

4 Changes to Better Stakeholder Relationships

As a procurement and supply chain management professional, crafting successful and mutually rewarding relationships with internal stakeholders can be challenging at best. Competing priorities, goals, and even interpersonal needs can severely limit the success of these collaborations if not doom them from the start. Here's how to keep your internal stakeholder relationships on track and even make them blossom.



BY COREY MATTHEWS, MAOL

Internal stakeholder relationships should be easy peasy, right? After all, you both work for the same organization and so, should both have the organization's best interests at heart. But that's often the problem, isn't it? What you and your procurement or supply chain management (PSCM) department believes is in the organization's best interest may not be what your stakeholder thinks is in the organization's best interest, let alone their own. Your stakeholder has a budget to protect for future initiatives. Your stakeholder has different and sometimes conflicting performance metrics which your "solution" might threaten. Your stakeholder also has

basic human needs your "solution" might diminish. Like the need for certainty, for instance, or the need for connection. Your stakeholder probably desires much less disruption than your "solution" will likely create in terms of their time, resources, and possibly the comfort and security of the trusted supplier relationships they've grown to enjoy. For these reasons, they may not care so much about a potential savings of 5%-10% that will come at the cost of disrupting their status quo. And they love their status quo because their life is made crazy enough by trying to meet the lofty goals and demands of the CEO, CFO, CIO, CMO, CHRO, CAO, CTO, Board of Directors, Spouse, Children, In-laws, Church Committee, PTA, HOA...

Your Mandate and Business Case are Not Enough

Face it, as a PSCM professional, even one with a "CEO's mandate", the odds are often stacked against you, especially if you're peddling a 3-6 moth RFP process based on a "flawless" business case for saving 5%-10%. Of course, that is assuming other factors do not prevent your projected savings from ever being realized. Factors like a pandemic, for instance, or an un-hedged raw materials cost spike, or a volume fuel purchase that backfires due to an unexpected oil glut, or a second-year price increase that kicks in due to missing volume commitments, which turned out to be overly optimistic. This is how your stakeholder might view your initiative, anyway, as just a colossal waste of precious time and resources that threatens the success of their own roadmap and their coveted status quo.

Please don't get me wrong. Your stakeholder may still be strong-armed into moving forward with your strategic sourcing, supplier diversity, S2P, or centralized forecasting project, but that won't necessarily make your life any easier for the next 3-6 months, or year. They can still drag their feet to delay the impending disruption to the status quo they so dearly love. "Still working the data but our best analyst is on PTO, so may be a few weeks." "Sorry, an urgent meeting has come up and I need to reschedule our two o'clock but I'm going overseas on Friday. How's the 3rd week of next month?" "Thanks for the analysis. I'll have my people review it and someone will get back to you (never)."

Start by Knowing Your Emotional Intelligence Quotient Baseline

A great first step in building strong stakeholder relationships is to understand your own Emotional Intelligence (EI) strengths and challenges. Mounds of academic and commercial research has made crystal clear the significant role EI plays in creating successful business relationships. EI is something you can actually change, and you can baseline your Emotional Intelligence Quotient (EQ) by taking a version of the leading commercial assessment for EI by MHS, Inc., the self-rater EQ-i 2.0 version or multi-rater EQ 360, with separate versions for leaders and individual contributors.

Knowing your baseline EQ will help you see where your natural overuse of Assertiveness, for instance, or natural underuse of Empathy, for instance, can hamper your efforts to build successful stakeholder relationships. Once you understand your EI strengths and challenges, you'll be more aware of the natural tendencies that can derail you, and therefore be more capable of monitoring and changing the way you interact with your stakeholders in situations that call for perhaps less use of your stronger EI skills and perhaps more use of the EI skills that don't come quite as easily for you.

