Stakeholder Analysis and Management



Stakeholder analysis is essential. Think about your company or team stakeholders as potential partners. An organisation can only excel in a market if employees successfully meet every stakeholder’s expectations and demands and create trust in the relationships.

Personal relationships are an important aspect of every business. They want to gain support and acceptance for what they are trying to do. It’s impossible to keep everyone happy all the time, so there is a need to manage relationships to help organisations survive and grow in the market and deliver on their mission and purpose with the right key stakeholders.

The following steps will help you improve relationships with the most important stakeholders.

1. **Identify stakeholder groups**List your stakeholders.
2. **Map your stakeholders**Create a visual map of the groups of stakeholders. Be specific.
3. **Understand your stakeholders**Survey and question then summarise in needs, wants or concerns.
4. **Prioritise your stakeholders**Draw the influence-interest matrix.
5. **Develop strategies for action**Develop all potential projects. Create stakeholders’ cloakrooms.
6. **Communicate and develop relationships with stakeholders**Select and implement relationship-building projects, e.g. relevant elephant tasks.
7. **Monitor and review**Manage projects to ensure consistent implementation.

# Identify stakeholders

Think about your organisation, the business or project.

* Who could be affected by your business/project?
	+ Who could be affected during the business/project?
	+ Who could be affected after the business/project?
	+ Who could be affecting your business?
* Who could have an interest in the outcome?
* Which groups could be impacted or have an interest/stake?
* Who are the ones that can make you or break you?

Frequently, stakeholders are internal and external. Think about the following:

*Other departments or teams*

*Employees*

*Owners*

*Customers & Consumer groups*

*Suppliers*

*Competitors*

*Government*

*Financial Institutions*

*Media companies*

*NGOs*

*Labour unions*

*General public / public audiences*

# Map your stakeholders

Your stakeholders have different interests in your business and different influences on what you’re trying to achieve. You should be able to think about each dimension related to each stakeholder group.

When you think about stakeholders’ Interests, think of the following:

* What direct benefit do stakeholders expect to get from the project?
* What outcomes do stakeholders expect as a result of the project?
* What changes do stakeholders need to make as a result of the project?
* Are there any conflicts of interest among the stakeholders?

When you discuss Influence (Power), think in terms of:

* What legitimate authority do stakeholders have in the organisation?
* Who controls the project assets and resources?
* What degree of influence or negotiation power do your identified stakeholders carry in the organisation?

Use the template on the next page to allocate stakeholders into various groups. You may want to make extra copies and change their positions later.

\* Write or draw stakeholders in this matrix concerning how much influence and interest they have in your success.

Anticipate and meet the needs

Keep satisfied

Regular, minimal contact

Monitor and anticipate needs

Keep completely informed

 Manage closely and thoroughly

High

Low

Low

High

Power

Interest

# Understand your stakeholders

Basic stakeholder analysis – what are the:

1. Stakeholder expectations
2. Quick Wins
3. Long-term issues/concerns

The following questions can help you understand your business stakeholders.

**Questions (in two groups) for assessing stakeholder interests**

* What are the stakeholder’s expectations?
* What exactly is the stakeholder’s interest?
* What are they interested in?
* What are they expecting to gain?
* What are their concerns?
* What do they need?
* What would be quick wins for this stakeholder?
* What are their long-term issues/concerns?
* What actions could we take to address the stakeholders concerns?
* What would be a win/win outcome for us/our business/project and this stakeholder?

**Questions for assessing stakeholder importance/legitimacy**

* How much influence does the stakeholder have?
* Is the stakeholder more or less influential in certain areas/capacities?
* Do they have legal rights?
* How could they hinder us?
* Have we come across the stakeholder before?
* What was their involvement/status?
* What responsibilities do we have to this stakeholder?
* What are the stakeholders’ stakes?

**Use the following additional questions to help you understand the project stakeholders.**

1. What financial or emotional interest do they have in the outcome of your work?
2. Is it positive or negative?
3. What would your dream outcome (for this project) be?
4. What does success look like for yours and theirs team?
5. What problems are most important for them that you are trying to solve?
6. In your words, what are the problems you should be trying to solve?
7. What are your needs and concerns?
8. What’s the most important thing for us to get right?
9. How would you characterise the target audience?
10. If you could ask users one thing, what would it be?
11. What affects or influences them?
12. What do they believe?
13. What do they value?
14. What motivates them? What motivates them most of all?
15. What is their current opinion of our work? Is it based on good information?
16. Who influences their opinions generally, and who influences their opinion of us?
17. Do some of these influencers, therefore, become important stakeholders in their own right?
18. If they are not likely to be positive, what will win them around to support your project?
19. If you don’t think you will be able to win them around, how will you manage their opposition?
20. Whose interests might interfere with yours?
21. What would be a reason why we would not be able to get this outcome?
22. If you and you alone had full control over the project, what would you do differently?
23. Who else should we talk to?
24. How will you know if this is successful?
25. What information do they want from you? How do they want to receive information from you?
26. What is the best way of communicating your message to them?
27. What potential threats or opportunities do they represent?
28. Who else might be influenced by their opinions? Do these people become stakeholders in their own right?

