What is Stakeholder Analysis - Part 3 - PM Hut

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What is Stakeholder Analysis - Part 3 (#3 in the series What is Stakeholder Analysis?)
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This topic is continuation of earlier posts *What is Stakeholder Analysis* and *What is Stakeholder Analysis - Part 2*.

In this final post we discuss the three essential steps in stakeholder analysis in detail. Following are the vital steps in any stakeholder analysis:

Stakeholder identification and documenting their interests (+ve or -ve) in the project

This is the first step in stakeholder analysis. In Stakeholder identification process, project manager with the help of project management team need to identify all individual or organizations impacted by the project, and documenting their interests. Stakeholder identification is critical for any project - usually it is done early planning stage, and complete knowledge about stakeholders increases probability of project success.

Key stakeholder identification may be easy task to do. General list of key stakeholders are:

- Project Manager,

- Customer/user, Project team members,

- Performing organization,

- Project management team,

- Sponsor and

- Major influencers.

Above key stakeholders are actively involved in the project & whose interests may be affected as a result of project execution or project completion.

Identifying other or secondary stakeholders can be done either brainstorming or interviewing with experts/project management team on the project area. Project manager can start with an analysis of the stakeholders and then link them to specific threat and opportunity factors.

Some of the key questions project manger may ask at this step include(not limited to):

- Who is threatening the target of this project?

- Who is most dependent on this project?

- Has there been a similar project in the market? If so, to what extent did it succeed? Who was in charge and how did local stakeholders respond?

- Who possesses claims – including legal jurisdiction and customary use – over the project/resources at stake?

- Is any government departments to be involved in this project?

- Are there national and/or international bodies involved in this project because of specific laws or treaties?

- Who are the people or groups most knowledgeable about, and capable of dealing with the

project at stake?

- Are the stakeholders and their interests stable across the globe or is there any identifiable pattern exists?

- Are there major events/trends/activities currently affecting the stakeholders?

- Is this project replaceable by other project(s)?

Best tool in identifying the key stakeholders and their interests is brainstroming. Begin by brainstorming all possible stakeholders using a questionnaire(like the one listed above). Then research the general stakeholder behavior. Talk to various stakeholders, and ask them who they would see as potential stakeholders for the initiative in question. The list of stakeholders may grow or shrink as the analysis progresses, and the understanding deepens. Further, try to learn about each stakeholder group in as much depth as possible.

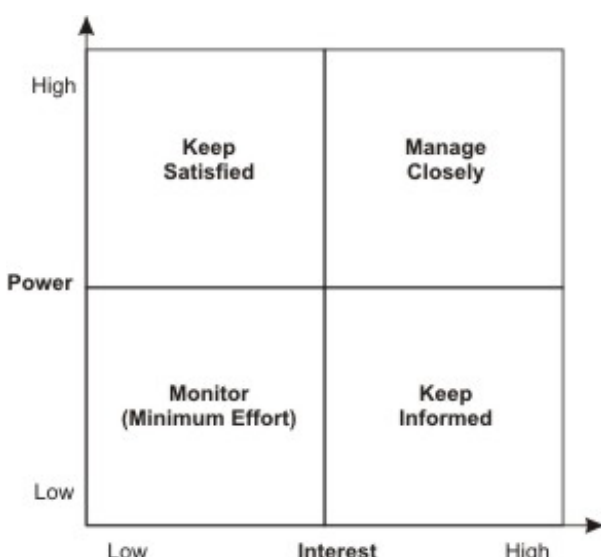**Assessing the power of, importance of & level of impact upon each stakeholder**

In this step, stakeholders are organized and categorized according to their likely influence over decisions to be made, and the likely impact of project decisions upon them.

Key questions for this second step in a stakeholder analysis include(not limited to):

- Who is directly responsible for decisions on issues important to the project?

- Who holds positions of responsibility in interested organizations?

- Who is influential in the project area (both thematic and geographic areas)?

- Who will be affected by the project?

- Who will promote/support the project, provided that they are involved?

- Who will obstruct/hinder the project if they are not involved?

- Who has been involved in the area (thematic or geographic) in the past?

- Who has not been involved up to now but should have been?

Power - Interest grid (as shown below) is the best tool to plot the stakeholders based on the outcome of above questions. Depend on the quadrant a stakeholder plotted, project manager need to plan his future actions.

Explanation on actions for these quadrants already available in .

Identifying how best to engage stakeholders in the project by analyzing their reactions or response in different situations

Finally, the third step involves determining how to involve the different stakeholders. Different types of stakeholders will be engaged in different ways in the various stages of the project, from gathering and giving information, to consultation, dialogue, working together, and partnership. Determining who needs or wants to be involved, and when and how that involvement can be achieved provides the basis for developing collaborations.

Once stakeholder views are understood, a decision can be made on whether to pursue collaboration. The

importance of the process in planning and conducting successful collaborations cannot be overemphasized. Good-faith efforts are often derailed because the parties are not skilled in working together, and because insufficient attention is given to designing and managing it. Using an inclusive, transparent approach during project development and implementation will help build ownership and commitment. If it is not possible or realistic to have all key stakeholders involved from the outset, then a process for gradual involvement may be needed.

(Reference : Stakeholder Collaboration by Ecoregional Conservation Strategies Unit, Research and Development, WWF, Washington)

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