MASTER EXPERT

THE ULTIMATE GUIDE TO BEING THE MOST INFLUENTIAL, REVERED, IMPACTFUL EXPERT POSSIBLE – BY BUILDING YOUR SKILLS IN

EXPERTSHIP

ALISTAIR GORDON & DOMINIC JOHNSON

MASTER EXPERT

Stakeholder Engagement

Who are the most important people in our lives, and what's our strategy for engaging with them?

RELATIONSHIP DOMAIN

Mastering Stakeholder Engagement

The Master Expert builds and maintains mutually rewarding stakeholder engagements across a variety of internal and external stakeholder groups.

"A stakeholder is anyone who can ruin your day"

Anon

"As experts, we find ourselves in a bind. We spend far too much time with those for whom we add little value, and not enough time for those we know we can add much more value. To make matters worse, we spend no time at all on those who we could add extraordinary value, if only we knew who they were and they knew what we could do."

Gordon and Johnson, ...on Expertship

"You need a strategic network because the forces that drive change in your field will probably come from outside your current world." Hill and Lineback

CHAPTER 9
Stakeholder Strategy for Experts

Who are the most important people in our lives, and what's our strategy for engaging with them?

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 for other employees.
- What is strategic stakeholder engagement, and why is it an important skillset for experts?

IF YOU GOT THIS FAR in this book you know we have established one thing very clearly – as experts we are different. This difference is expressed perhaps most clearly when we explore who our stakeholders are in comparison to those of typical *people* leaders.

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 focused on the assignment of performance targets and to hold people to account for delivering against them. Decision making powers, including authority over allocation of organizational resources, tend to *flow down* these operationally-focused hierarchies.

These lines of authority are often expressed in the form of an organizational chart, often called an org chart, as in Figure 9-1.

THE EXPERTSHIP MODEL

ENTERPRISE SKILLS | TECHNICAL SKILLS

RELATIONSHIP DOMAIN | VALUE DOMAIN | TECHNICAL DOMAIN

PERSONAL IMPACT | MARKET CONTEXT | EXPERT KNOWLEDGE

STAKEHOLDER ENGAGEMENT | VALUE IMPACT | SOLUTIONING

COLLABORATION | CHANGE AGILITY | KNOWLEDGE TRANSFER
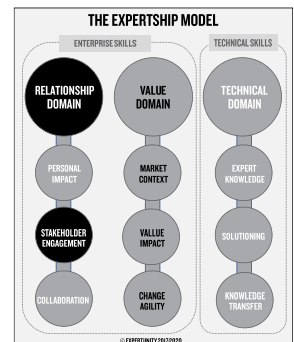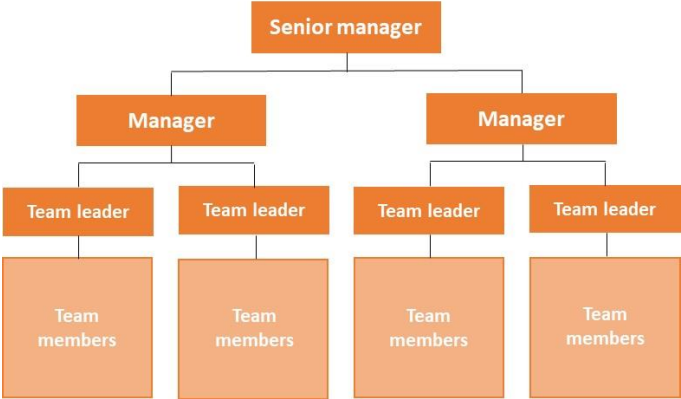
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Figure 9-1: A people leader's organizational chart

Capability: **Stakeholder Engagement**
A people leaders organisational chart

If only the lives of an expert were 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 are 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 in the management levels either.

What to do?

On many org 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, resources, etc. an expert needs.

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

The fact is we are 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 can have advantages. We ought to be able to approach anyone without them considering we are 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.

