference).

Some stakeholders may want to have a discussion about every decision. Others will be happy to be informed that "this is what we intend to do" and agree that if we don't hear from them within a specified time limit, then we go ahead and act with assumed approval.

One thing is for sure: a one-size-fits-all approach certainly doesn't work in this environment. We need to adapt to stakeholders, and them to us.

TAKING ACTION

Growing Our Stakeholder Engagement Skills

IF THIS IS A capability in which you believe you could grow your skills and knowledge to add greater value, here is a suggestion for action to take:

ACTIVELY ORIENT YOUR ROLE AROUND DELIVERING VALUE TO KEY STAKEHOLDERS

- We have to understand who our most important stakeholders are and focus on the work that matters most to them. We can sometimes end up with a default focus on others' demands rather than a clear sense of purpose or mission. Questions we might like to ask ourselves:
- Have I conducted a thorough analysis of who my most important stakeholders are? Or who they should be?
- Have I spent enough time with those stakeholders to understand what value they would like from me? Have we had a big-picture conversation and not just a current-work-in-progress discussion?
- How would I measure whether I am adding value to the right stakeholders for the right reasons at the right time?
- To what extent do I have a clear sense of purpose and mission in my role? To what extent am I fluent in articulating my clear purpose, particularly in moments when I need to demonstrate intregrity around prioritizing work?
- Am I spending enough time thinking about where I spend my time, as well as on whom and what I spend it and why? As priorities change, do I adapt quickly enough and communicate these changes broadly enough?