members, employees, members of the community, local establishments such as restaurants and fast-food outlets, and finally local and regional government officials. In practice, it is not the stakeholders that the project team considers that are likely to become a problem—but rather those whom the project team fails to consider. When it comes to stakeholder identification, it pays to cast a wide net.

**STAKEHOLDER IMPACT**

Project stakeholders may be numerous, but not all project stakeholders have the same ability to impact the project. Further, the limited resources within the project team make it incumbent upon the project manager to pay closer attention to the stakeholders with the greatest ability to affect the project. It is for this reason that stakeholder identification does not end with a listing of project stakeholders. Rather, stakeholder identification includes the analysis of stakeholders so that the level of stakeholder management effort may be prioritized. Such analysis includes a determination of the power of each stakeholder along with the relative interest of the stakeholder in the outcome of the project. Naturally, the project team will spend more time and effort engaging with the stakeholders who hold sway over the resources or outcomes of the project as well as those who are highly interested in the project result. The list of project stakeholders is therefore supplemented by a “Power/Interest” ranking ranging from high to low for each factor (Figure 38).

When carrying out this analysis, it is important to remember that not all stakeholders with an interest in the project support the project. Some interested stakeholders may desire to see the project fail. This is especially true in large-scale public projects that engage with a wide array of stakeholder constituencies. Identifying “negative” stakeholders is a factor to be taken into consideration when developing project communication and engagement strategies.

**STAKEHOLDER ENGAGEMENT**

The term “engagement,” according to Dictionary.com, can refer to an encounter or, in the sense of mechanical mechanisms, the state of being interlocked. This definition provides a glimpse of the rationale behind project stakeholder engagement as described within the PMBOK. Project teams work closely together with stakeholders—and particularly those who rank most highly in terms of “power/interest.” Yet, an effective
The project plan will lay out the strategy for “how” project stakeholders are to be engaged. An engagement plan may be multifaceted and make use of several approaches. For example, it is common to assign project team members specific stakeholders with which to engage. The engagement itself will likely take many forms ranging from formal and informal face-to-face meetings, ongoing conference calls or videoconferences, or gatherings at annual events such as industry conferences. Regardless of the chosen engagement strategy, in keeping with the fundamental approach of “planning before doing,” it is important to think through the engagement and to formally document it.

**MANAGING AND MONITORING ENGAGEMENT**

After the stakeholder engagement plan is documented, the project manager then engages assigned stakeholders and further takes steps to ensure that the engagement plan is being carried out. The execution of the plan may be carried out using the preferred tools and techniques of assigned team members. However, the progress to plan of stakeholder engagement as well as any exceptional issues should be reported out regularly in team meetings and project reviews. In the same way that stakeholder identification and analysis go together, managing and monitoring stakeholder engagement...
engagement are linked. To ensure ongoing engagement and monitoring of the engagement of key stakeholders, it is suggested that each team member assigned to engage a stakeholder should be referred to as a “stakeholder manager.” In addition to acting as a project team member, the adoption of the role of a project “stakeholder manager” brings clarity to the role and aids in the ongoing management and monitoring of the process.

THE ELEMENTS OF THE STAKEHOLDER MANAGEMENT PLAN

What elements should be included in the stakeholder management plan? The stakeholder management plan for a project should answer the following questions:

1. Who are the project stakeholders?
2. How will the project team determine management and engagement priority of project stakeholders?
3. How will project stakeholders be engaged?
4. Who on the project team is responsible for stakeholder engagement?
5. How are stakeholder managers assigned?

THE OVERALL PROJECT PLAN: A PRACTICAL EXAMPLE

The difference between a project schedule and a complete project plan is easier to understand with the use of an example of a simple project that is likely to be encountered within the workplace. The project used to demonstrate the elements of a complete project plan is an office relocation project illustrated in an outline form. Further, the plan is elaborated by successively progressing through the process steps outlined in the five process groups.

OFFICE RELOCATION PROJECT PLAN: INITIATING PROCESS GROUP

Project charter: An office relocation project usually begins with an assignment from a sponsoring executive. The sponsoring executive will
typically appoint a project manager to lead the effort. In some cases, the project may be assigned informally. However, following good practice requires the formalization of the project by means of issuing a project charter. The project charter will likely include some high-level direction regarding scope and key constraints. On the other hand, the development and management of the project scope will likely be carried out by the project team (Figure 39).

### BUDGET ESTIMATES AND THE PROJECT CHARTER

One of the constraints typically provided in the project charter is the budget estimate. This is an early estimate and likely to be inaccurate. The project team will at this early stage consider this estimate as an indication of the scale of the project as well as the financial statement of intent from senior management. The project manager should accept this as a top-down budget guide and proceed to develop a bottom-up cost estimate after collecting detailed financial information associated with each activity in the office relocation.