An expert's organizational chart is much more complex, multilayered, and fluid than those of people leaders. We make an attempt at a representation of

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such a chart in Figure 9-2, but the reality is every expert's organizational chart is quite different.

Figure 9-2. The Expert Operating Environment

Capability: Stakeholder Engagement
The Expert Operating Environment

EXTERNAL ENVIRONMENT
INTERNAL ENVIRONMENT
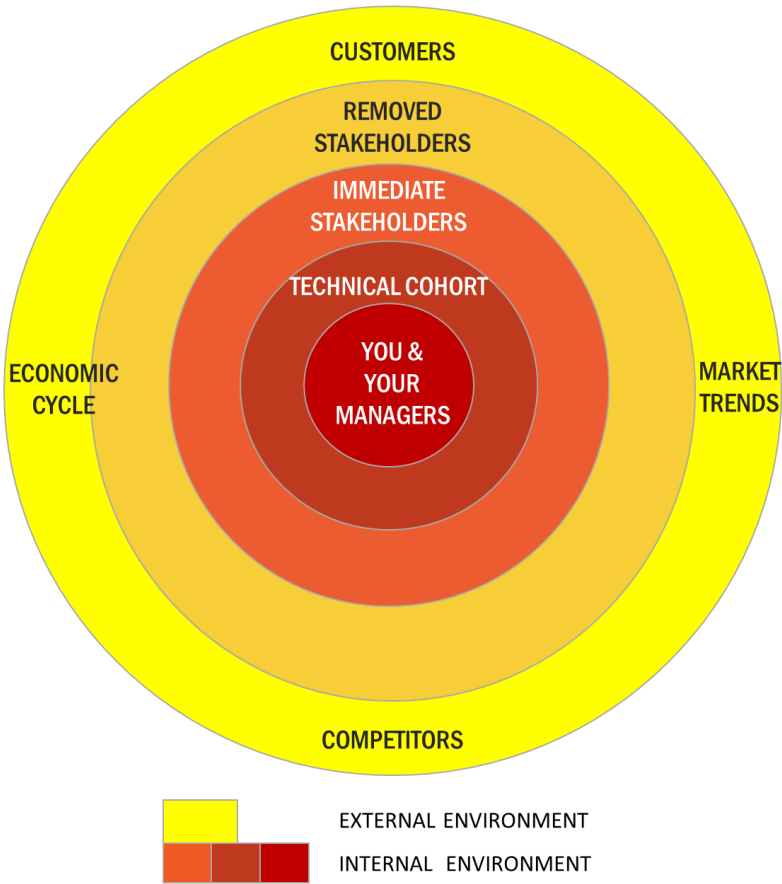
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Typically, we find that experts effortlessly manage to put 60 or 70 colleagues on a stakeholder map, and with a little more devoted time the number typically reaches over one hundred. That is, let's face it, a lot of relationships to maintain and nurture. And of course, most of us don't do so

– we don't believe that we have the time, and perhaps we haven't thought about the most efficient way to do so, or the value in doing so.

That's what this chapter is 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 in the allocation of space within a building, because our status is not clear, this often means

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

teams of experts get less "prime real estate" – typically situated a long way from the action, access to senior leaders, etc. – 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 flow around the organization doesn't necessarily recognise the expert population as vital recipients of certain data, nor as vital voices to include in key discussions. This is often reflected by where senior management 'park us' on the floor plan.

This is not an ideal situation for us, because ultimately our success often 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 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 the organization it's vital that we connect with, understand, and engage with. This often entails gaining access to stakeholders that 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 have to do with gambling – a stakeholder was in the early 18th century the person that held the stakes of two gamblers in a bet, and then paid the winner.

Today, at a personal level, our stakeholders are anybody we interact with, or who has a stake in or is affected by what we do. It's also people who affect what we do. They could be someone whose contribution we strongly depend upon. We might rely on their labor, their financial support, their decisions or their endorsement – or all four.

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

A more popular description of a stakeholder among experts we have

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

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 as experts, 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) where we might depend upon their being engaged and, having conducted such an analysis, then to formulate and execute an engagement strategy to get those stakeholders favorably inclined and contributing as desired.

