Stakeholder Analysis

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WHAT IS IT?

Stakeholder analysis isn't so much a research method as it is an important process you should undertake to have a better understanding of who you are working with, where they provide the most value and how to effectively communicate with them.

WHY DO YOU NEED IT?

There are several reasons why you should take the time to do this analysis:

- Understand who the project key influencers are that can support you early on.
- Resources – with the support of the powerful stakeholders you can potential increase people, time and budget.
- Communication – key to the success of any project, the analysis gives you a clear idea of who needs the most effort to be kept on side.
- Understanding all your stakeholders will be of value in predicting their response to project challenges. Being prepared means negative reactions can be minimised.

WHEN DO YOU NEED IT?

Early on, as you begin to familiarise yourself with the project begin to find out who are the stakeholders. In many cases the process is assisted by the project kick-off meeting.

HOW DO YOU DO IT?

There are several stages to the analysis:

1. **Identify your stakeholders** – if you are lucky enough to attend the kick-off meeting, you will have a very good idea of who the stakeholders are, there may be others though, e.g. marketing, legal and also external bodies like the government or third parties. If there is no such meeting, reach out to colleagues and brainstorm all potential stakeholders.
2. **Prioritise the identified stakeholders** (ensure you have the main stakeholders – decision makers, rather than their staff – although these too can help influence, so don't rule them out completely.) It's important to remember that some of these stakeholders can easily put the brakes on your work … as well as help push it forward. This is where the power/interest stakeholder grid comes in. The position on the grid (see Figure 1) determines the actions you need to take with them:

- **High power, highly interested people** fully engage these people and make the greatest efforts to satisfy them.
- **High power, less interested people** do enough to keep these people satisfied, but don't inundate with your message.
- **Low power, highly interested people** inform these people, they can be helpful with the project detail, so talk to them to ensure that no major issues are arising.
- **Low power, less interested people** monitor these people, but again, don't inundate with excessive communication.

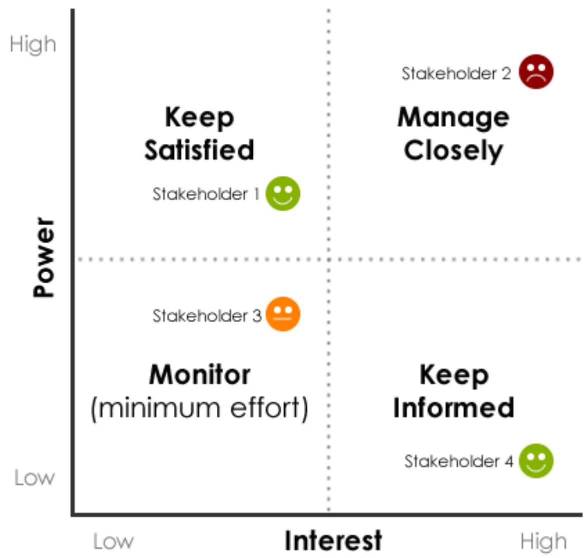

Figure 1. Stakeholder Analysis Grid (Mendelow, 1981)

3. **Understand your stakeholders** – as a professional interested in people, this will probably be the area you're most comfortable with, but it takes time. You need to discover how they feel about the project, what's in it for them – is it all good, or are they concerned it's going to be more work on their already very busy schedules? The quickest was to do this is set some time aside with each stakeholder and ask them talk about their role on the project, and probe to get answers to questions like:
    - What information do they want from you?
    - What's their view on the project? What will be a good outcome for them if they are opposed to it?
    - Who do they work with? Who do they listen to/influences them? And similarly, who is influenced by them?

With answers to these questions, you can begin to work out who is pro/against/indifferent to the project and also add this information to the grid.

As you will have seen above, it's clear that communication is of great importance in managing stakeholder relationships. The aim of the communications is to maintain existing and win over support for the project. Now, to accompany your grid, you need a corresponding spreadsheet to include further information to refer to periodically.

4. **The communication approach** depends on the size of the project – you may need more than one person. Are you only keeping stakeholders informed or are you going to need them for expert advice, resources? The amount of time spent managing the stakeholder will increase if they are required for review and approval. Add the communication apporach and frequency to a new column on your spreadsheet.
5. **Your stakeholder needs** – it is important to be aware of what you want from the stakeholders – keep these needs in mind, the greater the need/dependency, the more effort you'll need to put into the stakeholder relationship management. Add any needs or dependencies to your spreadsheet.
6. **Purpose and benefits** – always ensure that the purpose and immediate benefit of the need (as well as benefit to the project/organisation overall) is communicated clearly with the stakeholder. Document the benefits to the different stakeholders on your spreadsheet.
7. **Communication mode** – now consider the best way to communicate with the stakeholders: face-to-face, email, visual progress summaries. Again, add this to your spreadsheet.
8. **Implementation** – you're pretty much good to go, you only need to plan when you'll be communicating. Ahead of milestones is good, but if you are running a more agile development process, the frequency may need to be upped. Always remember to not overload stakeholders who are less interested in the project. Ensure you have time to communicate – add it as a regular task on your to do list.

Remember that projects needs and stakeholders can change over time. Be sure to update your stakeholder analysis and communication plan to reflect this.

WANT TO KNOW MORE?

More detail on stakeholder analysis:
https://ux.shopify.com/stakeholder-mapping-6264d0c40df6
For more detail including templates:
https://www.mindtools.com/pages/article/newPPM_07.htm