Chapter 2: Identifying Stakeholders and Defining Project Scope

Key Learning Points

- Early stakeholder identification ensures their needs and expectations are captured and reduces the risk of late changes.
- Scope definition clarifies what is included and excluded from a project, protecting against scope creep.
- Stakeholder engagement requires clear communication and active relationship management.
- A complete scope statement supports realistic schedules, budgets, and deliverables.

Projects don't succeed in isolation. Behind every successful project is a diverse group of individuals and groups—**stakeholders**—who have a vested interest in what the project achieves. Along with clearly defining the **project scope**, identifying stakeholders early is one of the most critical steps a project manager takes during the **Initiating** and **Planning** phases of the project lifecycle.

This chapter introduces you to stakeholder identification, stakeholder expectations, and the process of defining project scope. It aligns with the **PMBOK® Guide**'s knowledge areas of **Project Stakeholder Management** and **Project Scope Management**—both foundational to ensuring project clarity, alignment, and control.

Why Stakeholders Matter

A **stakeholder** is anyone who can affect or be affected by the project or its outcomes. This can include clients, customers, internal team members, senior leaders, external vendors, government agencies, and even the general public. Stakeholders influence the project's goals, funding, success criteria, and timelines—and they must be recognized and engaged appropriately.

According to the PMBOK, stakeholder identification is not a one-time task but a **continuous process** that starts early and evolves as the project progresses. Misidentifying—or worse, failing to identify—key stakeholders can lead to conflicting priorities, missed requirements, and project failure.

How to Identify Stakeholders

Identifying stakeholders is a structured process that draws from multiple sources. Below are several practical methods and examples a project manager might use:

1. Review Organizational Documents

Documents like the project charter, business case, contracts, and strategic plans often contain names or roles of key stakeholders.
Example: A technology upgrade project may list the IT Director and Finance Manager in the project charter—both are primary stakeholders.

2. Examine Organizational Charts

These charts reveal reporting structures, department leads, and cross-functional teams that may be involved or impacted.
Example: A facilities renovation project might require the involvement of HR and Campus Safety, even if they are not part of the initial team.

3. Consult with the Project Sponsor

Sponsors often have institutional knowledge of who should be consulted or kept informed.
Example: During kickoff, the sponsor may recommend involving legal counsel or community relations for a public-facing project.

4. Brainstorm with Team Members

Team members may suggest stakeholders the project manager hasn't considered.
Example: A developer may point out that the customer service team should be consulted since they handle end-user questions.

5. Use Stakeholder Analysis Tools

Creating a **stakeholder register** or using a **power/interest grid** helps the project manager document and prioritize stakeholders.

Project Manager–Stakeholder Interaction

Once stakeholders are identified, the project manager must determine how and when to interact with them. The **type, frequency, and form of communication** should be tailored based on stakeholder needs, influence, and interest in the project. Below are the primary expectations for a project manager's interaction with stakeholders:

1. **Establish Communication Channels:** Determine how stakeholders will receive updates—through emails, reports, dashboards, or meetings.

2. **Understand Needs and Expectations:** Listen to stakeholder concerns to ensure project outcomes are aligned with their priorities.

3. **Build Trust and Transparency:** Communicate regularly and honestly to maintain credibility and surface risks early.

4. **Manage Conflicts and Misalignment:** Facilitate resolutions when goals are in conflict, using project objectives as a guiding framework.

Update the Stakeholder Register: Keep records current as new stakeholders emerge or roles shift throughout the project.

Defining Project Scope

While identifying stakeholders clarifies **who** is involved, defining the project scope clarifies **what** the project will deliver. The **project scope** is a detailed description of the project's goals, deliverables, features, boundaries, and constraints. It is typically documented in a **project scope statement**, which outlines what is included in the project—and just as critically—what is not.

Defining project scope is essential because it provides a roadmap for the project team, aligns stakeholder expectations, and sets clear limits for what the project will achieve. It supports resource planning, cost estimates, and scheduling. More importantly, it protects the project from a common and damaging risk: **scope creep**.

Understanding Scope Creep

Scope creep refers to the uncontrolled expansion of a project's boundaries without corresponding adjustments to time, budget, or resources. It often begins with small, seemingly harmless changes or assumptions. For example, a website redesign project may start with three planned features, but stakeholders begin requesting more functionality mid-project—such as extra pages, new integrations, or additional reporting tools—without formal approval or changes to the timeline.

Over time, these additions accumulate and can severely strain the project team, leading to delays, budget overruns, reduced quality, and missed expectations. Scope creep can happen when stakeholders are unclear about what is being delivered, or when the original scope wasn't

well documented. It may also occur when a project manager tries to accommodate every request to maintain stakeholder satisfaction without enforcing boundaries.