# Prioritise your stakeholders

Detailed analysis of stakeholders (power-interest matrix):

|  |  |  |
| --- | --- | --- |
| High power (influence) | Keep satisfied | Manage closely(Key players) |
| Low power (influence) | Monitor (minimum effort) | Keep informed |
|  | Low interest | High interest |

Someone’s position on the grid shows you the actions you have to take with them **(**the **interest** a stakeholder has in a project or organisation’s chosen strategy):

* High influence, interested people: these are the people you must fully engage and make the greatest efforts to satisfy. These stakeholders should shape your project in the early stages.

Not only does this make it more likely that they will support you in the future, but their input can aid the quality of your project. They can also assist with gaining the correct level of resources for your project.

* High influence, less interested people: put enough work in with these people to keep them satisfied, but not so much that they become bored with your message.
* Low influence, interested people: keep these people adequately informed and talk to them to ensure that no major issues arise. These people can often be very helpful with the details of your project.
* Low influence, less interested people: again, monitor these people, but do not bore them with excessive communication.

When charting stakeholder’s position on your grid, you can use colour coding to identify which stakeholders are expected to be “blockers” or critics and which are likely to be “advocates” and supporters of your project, team, or company. Chart the advocates and supporters in green, blockers and critics in red, and others who are neutral in blue.

# Create Stakeholder’s cloakroom

”Stakeholder Cloakrooms” is a CMC approach to identify stakeholders and the overall aims related to each stakeholder. Each stakeholder has their own cloakroom for projects and activities with respect to a particular aim in their relationship.

Each hanger in a cloakroom represents an aim in relation to that particular stakeholder. Studying the aims of each stakeholder on a regular basis helps you focus on what matters and prioritise goals and tasks. Continue with more stakeholders.

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| --- |
| Stakeholder name: **e.g*. Employees*** |
| Overall aim: | Employeeship culture |
| # | Activity / Project / Elephant task | Related goal / Key area | Reference |
| 1. | Attraction |  |  |
| 2. | Selection |  |  |
| 3. | On-boarding/Induction |  |  |
| 4. | Professional training |  |  |
| 5. | General training |  |  |
| 6. | Assessment |  |  |
| 7. | Retention |  |  |
| 8. | Inspiration |  |  |
| 9. | Pay system/Remuneration |  |  |
| 10. | Career planning |  |  |
| 11. | Exiting |  |  |
| 12. | … |  |  |
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Decide and focus on the main activities for the next period and then set strategic goals for each STAKEHOLDER.

When you set new goals, make sure you write them down in your [PracticalManager](http://www.practicalmanager.com/) or other personal productivity tool.

# Communicate and develop relationships with stakeholders

Now it’s time to develop strategies for action. Think carefully about your current strategies and identify any conflict areas (organisation vs stakeholder, stakeholder vs stakeholder, team vs stakeholder).

Things to take into consideration while dealing with stakeholders:

* Could you eliminate any processes which do not add stakeholder value?
*(Help yourself with the CMC’s* [*Value Indicator tool*](https://clausmoller.com/en/online-hr-companion/)*)*
* How would you communicate with stakeholders?
* Do your communications encourage stakeholder “exchange”?
* Do you communicate to the stakeholders the value of the deal?

|  |
| --- |
| Stakeholder name: |
| Stakeholder expectation/need/ want | Stakeholder’s opinion of business with regard to each criterion(high/medium/low) | Quick wins | Long-term issues |
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\* An additional column may be added to identify the state in which you and the stakeholder want to be at a certain time.

# Monitor and review

Manage the projects to ensure consistent implementation and monitor the relationships with your stakeholders.

A good way to monitor is to do a regular survey of key stakeholders' satisfaction and engagement: employees, suppliers and customers.

***Remember!***

You should ***“Put people first”*** and invest time in creating relationships with personal trust. It requires EI at all levels, including the fingertips of your organisation.

Emotional intelligence skills can help you establish competence for relationship building and inform decisions in building good relationships.

* Read [*Heart Work*](https://clausmoller.com/en/product/heart-work/) book to learn more and use CMC’s [PEQM assessment](https://clausmoller.com/en/product/personal-eq-meter-peqm/).
* [Practical Manager](http://www.practicalmanager.com) tool will help you with a pulse survey of your eNPS and satisfaction.
* You can conduct a thorough study of employee engagement and commitment with the help of CMC’s [Employeehsip Meter](https://clausmoller.com/en/product/team-energy-meter-for-single-team/) assessment.

Contact the CMC office for support and advice in applying practical principles in stakeholder relationship management.