

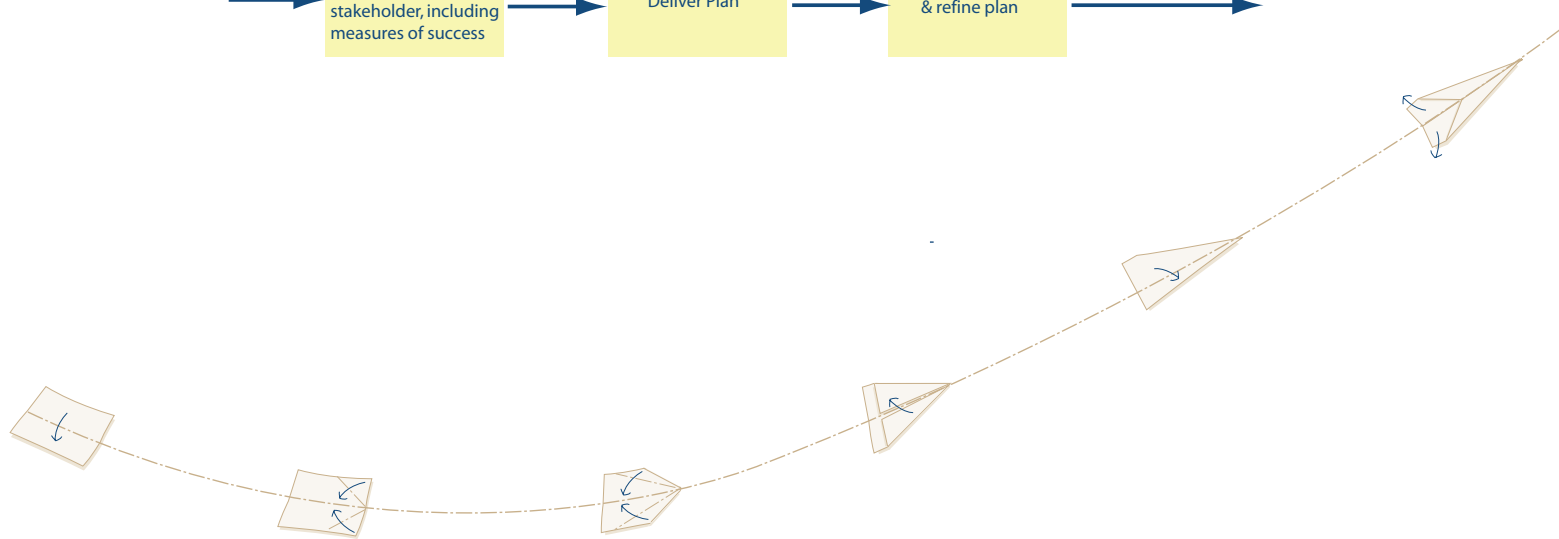
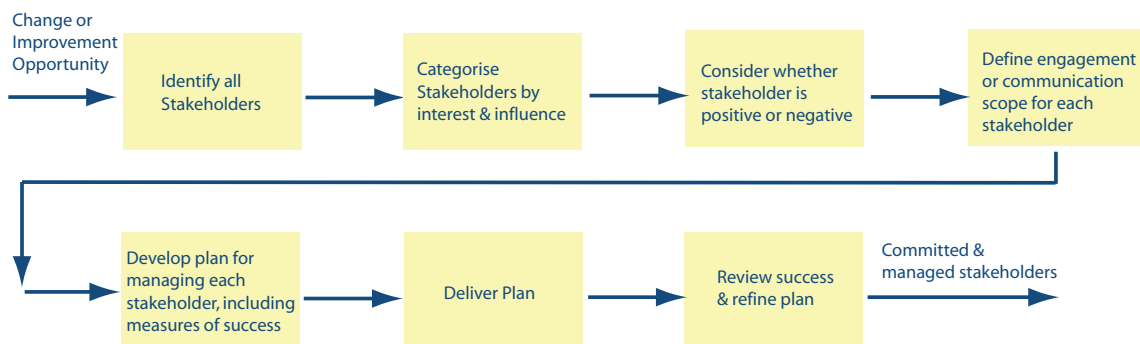
# Managing your Stakeholders

## MANAGING STAKEHOLDERS

In a working environment where change is constant, we need to develop competence in managing change. Changes, even small ones, inevitably involve a range of people, from the positive to the negative, from the influential to the powerless, from the interested to those who really don't care. Regardless of their position, you need to manage the situation, and the various people who can and will affect your outcome, if you want to be able to deliver change on time and in full.

This articles seeks to explore what we mean by stakeholders, and looks at some of the approaches we can use to manage them appropriately.