*Project stakeholder identification:* The planning process group outlines a series of processes to be included within the development of the project stakeholder management plan. However, in the initiating process group, the important activity to be carried out is simply the identification of project stakeholders. At this critical juncture, it is essential to think holistically in terms of who may have an interest in the outcome of the office relocation.
relocation project. The project team would likely identify the following roles and individuals as candidates for project stakeholders (Figure 40).

**OFFICE RELOCATION PROJECT PLAN: PLANNING PROCESS GROUP**

It is the planning process group where the work of developing the project plan for the office relocation project unfolds. Technically, the project plan begins with the project integration knowledge area with the “develop project management plan” process. Given that the plan for relocating the office has already begun, the first tangible step in developing the project plan is in the project scope management knowledge area.

*Project scope management:* A project that touches upon so many different stakeholders can easily grow in scope. Clear identification of what is in scope and out of scope is an essential step to prevent the runaway growth of scope. This begins with stating the basic strategy for managing scope.

*Plan scope management:* The “plan scope management” process directs the project team to outline the basic approach for identifying,
planning, and controlling scope. This need not be a complex plan—rather it must serve as a useful guide to direct the management of scope from the beginning to the end of the project. Since the plan scope management plan is focused on documenting the approach the project team will use to manage scope, it may require no more than a simple checklist or “fill in the blank” checklist (Figure 41).

**Scope statement:** The scope of the project is fully elaborated within the work breakdown structure (WBS). The WBS follows the simple and succinct statement of what is and what is not included in the project. The scope statement for the office relocation is stated as follows:

> We will assess our current needs as well as growth needs for the next three years. We will identify, select, lease, and create an office layout in a new building and move our company. We will seek to use as much existing infrastructure as possible. Modifying our existing building will NOT be considered as an option.

**Work breakdown structure:** The project WBS provides a hierarchical and categorical structured outline of what the project will deliver. It is hierarchical in that it consists of multiple levels. It is categorical in that it includes all categories of project scope. The WBS outlines 100 percent of what the project will deliver. The WBS for the office relocation project is as follows (Figure 42).

**Scope baseline:** A project plan includes a baseline of project scope. The baseline is the agreed upon scope that is fixed as part of the plan. Any change to project scope after the baseline has been established is governed by the project change control process. The scope baseline includes the scope statement, the WBS, and the WBS dictionary. The WBS dictionary in the project plan includes, in addition to the WBS elements, a succinct definition of each WBS element (Figure 43).
Project schedule management: The first step in schedule management is to describe the basic approach or strategy for managing the overall project schedule. This strategy will outline how activities will be defined and associated with deliverables, how the logical sequence of events will be determined, and what methods will be used to determine the overall project duration. Schedule management could also describe the methodology used to analyze and predict project completion including tools such as PERT, Monte Carlo, and Bayesian analysis. The high-level schedule management plan for the office relocation project is outlined in the following Figure 44.
Identify project activities: The WBS is created by considering all deliverables that will be produced by the project. Once the deliverables are defined, the project team next considers what activities will be required in order to produce the deliverables. The only activities that are used to develop the project schedule must be linked to specific deliverables. Activities are often identified by the project team using a brainstorming methodology, by the application of expert judgment, or historical project experience. The specific method used is identified by the schedule management plan. The activities required to support the deliverables of the office relocation project are identified in Figure 45.
SEQUENCE PROJECT ACTIVITIES

The office relocation project team next arranges the project activities in a logical order. To clarify the order of activities and prepare for the determination of the overall project duration, the project activities are sequenced using a network diagram. The office relocation project critical path is tentatively identified using initial duration estimates for each activity (Figure 46).

Project duration: The project activity nodes given in the office relocation network diagram are then expanded to provide three-point estimates for each activity. The three-point estimates are then combined using the PERT weighted average method. The critical path duration that results from the PERT analysis includes variances in project activities so that the result further supports the development of schedule completion predictions (Figure 47).

Project cost management: The cost of human resources assigned to project activities is typically the most significant source of cost within a project. However, many of the resources assigned to the office relocation project are internal resources who remain on the payroll regardless of assignment to the project or when working within an assigned functional group. However, the average “fully-loaded” costs (salary, benefits, plus overhead allocation) for each internal employee are captured in the project

![Diagram of office relocation activities](image)

Figure 46. Sequencing office relocation activities.
cost plan as they are assigned to the project. Such costs are not indicative of an additional cash outlay but could be viewed as opportunity costs. Further, the costs of external resources used for packing, moving, new facility setup, and so on are captured in the budget as the resources are employed in the schedule. The project will track internal resource costs as opportunity costs, and actual cash outlays to outside vendors in separate accounts. The simple high-level project relocation cost plan is provided in Figure 48.