In this chapter we'll explore how to do this effectively, and how most importantly to get on the front foot and make our most important 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 featuring 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, and very tactical – and she was mostly reactive in the way she interfaced with them.

After a few years working with the application, Marsha started extending her network. Her stakeholder map now featured other senior IT managers, not just her own manager. She had extended her influence out to other members of the IT management team, 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, being in meetings while briefs were taken by the business analysts, a process from which previously she had been excluded. Marsha had 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 importantly procurement for IT services.

But relationships were still mostly *time-bound transactional* projects. At this stage, Marsha had progressed from Specialist to the Expert level. She had extended her internal networks to be broader in her local organization, and become more multi-lens, and started to manage stakeholder engagements more proactively. But there was still growth to take place.

Today, Marsha has grown a significant internal network, including senior operations managers, a broad spectrum of IT staff, a wide cohort of end users in the operations team, who 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, networking best- and next-practice, and sharing innovations from her team with the broader company. 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, and deal with challenges.

She's heading to Master Expert level. Marsha has advanced from **local and narrow**, to **broad and global** in terms of her organizational network. Network quality has become more multi-lens, and the latest initiatives of networking outside

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

her organization will build her ability to see things strategically, and in the context of broader market forces. And her network management has definitely moved from purely reactive to much more proactive.

The impact of these new engagements that Marsha has actively sought is 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 possessing significant future potential.

Marsha's is a journey 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 – stimulating them to be positively disposed towards 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 you attempt to *manage* some stakeholders, the more obstinate they get.

An outstanding outcome of a brilliantly engaged stakeholder by a Master Expert, for example, might 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 (that is, someone who listens to and respects our opinion, even if not agreeing every time). Or someone whose contribution of time and effort our outputs depend on, striving with all their might to fulfil 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.

While as experts we are often one step removed from end users or customers, 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. For experts the authors have worked with, in many cases in fact 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 are under. Sometimes, of course, this is painfully true.

We can't as experts even rely on our stakeholders basic emotional warmth towards our needs and proposals, even if these needs and proposals are based on a logically sound case or pragmatic reasoning. For example, in many large finance or IT teams we have worked with, no one appears to have any time for personal interaction that builds connection and warmth – 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.

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

The reality is that as experts – and like everyone else in the organization – we are always competing for finite amounts of time, energy, attention, and

resources. Often prioritization of decisions is 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 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.

Defining engagement

ENGAGEMENT IS AN attitudinal state presupposing high levels of trust and commitment towards a relationship.

A stakeholder that 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 – 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, where 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 interests, 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 know intimately what the needs of our stakeholders are, it is very difficult to build clear alignment of interests, and therefore positive engagement. To live without a key need being met creates tension – and the human mind typically creates an attitude towards someone it blames for such needs remaining unmet. Therefore, identifying and addressing *felt needs* is a shrewd proactive strategy for a Master Expert to adopt – often highlighting opportunities to engage specific stakeholders around needs they are passionately committed to addressing.

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

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 are 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 organization strategy may be one way of doing this. Or offering the initiative as a solution to one of the key challenges the stakeholder faces may be another. Or framing the initiative as a way to win new customers, or get greater satisfaction scores from the community. We call this *joining the dots*.

- **Contribution.** Illustrating how their involvement, support or contribution delivers a tangible and sought benefit or perceived value – and then delivering accordingly. For example, we might ask a stakeholder in the finance department to talk to your 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, the ability 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 (they often don't and that's helpful to know).

- **Relationship**. Developing a relationship with that stakeholder characterized by a high level of trust, shared interests, values and purpose, and characterized by 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. Or asking 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 are striving to do our best for them.

Stakeholder Mapping

We are 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? Are we just small dots on their landscape? Or are we as significant to them as they are to us?

Relationships are often just developed organically, which could mean that, unless we have reached intentionally out to somebody and cultivated 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. Consider all of our 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.