Generally speaking there is a simple process that can be applied to stakeholder management of any kind and we will explain each step in turn. The overall process is:



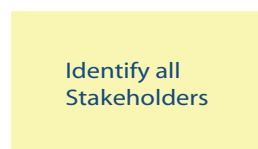
## WHO ARE STAKEHOLDERS?

Stakeholders are defined as anyone who could or should have an interest in what you are trying to achieve. They are individuals, groups or organisations who stand to lose or win as a result of your success or failure. They will have different characteristics depending on the project or work you are focussing on, and they are worthy of serious consideration because they will have the power to help or block your progress.

Stakeholders may be external to the organisation such as customers, service users, media, politicians, pressure groups, partners or suppliers. Other stakeholders will be internal: staff generally, particular delivery or functional teams or individuals, project managers, the Chief Executive, directors, or sometimes, simply – ‘the boss’.

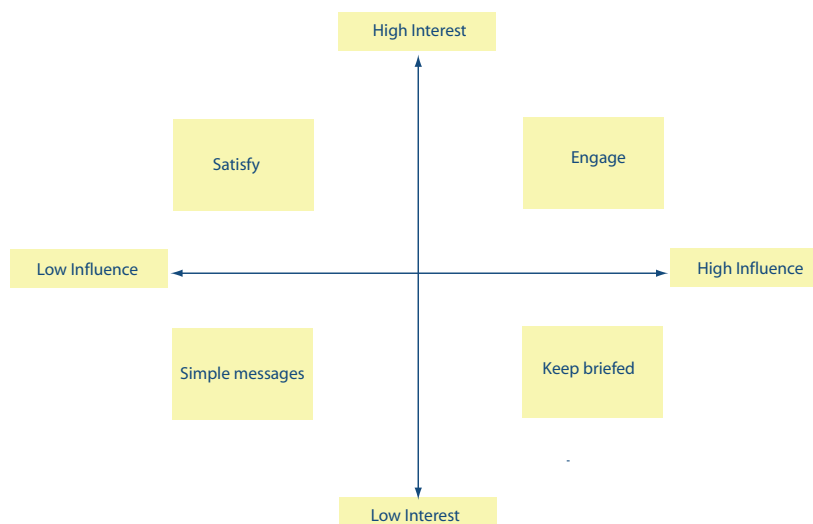
Knowing and understanding who your stakeholders are is the essential first step in managing them, and when working with clients to deliver either major change programmes or specific business improvement projects, we advocate the development of a list of stakeholders. This must be generated by those who lead own and lead the change and can be simply achieved by a brainstorming session, with constant reference to stakeholder definition.

## STEP ONE – IDENTIFY STAKEHOLDERS



### How can we categorise stakeholders and why bother?

As we have established stakeholders will vary enormously depending not only the organisation and the type of change being implemented but in how they respond. Unless we can discern the differences we can end up needlessly deploying organisational resource in managing them, or ignore crucial influence that could potentially prevent our success. We therefore need a means by which we can categorise stakeholders as a basis for planning how to manage them through the change. Step 2 therefore involves a simple allocation of stakeholders from our list generated at Step 1, into a grid. The grid simply asks the question as to how interested and how influential our stakeholders are.

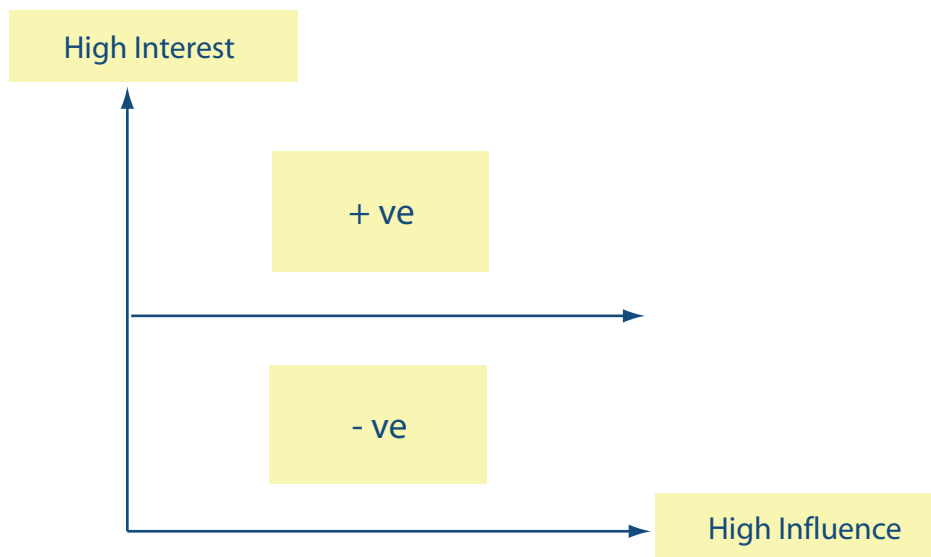


A simple way to achieve this is by discussion involving those who are leading and managing the change, and creating a visual representation, using a large board and sticky notes. There will undoubtedly be debate, and it is not unusual for the team to move stakeholders around the board as discussion and disclosure takes place.

