

Stakeholder Analysis and Stakeholder Management - PM Hut

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By [David Viney](#)

What is a Stakeholder?

Try “define: Stakeholder” in Google and you will be surprised by the huge differences in the way this simple word is defined. It perhaps proves - in a way - just how confused people get about Stakeholder Management and how inconsistent the different approaches to it can be!

My simple definition is “anyone affected by a decision and interested in its outcome”. This can include individuals or groups, both inside and outside your organisation.

Stakeholder Analysis

The first step in Stakeholder Analysis is to assess the Influence and Importance (two different things!) of each individual Stakeholder or Stakeholder group.

Influence is defined as the extent to which a stakeholder is able to act on project operations and therefore affect project outcomes. Influence is a measure of the power of the stakeholder. Factors likely to lead to higher influence include the extent of control over the project funding and the extent to which the stakeholder informs decision-making around investments in technology and business change.

Importance is defined as the extent to which a stakeholder’s problems, needs and interests are affected by project operations or desired outcomes. If ‘important’ stakeholders are not assisted effectively then the project cannot be deemed a ‘success’.

Where Stakeholders are both important and influential, then they are primary stakeholders and must be fully engaged in the governance and steering of the project, if it is to succeed. Where Stakeholders are either important or influential, then they are secondary stakeholders and need to be actively managed during the project.

The second step in Stakeholder Analysis is to understand the current position of each Stakeholder with respect to the project objectives and expected outcomes. For this purpose, a series of Stakeholder Interviews and Surveys should be undertaken, to understand the degree of engagement and the degree of commitment.

Engagement is a measure of how well the Stakeholder understands the challenges the project seeks to tackle and the strategy, plans and outcomes. A low engagement score signals a lack of understanding.

Commitment is a measure of how supportive the stakeholder is. A low score signals hostility, whilst a high score signals strong support.

Ideally, of course, any project wants engaged, informed stakeholders who actively support the project objectives and outcomes. An ill-informed supporter can be just as dangerous as a well-informed objector!

Stakeholder Management

There are many different suggested approaches for Stakeholder Management. In the chapter on influencing (stakeholders) in my (free to access) Intranet Portal Guide, I offer a simple, tried and tested, four-way approach:

1) Partner

Primary stakeholders (with high influence and importance to project success) are likely to provide the project 'coalition of support' in planning and implementation. As such, you should partner them to increase their engagement and commitment (revising and tailoring project strategy, objectives and outcomes if necessary to win their support).

2) Consult

Secondary stakeholders with higher influence but lower importance need to be 'kept on board'. You should consult with them to actively seek their opinions and input for key decisions (and not only those which may affect them directly). It is unlikely you would alter your strategy as a result of such consultation, but you might well alter your tactics (e.g. the who, when or where of project plans) to maintain higher levels of commitment.

3) Inform

Secondary stakeholders with lower influence but higher importance need to be kept informed of decisions taken that may affect them directly. It is unlikely that they would play an active role in making those decisions. However, were they to highlight a particular issue with a decision, it is likely serious consideration would be given to refining the decision made.

4) Control

Control is appropriate where a stakeholder isn't important or influential and they need help only to respect any decisions taken. Objections to or issues raised are unlikely to be given serious consideration (as they would otherwise divert valuable management attention and resources).

Conclusions

Stakeholders are key to successful Project Delivery in the modern organisation. Both Stakeholder Analysis and Stakeholder Management are vital tools and should be used iteratively throughout a project to keep everyone on the same page. Be aware that different approaches are appropriate for different Stakeholder types. You can't keep all the people happy all the time. Check out my guide for more hints, tips and tools.

David Viney (david@viney.com) is the author of the Intranet Portal Guide; 31 pages of advice, tools and downloads covering the period before, during and after an Intranet Portal implementation.

Read the guide at http://www.viney.com/DFV/intranet_portal_guide or the Intranet Watch Blog at http://www.viney.com/intranet_watch.

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