

What is Stakeholder Analysis? - Part 2 - PM Hut

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September 11, 2011

April 11, 2008 | Author: PM Hut | Filed under: [Project Management Definitions](#)

What is Stakeholder Analysis? - Part 2 (#2 in the series [What is Stakeholder Analysis?](#))
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In an earlier article, we reviewed few basics on [Stakeholder Analysis](#). In this article, let us review few more important information.

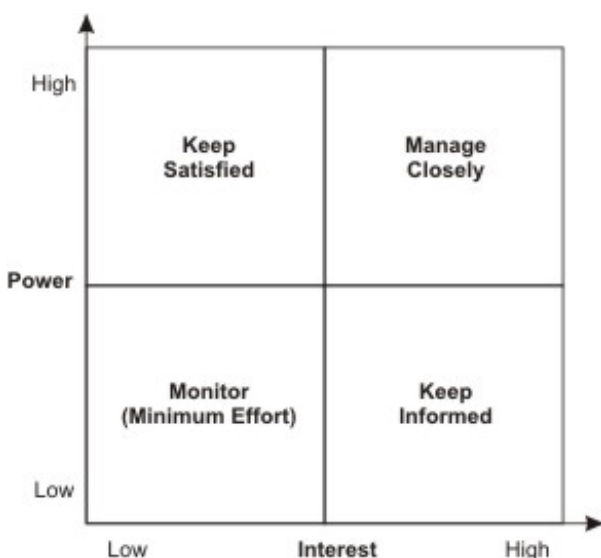
Whatever method is for stakeholder management used, following are essential steps for stakeholder analysis:

- Stakeholder identification and documenting their interests (+ve or -ve) in the project
- Assessing the power of, importance of & level of impact upon each stakeholder
- Identifying how best to engage stakeholders in the project by analyzing their reactions or response in different situations.

There are multiple category of models available, some of them:

- Power/Interest grid
- Power/Influence grid
- Influence/Impact grid

Power/Interest grid is widely used tool in stakeholder analysis & it is used in assessing stakeholders (step 2). In this model, each stakeholder is mapped to different quadrant based on their interest on the project against the influence (power) they have over the project.



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.

Even the identified stakeholder is an organization, it is better to exactly document the key person's name for the organization to have better control over situation at times.

As a Project Manager we need to know - when to do & use stakeholder analysis outputs in Project Management Life Cycle?

Let us try to answer this question in detail.

Stakeholder analysis can be undertaken throughout all stages of the project cycle, but it definitely should be undertaken at the outset of a project. Moreover, project stakeholders have high influence over the project at the start and it decreases as the project continues.

In particular, during the Initiating phase, process of identifying stakeholders impacted by the project is crucial. Project Manager can get list of key stakeholders from earlier projects executed in their organization. Project manager should document relevant information regarding stakeholders' interests, level of involvement, and their impact on project success.

During the Planning phase, a detailed stakeholder analysis, involving all key stakeholders, will help shape the development of strategic actions and risk analysis. Stakeholder analysis is an important input for Project manager in Communication Planning.

In the Execution phase, stakeholder analysis will help identify who, how and when stakeholders should be involved in project activities and whom to communicate regarding project progress depending on their responsibility & authority levels.

During the Monitoring & Controlling phases, the stakeholder analysis serves as a tool, providing a baseline against which projects can monitor and evaluate the effectiveness of their engagement with stakeholders, both supportive and opposing.

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