### STEP TWO – CATEGORISE YOUR STAKEHOLDERS

Categorise Stakeholders by interest & influence

By now you will start to have a better feel for your stakeholders' perspectives, but you need to go further into their disposition. To do this, you will need to consider whether they are positive or negative, as this will have the most impact on achieving your goals. You can use the same diagram as in Step 2, and subdivide each quadrant:



By doing this you will have completed Step three:

Consider whether stakeholder is positive or negative

### DEFINING COMMUNICATION OR ENGAGEMENT

Having divided your stakeholders into quadrants and further into positives and negatives, you must consider each one individually to determine the level of engagement or communication which will give you a prioritised list in terms of the degree of effort and the type of communication or engagement you will need to use. Let's take for example, a key group of customers/users who are positive and have high levels of interest and influence, you may decide to:

- Invite a sample of them to bi-annual focus groups to test changes to products or services and ask them to define what is important to them as customers/users
- Involve them in the development of a satisfaction survey
- Survey them annually
- Send update literature quarterly about changes within the organisation and invite their comment

As a different example, let's take a change of policy within in an organisation that will affect a large number of staff in different ways. You may have identified a group of administrative staff who will have significantly more detailed work to do as a result of the change; they have high interest and influence, but are negative. You may decide that in engaging them, you will:

- Meet all of them in small groups to explain the purpose and value of the change and the risks that must be managed
- Ask for volunteers to join the change team
- Provide weekly updates by email of progress made by the change team
- Ensure that the change owner at senior level will 'walk the floor' for an hour or two every week and discuss face-to-face with individuals how they believe the change is being managed
- Build discussion on the matter into weekly team meeting discussions and ask Team Leaders to feedback

A third example might be another agency or organisation that operates in your environment who are certainly stakeholders, but have low interest and low influence, and are generally positive. As a result, you decide to send them a monthly 1-page update of bullet points, summarising changes, with contact numbers if they have any queries.

You may find that two or three groups of stakeholders have identical needs

You have now completed Step four:

Define engagement  
or communication  
scope for each  
stakeholder

## DEVELOPING A PLAN

As a result of considering each of the stakeholders and working out individual needs and how to meet them, you will have a clear picture of the degree of effort and resource required. This will allow you to construct a clear plan, which will include who does what, and by when. You will also need to decide how you will measure the success of the stakeholder management could include:

- Verbal feedback, noted and reported to the change leader/owner
- Specific surveys
- Completion of milestones according to project plan
- Degree of co-operation, support and volunteering.

The level of sophistication of measurement will depend upon the nature and complexity of the change, and should match, for example, a simple change will have a simple approach to measurement.

You will now have completed Step five – Develop a plan

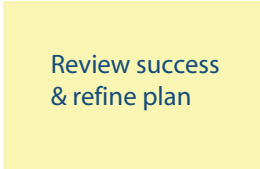
## DELIVERING THE PLAN

Your next task is to deliver on the plan! As part of overall project management, it will form part of the change plan, and must be adhered to. This clearly requires use of resource, which must be made available. Any difficulties encountered must be raised and dealt with to stay on track.

## REVIEW AND REFINEMENT

The purpose of regular review against plan by the change team is to ensure that it is on track, and reviews must be built in at intervals relevant to the project and scope of change. Feedback may indicate that you need to change your approach to stakeholders, or they may change position on the grid, for example, their degree of influence might change. Naturally, the aim will be to move all stakeholders from negative to positive! Either way, management of stakeholders may require scaling up or down.

You have now completed Step seven – Review and refine the plan



Review success  
& refine plan

## CONCLUSION

Stakeholder management is simple but not easy! In our experience of both small improvement projects and major change programmes, a number of situations occur whereby stakeholders:

- are ignored
- involved by default rather than explicit action
- treated in exactly the same way regardless of importance
- involved randomly, with non-influential groups absorbing a lot of time and effort
- are considered only too late, when the success of the project is at risk.

There are a number of implications of any or all of the above problems occurring, including wasted resources, damaged relationships, damage to the organisation's reputation, or at worst, complete project failure.

### Contact Us:

If you want to discuss how we can help your organisation with practical stakeholder management, give us a call on 0870 458 6162, or e-mail us at <mailto:seriousfun@ad-esse.com>



## FURTHER INFORMATION

To receive regular case studies and articles like this one, you can subscribe to our newsletter 'Actuality'. Contact us at Ad Esse Consulting Ltd.

PHONE: +44 (0) 870 458 6162 EMAIL: [seriousfun@ad-esse.com](mailto:seriousfun@ad-esse.com) WEBSITE: [www.ad-esse.com](http://www.ad-esse.com)