To avoid scope creep, the project scope must include clearly defined **in-scope** and **out-of-scope** items. For instance, in a training video project, "in scope" may include scripting and filming two videos, while "out of scope" might include editing for additional languages or developing training manuals. This clarity allows the project manager to respond to stakeholder requests by referencing the scope document and using a **formal change control process** if any adjustments are needed.

Ultimately, defining project scope is not just a technical task—it's a communication and alignment tool. It ensures that everyone involved in the project agrees on what success looks like and how to measure it, creating the conditions for efficient delivery and stakeholder satisfaction.

Example in Action: University Student Portal Project

Imagine a project to redesign a university's student portal. Stakeholders may include:

- Students (end users)
- IT department (technical delivery)
- Academic Affairs (content)
- Registrar's Office (data accuracy)
- Communications team (branding)
- Senior leadership (budget and alignment)

`The project manager must gather input from each group, document their expectations, and build a scope that reflects what can be achieved. For example:

- **In Scope:** User-friendly navigation, mobile compatibility, secure login
- **Out of Scope:** New student enrollment process, academic policy changes

Once this is documented, the PM shares the scope and stakeholder register with the team and begins detailed planning.

From Project Scope to Statement of Work and Project Charter

Once a project is approved through the feasibility and selection process, the next step is to **define the work in clear, actionable terms**. This begins with developing the **project scope**, which outlines exactly what the project will and will not deliver. The scope serves as the foundation for two critical documents in project initiation: the **Statement of Work (SOW)** and the **Project Charter**.

The **Statement of Work** is a detailed description of the project's deliverables, activities, timelines, and acceptance criteria. It serves as a contract—either formally binding in external projects or internally binding in organizational projects—between the project sponsor

and the project delivery team. While the scope defines the "what," the SOW explains the "how" in operational detail. For example, it specifies the services to be performed, the standards to be followed, the expected schedule, and the quality requirements for deliverables.

The **Project Charter**, on the other hand, is a higher-level document that **formally authorizes the project** and grants the project manager the authority to apply resources to the work. It includes a summary of the scope, objectives, major stakeholders, budget estimates, and key milestones. While the SOW is task-oriented, the Project Charter is governance-oriented, ensuring the project is officially recognized and aligned with organizational strategy (PMI, 2021).

These documents work together: the Project Charter secures **executive sponsorship and authority**, while the SOW ensures **operational clarity and mutual agreement** about the work to be performed. Both are essential for avoiding misunderstandings, preventing scope creep, and keeping all parties aligned from the start.

Example: Basic Statement of Work (SOW) – Website Redesign Project

Project Title: Corporate Website Redesign
Client: ABC Manufacturing, Inc.
Prepared By: Marketing & IT Department

1. Purpose:
To redesign the corporate website to improve user experience, update branding, and enhance e-commerce capabilities.

2. Scope of Work:
- Conduct stakeholder interviews and user experience (UX) audit.
- Develop updated site architecture and navigation structure.
- Design and implement new website theme consistent with brand guidelines.
- Integrate e-commerce platform with inventory management system.
- Conduct testing (desktop, mobile, tablet) and launch updated site.

3. Deliverables:
- UX audit report and recommendations.
- Finalized site map and wireframes.
- Fully functional, tested, and deployed website.
- Post-launch maintenance guide.

4. Schedule:
- Discovery & UX Audit: 2 weeks
- Design: 4 weeks
- Development: 6 weeks
- Testing & Launch: 2 weeks

5. Acceptance Criteria:
- Website meets all functionality requirements listed in the technical specification.
- Branding aligns with approved brand style guide.
- All e-commerce transactions process without error in test environment.

6. Payment Terms:
Milestone-based payments upon delivery of approved UX report, completed development, and successful site launch.

7. Assumptions:

- Client will provide brand assets within 5 business days of request.
- All content will be supplied by the client prior to development phase.

8. Signatures:

Project Sponsor: _____ Date: _____
Project Manager: _____ Date: _____

This example shows how a **Statement of Work** translates project scope into actionable, measurable, and mutually agreed-upon terms. When paired with a **Project Charter**, it ensures the project is both officially authorized and operationally defined—two prerequisites for a controlled and successful start.

References

Freeman, R. E. (1984). Strategic Management: A Stakeholder Approach. Pitman.

Project Management Institute (PMI). (2021). *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* – Seventh Edition. Newtown Square, PA: Project Management Institute.

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