

Stakeholder Analysis

Winning support for your projects

Stakeholder Management is an important discipline that successful people use to win support from others. It helps them ensure that their projects succeed where others fail. Stakeholder Analysis is the technique used to identify the key people who have to be won over. You then use Stakeholder Planning to build the support that helps you succeed.

The benefits of using a stakeholder-based approach are that:

- You can use the opinions of the most powerful stakeholders to shape your projects at an early stage. Not only does this make it more likely that they will support you, their input can also improve the quality of your project
- Gaining support from powerful stakeholders can help you to win more resources - this makes it more likely that your projects will be successful
- By communicating with stakeholders early and frequently, you can ensure that they fully understand what you are doing and understand the benefits of your project - this means they can support you actively when necessary
- You can anticipate what people's reaction to your project may be, and build into your plan the actions that will win people's support.

How to use the tool:

The first step in Stakeholder Analysis is to identify who your stakeholders are. The next step is to work out their power, influence and interest, so you know who you should focus on. The final step is to develop a good understanding of the most important stakeholders so that you know how they are likely to respond, and so that you can work out how to win their support - you can record this analysis on a stakeholder map.

After you have used this tool and created a stakeholder map, you can use the stakeholder planning tool to plan how you will communicate with each stakeholder.

The steps of Stakeholder Analysis are explained below:

1. Identifying Your Stakeholders:

The first step in your stakeholder analysis is to brainstorm who your stakeholders are. As part of this, think of all the people who are affected by your work, who have influence or power over it, or have an interest in its successful or unsuccessful conclusion.

The table below shows some of the people who might be stakeholders in your job or in your projects:

Your boss	Shareholders	Government
Senior executives	Alliance partners	Trades associations
Your coworkers	Suppliers	The press
Your team	Lenders	Interest groups
Customers	Analysts	The public
Prospective customers	Future recruits	The community
Your family		

Remember that although stakeholders may be both organizations and people, ultimately you must communicate with people. Make sure that you identify the correct individual stakeholders within a stakeholder organization.

2. Prioritize Your Stakeholders:

You may now have a long list of people and organizations that are affected by your work. Some of these may have the power either to block or advance. Some may be interested in what you are doing, others may not care.

Map out your stakeholders on a Power/Interest Grid on our free template as shown in figure 1, and classify them by their power over your work and by their interest in your work.

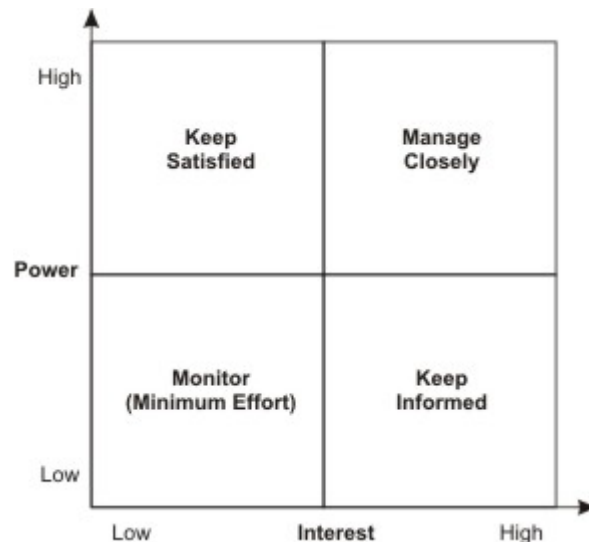


Figure 1: Power/Interest Grid for Stakeholder Prioritization

For example, your boss is likely to have high power and influence over your projects and high interest. Your family may have high interest, but are unlikely to have power over it.

Someone's position on the grid shows you the actions you have to take with them:

- **High power, interested people:** these are the people you must fully engage and make the greatest efforts to satisfy.
- **High power, 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 power, interested people:** keep these people adequately informed, and talk to them to ensure that no major issues are arising. These people can often be very helpful with the detail of your project.
- **Low power, less interested people:** again, monitor these people, but do not bore them with excessive communication.

