

Case study: Clever
stakeholder management
led to a fast, out of cycle
budget win

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Many people I have talked associate storylines with documents.

However, while storylines are very powerful tools to use when preparing documents, they are equally powerful in a range of other situations.

In this example, Elizabeth beats difficult odds to win out-of-cycle funding for a \$10 million project using three storylines, only one of which forms the basis for a document.

Read on for two things:

1. Elizabeth's project story
2. The storylines Elizabeth prepared to secure her \$10 million in funding within a couple of weeks of the regulator issuing the project requirement.

#1. Elizabeth's story

Getting out-of-cycle funding for new projects can be difficult, particularly if they won't add to your bottom line.

Elizabeth, a project manager with a large Australian finance house, recently proved how this can be done.

By fully understanding each of her gatekeeper's concerns and pitching them individually at their point of interest (not hers) she gained the \$10 million in out of cycle funding she needed.

To appreciate what she did, it helps to understand the process Elizabeth worked through to get the funding.

1. She clarified the difficult situation herself found herself in
2. She identified who she needed to engage on the journey
3. She delivered the two main stories

I'll run through each of these in more detail now.

Step 1: She clarified the difficult situation she found herself in

Upon receiving a 'request' from the industry regulator to improve the way her business was reporting on some of its activities, Elizabeth's first reaction was to approach the finance team for the \$10 million she needed to complete the work.

However, she realised that finance may well say 'no' as her division had a heavy balance sheet and a habit of running a budget surplus.

To solve this, she negotiated her way through a series of different agendas using a clear understanding of each audience's position to craft three storylines: one for each interaction.

Step 2: She identified who she needed to engage on the journey

Elizabeth realised that she needed two main stories for the decision makers and another one to persuade her manager regarding her communication strategy itself.

The two main stories were for the leadership team and for finance, but she also needed approval and support from her manager during the leadership team conversations.

She first worked with a colleague to map out the general architecture for the stories she needed to take to the leadership team and to Finance.

Once these were bedded down – hand written on one A4 page – she prepared a story for her manager.

The story for her manager was designed to gain his approval of both her strategy and the general content of her presentations to both audiences.

It was a short meeting: In 10 minutes he agreed with her strategies and her presentation storylines and also to support her approach among the other leaders.

Step 3: She delivered the two main stories

Once this was agreed, she arranged a slot in the next leadership team meeting to discuss the budget prioritisation that was needed.

This meeting was predictably difficult with team leaders not wanting to give up their budgets to accommodate the new project, even though it was regulatory and therefore mandatory. However with quite some negotiation she extracted \$2 million seed funding for the project.

She then tweaked the Finance storyline to add in the details stemming from the leadership team meeting.

Finance was reluctant to part with such a large sum at once, but allowed her to start the projects by running them in deficit, effectively over riding the leadership team's protection of their budget numbers.

#2. Sample storylines and documents

- ❖ **Storyline to prepare for her conversation with her manager**, which was purely for her own use: to clarify her thinking around the conversation with him
- ❖ **Storyline to use when talking with her manager about the approach to take with the leadership team**: this was used as the foundation for the leadership team's pre-reading
- ❖ **Storyline used to shape the conversation with Finance** in relation to the funding request. She used the storyline in the conversation and provided backup documentation about the request from the regulator and the project plan itself to further justify the request.

Storyline for her manager: We need partial funding from the leadership team for the new project



The industry regulator requires us to do a big project, which will cost around \$10 million over the coming year.



However, we do not have enough cash to fund the extra project on our own.



How can we fund the extra \$10 million project?

We recommend working with the leadership team to get partial funding to demonstrate that we cannot fund this ourselves before going to Finance.

We need \$10 million on top of our current funding to run the new regulatory project.

- The preparatory phase will be expensive, requiring us to hire external consultants to fill skill and capacity gaps in our team
- The analytical piece will be complex and cannot be rushed if we are to meet their requirements and avoid expensive system rework
- The implementation and testing phases will be complex as the work touches mission critical systems and cuts across all areas of the business

However, Finance is unlikely to give us the \$10 million very easily.

- Finance has recently indicated that our business unit's habit of running a significant surplus at the end of each financial year is no longer tenable.
- The current budget environment is tight - and getting tighter
- Finance has received many requests recently for critical new projects that were not budgeted for at the start of the financial year

Therefore, we need to demonstrate to Finance that we really need the extra funding.

- Explain that completing the project is not a choice: it is mandatory
- Describe the complexities of the project
- Show them that we are willing to cut our spending to meet them part way
- Agree that running a large surplus is untenable in the current budgetary environment

Storyline for the leadership team: We need to identify sources of seed funding for new \$10 million regulator project



The industry regulator requires us to do a big project, which will cost around \$10 million over the coming year.



However, finance is unlikely to fund it while we have a heavy balance sheet and a history of surpluses.



How can we get funding for this project?

We recommend identifying sources of seed funding from Business As Usual budgets and project activities before approaching Finance for the remainder.

Identify funded projects that have been delayed or have not started and transfer some of their allocated funding across

- Project 1 has started late and so has not spent its budget so far
- Project 2 has been running slow due to staff shortages and has spent less than expected as a result
- Project 3 has had some surprise early wins that might mean it comes in under budget

Look for areas within regular Business As Usual activities that are not using their allocated funding

- We have recently renegotiated our software contracts, which has cut costs
- We have recently found a new training provider, which has cut our staff development costs

Allocate 'rainy day' cash from the balance sheet that could be allocated to the project

- Every year, for the past five years, we have run a budget surplus
- This year's spending patterns appear to match those of the past years
- Therefore, we can anticipate a surplus that could be used to contribute to this project

Storyline for Finance: Despite BU contribution, we need \$8 million to fund regulator project



The industry regulator requires us to do a big project, which will cost around \$10 million over the coming year.



However, we do not have enough cash to fund the extra project on our own.



How can we fund the extra \$10 million project?

We aim to fund the project by seeking \$8 million to cover the portion of the work that our business unit cannot cover in the current budget.

The business unit leaders have agreed to provide \$2 million toward this project.

- They have shaved \$800K from projects that have been late to start or slow to spend their budget so far this year
- They have identified \$700K from Business As Usual activities that could be given to the project
- They have provided another \$500K by delaying some other activities

However, even a tightly managed program will require another \$8 million on top of the leadership team's allocation

- The preparatory phase will be expensive, requiring us to hire external consultants to fill skill and capacity gaps in our team
- The analytical piece will be complex and cannot be rushed if we are to meet their requirements and avoid expensive system rework
- The implementation and testing phases will be complex as the work touches mission critical systems and cuts across all areas of the business

Therefore, we need an extra \$8 million to run the project

- We need assurance that we have the funding so we can hire the contractors within the next two weeks
- We need \$2 million delivered in irregular increments during Q1
- We need the remaining \$1 million per month for the following four months