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

One activity we have found very helpful is building a stakeholder map (see an example in Figure 9-3). While most employees working in large organizations these days have complex stakeholder maps, in our experience, experts often have even more complex stakeholder maps than most. We have complicated and multi-faceted reporting lines; we have membership in numerous cross-disciplinary teams; we interact with international colleagues in different time zones, and often report to multiple managers who have conflicting agendas. We often 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.

> "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."

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 levels of engagement, then the whole situation becomes unmanageable. At the outset, most experts we have worked with rarely have a clear view of their entire stakeholder map. Rarely have they prioritized critical 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, and these 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 (to the ones requesting it) – so as to focus on activities that add most value. As a consequence, some critical stakeholder relationships are broken and need to be fixed.

Figure 9-3. A sample Stakeholder Map

Capability: **Stakeholder Engagement**
A sample stakeholder map
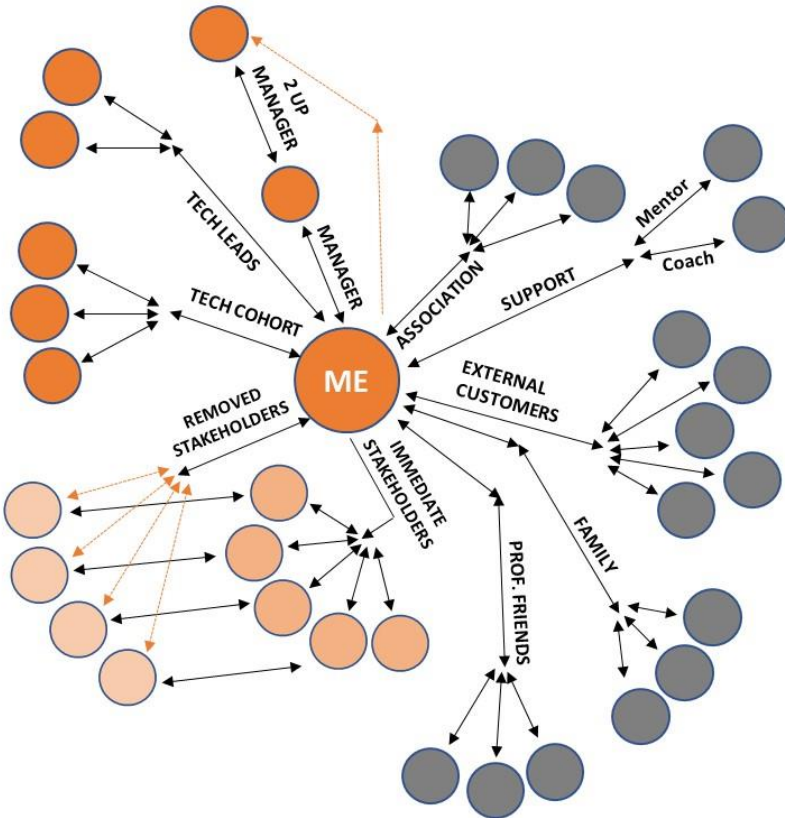
Developing a stakeholder engagement strategy is a logical process, but we'd like to offer some advice as to how to do it so you get maximum value and insight from the exercise.

A Strategic Approach to Stakeholder Engagement

HERE IS A FIVE STEP strategy for improving stakeholder engagement (see Figure 9-4).

Step 1 – Identify

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

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 more time and attention from us than others.

While we may well have senior people on our maps, often key colleagues elsewhere along the value chain are the stakeholders we most critically rely upon 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 created? Upon whom do we depend the most so as to keep on creating value?

We encourage our participants, when undertaking this exercise live, to start by identifying their top five most important stakeholders. Once they have done this, we ask them to consider what criteria they used to make this decision. The ensuing discussion is usually quite insightful – typically, seniority is not the primary consideration in the expert world.

Step 3 – Understand

Then conduct a Stakeholder Health Check. In the next chapter we address how to do this in detail. Essentially, what we are seeking is to understand several things:

- In what condition is each stakeholder relationship?
- What are trust levels like?
- How frequently do we interact?
- 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 and implicit human needs – e.g. the need to be valued, to feel cared for, to progress, etc. Which needs are most keenly felt and that the stakeholder is therefore likely motivated to act on?