3. Understanding your key stakeholders:

You now need to know more about your key stakeholders. You need to know how they are likely to feel about and react to your project. You also need to know how best to engage them in your project and how best to communicate with them.

Key questions that can help you understand your stakeholders are:

- What financial or emotional interest do they have in the outcome of your work? Is it positive or negative?
- What motivates them most of all?
- What information do they want from you?

- How do they want to receive information from you? What is the best way of communicating your message to them?
- What is their current opinion of your work? Is it based on good information?
- Who influences their opinions generally, and who influences their opinion of you? Do some of these influencers therefore become important stakeholders in their own right?
- If they are not likely to be positive, what will win them around to support your project?
- If you don't think you will be able to win them around, how will you manage their opposition?
- Who else might be influenced by their opinions? Do these people become stakeholders in their own right?

A very good way of answering these questions is to talk to your stakeholders directly - people are often quite open about their views, and asking people's opinions is often the first step in building a successful relationship with them.

You can summarize the understanding you have gained on the stakeholder map, so that you can easily see which stakeholders are expected to be blockers or critics, and which stakeholders are likely to be advocates and supporters of your project. A good way of doing this is by color coding: showing advocates and supporters in green, blockers and critics in red, and others who are neutral in orange.

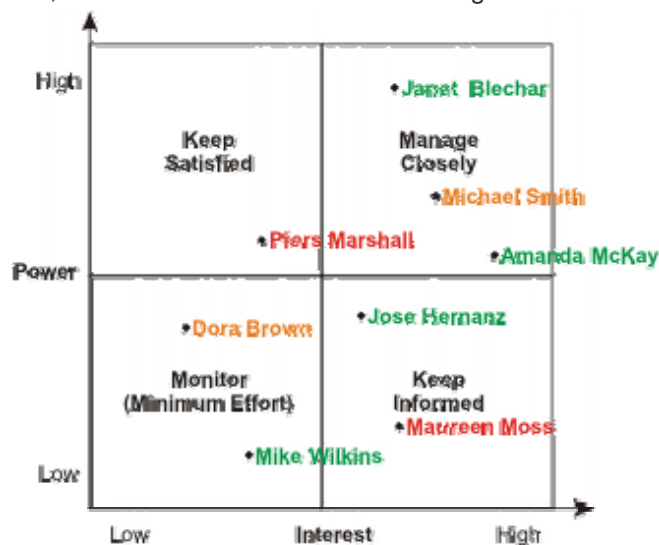


Figure 2: Example Power/Interest Grid With Stakeholders Marked

Figure 2 shows an example of this - in this example, you can see that a lot of effort needs to be put into persuading Piers and Michael of the benefits of the project - Janet and Amanda also need to be managed well as powerful supporters.

Example:

You can create your own example of stakeholder analysis at work - whether for your current role, a job you want to do or a new project.

Conduct a full stakeholder analysis. Ask yourself whether you are communicating as effectively as you should be with your stakeholders. What actions can you take to get more from your supporters or win over your critics?

Key points:

As the work you do and the projects you run become more important, you will affect more and more people. Some of these people have the power to undermine your projects and your position. Others may be strong supporters of your work.

Stakeholder Management is the process by which you identify your key stakeholders and win their support. Stakeholder Analysis is the first stage of this, where you identify and start to understand your most important stakeholders.

The first stage of this is brainstorm who your stakeholders are. The next step is to prioritize them by power and interest, and to plot this on a Power/Interest grid. The final stage is to get an understanding of what motivates your stakeholders and how you need to win them around.

Having conducted a Stakeholder Analysis exercise, you will have most of the information you need to plan how to manage communication with your stakeholders. You will have identified the stakeholders in your job and in your projects, and will have marked out their positions on a stakeholder map.

The next stage is to plan your communication so that you can win them around to support your projects. Stakeholder Planning is the process by which you do this.

