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Who is the Most Important Stakeholder Group?

By James T. Brown, PhD

I recently surveyed five groups of project managers and asked them to prioritize the following stakeholder groups. In alphabetical order they are Community, Customers, Investors, Suppliers and Team Members/Employees.

The average ranking for all of the groups was 1. Customers, 2. Team members/Employees, 3. Investors, 4. Suppliers and 5. Community. One of the groups had employees/team members ranked number one, one group had investors ranked number one and three of the groups had customers ranked number one.

The variation in the groups was not a surprise. I recently read the book *Setting The Table: The Transforming Power of Hospitality in Business* by Danny Meyer. Why read a restaurateur's book on hospitality? A big part of project management is stakeholder management, and whenever I can study excellence in seemingly unrelated fields, there are often strong parallels to project management.

Team Members are Number One! Are You Kidding?

Meyer shared how his restaurants began struggling and he had to re-establish his priorities and values. He described his priorities as Enlightened Hospitality and it puts stakeholders in the following order: 1. Team members/employees, 2. Customers, 3. Community, 4. Suppliers and 5. Investors. He credits this philosophy for turning his restaurants around and contributing to a successful business.

Fundamental to his philosophy of Team Members/Employees being the most important, is the truth that if the team cannot treat each other with respect, hold each other in the highest regard and work harmoniously with one another, then it is difficult for them to treat the customer with respect, to hold customers with high regard and work harmoniously with them. This should feel intuitive to you.

Disharmony with internal relationships often migrates to external relationships.

Meyer's most important concern is how his team members treat each other. This reminds me of some wise counsel given to me long ago...*"Take care of your people first, and everything else takes care of itself."*

It is just disingenuous to treat your fellow team members poorly and then treat your stakeholders well. It becomes an act. An act at some point that will be exposed for what it is. Meyer believes, and has proven, that his prioritization ultimately benefits investors more.

Investors being ranked last provides greater returns in the long term.

It is a sad commentary and very evident in the current financial markets how focus on the short term ultimately is more costly and sometimes devastating. Some other important takeaways from *Setting the Table* are below:

1. Judge your staff on 51 percent emotional (attitude and interpersonal skills) job performance and 49 percent technical job performance. You can always teach technical, while emotional is much harder, if not impossible to develop. Lack of emotional job performance skills destroys teams and alienates customers.
2. “The road to success is paved with mistakes well handled” and “the worst mistake is not to figure out some way to end up in a better place after having made a mistake.”
3. Employees can be categorized as Overwhelmers, Whelmers, and Underwhelmers. It is easy to identify Underwhelmers and get rid of them. The most dangerous employees are the Whelmers because they tend to stay in the organization longer because their performance is only adequate and “they infuse an organization and its staff with mediocrity...and send a dangerous message to your staff and guests that “average” is acceptable.”

You should honestly examine how you treat your team members and how your team members treat each other. Take the necessary steps to treat them in the best possible way and create an environment that makes them treat each other that way.

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Dr. James T. Brown, president of SEBA[®] Solutions Inc., a Registered Education Provider for the Project Management Institute, has provided training and consulting services for dozens of companies nationally and internationally. SEBA[®] Solutions also provides OnePdu.com <http://onepdu.com> for online project management training. A recognized authority in project management, Dr. Brown is a frequently invited speaker on project management areas of interest. He is the author of ***The Handbook of Program Management*** published by McGraw Hill and is a member of the Project Management Institute and the National Speakers Association. Dr. Brown has a patent for a project scheduling methodology, and has received numerous awards including "*Engineer of the Year*" from the Cape Canaveral Technical Societies and is a recipient of the "*NASA Public Service Medal*" for exceptional contributions to NASA's mission. He is a member of the Project Management Institute and the National Speakers Association. He has a Ph.D. in Industrial Engineering from the University of Central Florida, a MS in Engineering Management from Florida Institute of Technology and a BS in Electrical Engineering from Tennessee State University. He is a licensed Professional Engineer (PE), a certified Project Management Professional (PMP) and a certified speaking professional (CSP). To learn more about SEBA[®] visit www.sebasolutions.com. You can contact James directly at jtbrown@sebasolutions.com.