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Figure 9-4. An expert stakeholder strategy

Capability: Stakeholder Engagement
An Expert Stakeholder Strategy
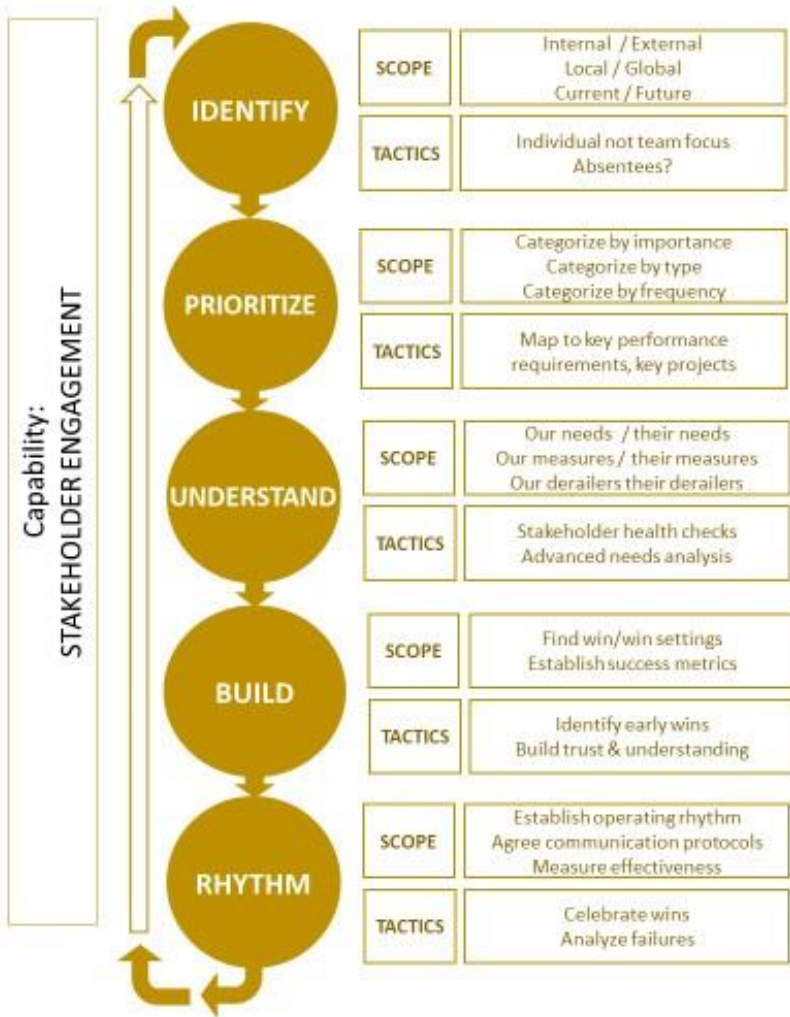
Step 4 – Build

Armed with the insights from the above analysis and health check, it's time for us to build the 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?

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 great success for the stakeholder relationship, or what should be our priorities, or what are both we and the stakeholder commited to, and passionate about are vital questions to be answered to create a win-win stakeholder relationship.?

Step 5 – Rhythm

Having put all the right building blocks in place, the stakeholder engagement needs to find its operating rhythm. We want the settings to become natural and effective for both parties. We need to ensure we are checking in, and celebrating what is 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. 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 might suffice. Some stakeholders are happy with regular email updates. Others might find face-to-face interactions more effective (whether phyical 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's for sure: one size fits all certainly doesn't work in this environment. We need to adapt to stakeholders, and they to us.

Taking time with stakeholders to save time

Elevating the time we spend thinking about and interacting with stakeholders is an activity that many of us feel we don't have time for – but the act of doing so eventually saves us time and effort. We end up adding value to the right stakeholders for the right reasons at the right time.