To carry out a Stakeholder Planning exercise, download our free Stakeholder Communications worksheet. This is a table with the following column headings:

- **Stakeholder Name**
- **Communications Approach**
- **Key Interests and Issues**
- **Current Status** - Advocate, supporter, neutral, critic, blocker
- **Desired Support** - High, medium or low
- **Desired Project Role** (if any)
- **Actions Desired** (if any)
- **Messages Needed**
- **Actions and Communications**

Using this table, work through the planning exercise using the steps below:

1. Update the Worksheet with Power/Interest Grid Information:

Based on the Power/Interest Grid you created in your stakeholder analysis, enter the stakeholders' names, their influence and interest in your job or project, and your current assessment of where they stand with respect to it.

2. Plan Your Approach to Stakeholder Management:

The amount of time you should allocate to Stakeholder Management depends on the size and difficulty of your projects and goals, the time you have available for communication, and the amount of help you need to achieve the results you want.

Think through the help you need, the amount of time that will be taken to manage this and the time you will need for communication. Help with the project could include sponsorship of the project, advice and expert input, reviews of material to increase quality, etc.

3. Think Through What You Want From Each Stakeholder:

Next, work through your list of stakeholders thinking through the levels of support you want from them and the roles you would like them to play (if any). Think through the actions you

would like them to perform. Write this information down in the 'Desired Support', 'Desired Project Role' and 'Actions Desired' columns.

4. Identify the Messages You Need to Convey:

Next, identify the messages that you need to convey to your stakeholders to persuade them to support you and engage with your projects or goals. Typical messages will show the benefits to the person or organization of what you are doing, and will focus on key performance drivers like increasing profitability or delivering real improvements.

5. Identify Actions and Communications:

Finally, work out what you need to do to win and manage the support of these stakeholders. With the time and resource you have available, identify how you will manage the communication to and the input from your stakeholders.

Focusing on the high-power/high-interest stakeholders first and the low-interest/low-power stakeholders last, devise a practical plan that communicates with people as effectively as possible and that communicates the right amount of information in a way that neither under nor over-communicates.

Think through what you need to do to keep your best supporters engaged and on-board. Work out how to win over or neutralize the opposition of skeptics. Where you need the active support of people who are not currently interested in what you are doing, think about how you can engage them and raise their level of interest.

Also, consider how what you are doing will affect your stakeholders. Where appropriate, let people know as early as possible of any difficult issues that may arise, and discuss with them how you can minimize or manage any impact.

Tip:

It is usually a good idea to manage people's expectations about likely problems as early as possible. This gives them time to think through how to manage issues, and preserves your reputation for reliability.

Once you have prepared your Stakeholder Plan, all you need to do is to implement it. As with all plans, it will be easier to implement if you break it down into a series of small, achievable steps and action these one-by-one.

Summary:

As the work you do and the projects you run become more important, you will affect more and more people. Some of these people have the power to undermine your projects and your position. Others may be strong supporters of your work.

Stakeholder Management is the process by which you identify your key stakeholders and win their support.

Stakeholder Analysis is the first stage of this, where you identify and start to understand your most important stakeholders. The first step in this is brainstorm who your stakeholders are. The next is to prioritize them by power and interest, and to plot this on a Power/Interest Grid. The final step is to get an understanding of what motivates your stakeholders and how you need to win them around.

Once you have completed your Stakeholder Analysis, the next stage is Stakeholder Planning. This is the process you use to plan how to manage your stakeholders and gain their support for your projects.

Stakeholder Planning can usefully be conducted using a planning sheet like the one described. To prepare your plan, go through the following steps:

1. Update the planning sheet with information from the power/interest grid
2. Think through your approach to stakeholder management
3. Work out what you want from each stakeholder
4. Identify the messages you need to convey
5. Identify actions and communications

Good Stakeholder Management helps you to manage the politics that can often come with major projects. It helps you win support for your projects and eliminates a major source of project and work stress