EARLY STAKEHOLDER CONSULTATION

Key lessons learnt	Identifying stakeholders and understanding their interests and expectations early in the process will address key risks and support the project, as well as assisting the project team in defining the scope of the problem.
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Introduction

Government projects and business cases have intricate stakeholder relationships which affect the business need and key risks and opportunities of projects. Early involvement and management can identify these issues, improving the project outcomes.

Stakeholder complexities reflect the project scale and complexity. The complexities span unit/division/department boundaries, across multiple tiers of government, private industry and the community.

Regardless of the size of the task, the same principles apply. These guidance notes provide a high-level approach to early engagement to support the business case and investment decision. Aligned stakeholders will be critical to build confidence in the project's viability.

Key considerations

Stakeholder consultation may seem like an arduous task when there are so many other competing activities. However, a concentrated effort to understand all views is essential to the project's future success.

Stakeholder groups each contribute a unique viewpoint or perspective; considering the end-to-end project lifecycle:

- ▶ planning teams are focused on strategic alignment
- ▶ development teams are tasked with addressing the major uncertainties
- ▶ delivery teams are driven by the practicalities of on-time, on-cost delivery
- ▶ operators are focussed on efficient service delivery
- ▶ asset owners on whole-of-life costs and asset service delivery, with. the delivered asset meeting the service standards identified that are in part derived from stakeholder engagement.

Each of these perspectives is required to enable the key risks and opportunities to be identified and adequately addressed as early as possible.

There is no denying that stakeholder engagement can be a difficult process. There may be differing cultures or working practices; disagreement regarding project objectives; a lack of understanding of the unique challenges faced at different stages across the lifecycle. However, building trust and setting up effective communication channels with key stakeholders early will enable objectives to be aligned and the project to deliver its potential. The following are the three high-level steps to successful early stakeholder consultation:

Step 1 – Stakeholder identification

When the business case team is established, there can be pressure to accelerate delivery to meet ambitious timeframes. Although it is tempting to start and hope everyone will follow., investing the time up front to plan the development of the business case with stakeholders creates more efficiency with less conflict, confusion and competing interests.

a) At the start of the business case process, the business case team should identify the stakeholders and understand their interests and expectations. A stakeholder is an individual or group with an interest or influence over the business case, which includes the beneficiaries of the project It may be useful to consider the following project aspects to assist with stakeholder identification:

- ▶ governance
- ▶ funding sources
- ▶ strategy owner
- ▶ development and delivery strategy
- ▶ customer groups
- ▶ operating model
- ▶ interdependencies and interfacing projects
- ▶ assurance and approval processes
- ▶ legislative requirements
- ▶ expected disruption.

Each of these aspects will uncover a range of relevant stakeholders.

b) Review the resulting list of stakeholders with the business case sponsor who may be able to provide further guidance and perspective i.e. there may not be the need to engage with all the identified stakeholders.

c) It is then recommended that a representative from the business case team hold a short introductory meeting or phone call with the key stakeholders to introduce the team, advise the business case process is about to commence and test any engagement assumptions. Two fundamental questions are:

▶ *Who is the point of contact for this project or is there anyone else we should be speaking to?*
▶ *How do you wish to be involved with the project?*

There will often be gaps or unrealistic expectations which this process will help to flush out early.

Step 2 – Engagement planning

As part of the early planning process, it is recommended that the business case components/documents are identified and mapped. This will enable the business case team to list the relevant stakeholders (for each component) and how they should be engaged. There are three broad consultation strategies and two approval strategies that can be adopted:

This step will inform the business case development schedule and expected resource effort.

	Strategy	Description	Stakeholder type
	Consultation strategies		
Increasing interest	Actively involve	Co-design or co-development of the solution	Stakeholders with the specialist or technical expertise necessary to develop the proposals
	Consult	Seek feedback on proposed solution, incorporating where beneficial/ feasible	Stakeholders with a strong interest in the proposals
	Inform	Provide the solution for information purposes i.e. to enable future planning or coordination	Stakeholders with a passive interest in the proposals
	Approval strategies		
Increasing authority	Approve	Officially agree to or accept as meeting the stakeholders requirements	Stakeholders that have a significant influence i.e. they may have ownership or legislative rights
	Endorse	Declare public support for the proposals	Stakeholders whose support is required to ensure future success

Step 3 – Defining the core parameters of the business case

It is recommended that the core parameters of the business case be co-developed with the stakeholders considered to have a strong interest or authority. The parameters include:

- ▶ problem and opportunity statement
- ▶ project objectives/outcomes/benefits/requirements
- ▶ options identification and assessment
- ▶ project scope.

Co-development will often be undertaken through a series of workshops. The team should take time to plan the workshop format, giving everyone the opportunity to contribute. Depending on the size of the group, it may be worthwhile to engage an independent facilitator to create an effective environment for people to express their views. It is important to avoid doggedly pursuing a single agenda.

When the project objectives have been agreed, these should be used as a basis for option assessment and joint decision making. This adds impartiality to the process.

In the early stages of the business case development, expect disagreements, meetings which go off track and to feel you are making no progress. Understand this is a process which is needed to reach a consolidated position. Rushing the process or circumventing the 'trouble makers' will increase problems in the future.

By focusing on common ground and joint objectives, listening and being open to new ideas, outcomes will emerge that are supported by the team and the stakeholders.

If there are residual issues or concerns, hold further meetings to form consensus. There may come a point where meetings are no longer productive, and the issues need to be escalated, with those involved agreeing to draw a line under the matter. It is important to document the process and record views, inputs and decisions.

Despite disagreement and conflict, stakeholders recognise when they have been involved in a meaningful engagement exercise. This creates the critical foundation of trust for the remainder of the business case process.

▶ **About the author:**

Junitha Giles is a Director at Iceni Group (www.iceni.com.au). Iceni provides advisory services in the start-up, delivery and rescue of public good initiatives transforming our infrastructure, services and organisations. Junitha has over 15 years' experience in the definition and development complex projects. In recent years, she has led the development multiple rolling program business cases on behalf of Transport for NSW.