The 4 Changes

There are four behavioral changes you can begin implementing to increase trust and collaboration with your stakeholders. Some of these changes will likely be more difficult for you than others, depending on your baseline EQ, so practice these harder changes with people whom you already share a high amount of trust and connection. And with that, here are the 4 Changes:

1. **Be Courageous.** Ask for feedback from your stakeholder on how you can improve. You can say, "I'm doing some professional development on myself and am making it a point to solicit feedback from a few of my co-workers and stakeholders on how I can improve. I would like to hear if there is something you would suggest I begin doing to support you or your group better than I've not been doing enough of in the past." Once they answer, ask: "What else?" And then, "Is there anything else?" And then thank them. Don't use this as an opportunity to defend yourself or try to explain away the past. Just thank them, apologize for any past missteps, if appropriate, and tell them you appreciate their feedback, and that you'll work on it.

2. **Stay Curious.** Resist putting on your "expert" hat when talking to your stakeholder. Keep wearing your "detective" hat instead. If you have a strong desire to be seen as just as competent and knowledgeable as your stakeholder about their domain, this can easily keep you from digging deep enough to truly uncover their needs, fears, and desires. Dig deep and reconfirm, even if it could make you look a little slow on the uptake. Resist that fear and instead, sincerely listen and reconfirm. Invite them to help you see the issue through their lens, then say something like "I think I'm beginning to understand where you're coming from here. Your perspective on this is..... Do I have that right?"
3. **Inquire Compassionately.** When discussing requirements, deliverables, and expectations, ask "What is your primary goal here?", "What are the pain points this project might create for you or your people?", "Can you tell me more about that?" "Is there anything else I should understand about that?" Once you hear them out, and have really listened to them rather than just having listened to respond, your stakeholder will be more open to hearing how your initiative fits with the larger corporate strategy, and the expected benefits to their department as well. Plus, by patiently and humbly hearing them out, you will be more likely to learn about the hidden roadblocks that will need to be removed to gain their full support and keep the project on track.
4. **Stay Connected.** Even when you think that everything is good with your stakeholder, make it a point to calendar regular progress updates, instead of waiting until you hit the next step or milestone in your process. Let them know when you expect to cross the next stage gate, clarify something, share what you're seeing, or just let them know that you're on pace. This will show them you have their best interests at heart and are doing all you can to minimize the disruption to their people, their needs, their goals, and their life.

Final Thoughts

Please do not try to use the 4 Changes if you are not sincerely interested in learning about and humbly considering and addressing your stakeholder's concerns. The 4 Changes are not an "influence hack." If you treat them as such, your stakeholder will see right through you, hopelessly dashing the relationship onto the rocks of your insincerity. However, you don't have to be perfect straight out of the gate, either. Try one change a week if that's what you can do. Experiment with the 4 Changes regularly with close colleagues first and then with your

stakeholders. Over time, you'll see them go from just a way of "doing" stakeholder relationships, to your new, more successful way of "being" in every relationship. Be Courageous by asking for feedback to help you improve. Stay Curious by setting aside your "expert" hat and digging deeper. Inquire Compassionately to truly understand their concerns and needs. And finally, Stay Connected to assure your stakeholder that you are working with their best interests in mind, in addition to those of the organization you both want and need to see succeed.

Lastly, the EQ-i 2.0 or EQ 360 assessments require certification to use, which I have. If you are interested in taking either of these, whether for yourself or along with your whole team, I would love to discuss it with you. You can reach me at corey@verticalreachcg.com.

Further Reading

If you want to read a great book on creating successful stakeholder relationships and on project management in general, I recommend *The Power of Project Leadership* by Susanne Madsen. If you want to learn more about how to ask powerful questions, I suggest you pick up *The Coaching Habit* by Michael Bungay Stanier. If you want to learn more about soliciting feedback for your professional and personal growth, you should check out *6 Tips for Requesting Feedback - Insights from Marshall Goldsmith*, a LinkedIn article by Meredith Bell.

Corey Matthews, MAOL, is Founder and Managing Director of VerticalReach Consulting Group, a procurement and supply chain management talent solutions firm that provides retained executive search, on-demand talent, and executive coaching for leaders, teams, and individual contributors.