STAKEHOLDERS - CAN'T LIVE WITH THEM, CAN'T LIVE WITHOUT THEM

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An important, first step in the design stage of a project is to review your stakeholders in the new service to be delivered. Stakeholder identification and management are two areas that, given due time and consideration, can significantly benefit any piece of collaborative project work.

However, they are key to embarking on the design phase as they must be involved in the design of the new service in order to gain their buy-in during the process.

The OGC's report on public sector shared services recommends that you should '*Ensure stakeholder buy-in is obtained from the outset and sustained throughout the development and implementation of the Shared Services solution[1].*'.

Defining who your stakeholders are…

In the rush to 'get on' with the tasks at hand, though, they can easily be neglected – or ignored completely.

Typically, you should consider the needs of any group that touches or is touched by the service under review.

Consider the customers of the service (internal to your organisation as well as external customers), for example:

- the staff who work within the service
- the managers of either of these sets of stakeholders
- any elected members, board members
- central government bodies
- trade unions and
- associated third sector and community sector partners.

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[1] OGC (2008): *Learning the lessons: lessons from shared services initiatives.* London: Office of Government Commerce – Major Projects Directorate, Bulletin One,

stakeholder

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1.   a person or group owning a significant percentage of a company's shares

2.   a person or group not owning shares in an enterprise but affected by or having an interest in its operations, such as the employees, customers, local community, etc

— adj

3.   of or relating to policies intended to allow people to participate in and benefit from decisions made by enterprises in which they have a stake: *a stakeholder economy*

Don't forget that stakeholders come in all shapes and sizes and that they all need to be 'named', to make sure you are not missing out on a vital group.

3 Steps to Identifying and Managing Your Key Stakeholder Groups

1.   *Creating a* **Stakeholder Identification Grid** *(Fig. 1)*

Identify your stakeholders and assess where they sit on a grid of **support** for the shared services work you're about to embark on, compared to their **influence** on this work.
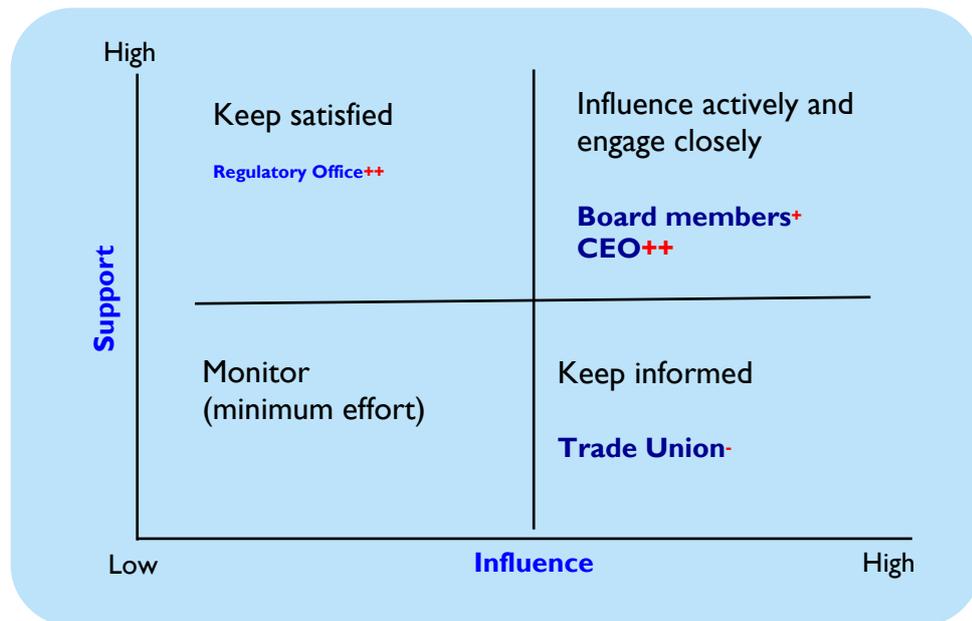
This is normally an interactive, flipchart-style exercise, which a project team will undertake in collaboration with representatives from the subject area under review. The initial purpose is to ascertain where, in the grid, each group sits.

Determine the **relative positivity** or **negativity** of each of your stakeholder groups as this will determine how you will need to communicate and work with them.

I usually find simply denoting a "+" or a "–" in red next to each name sufficient at this stage (see Fig. 1, over the page).

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Fig.1: Stakeholder Identification Grid

High

Keep satisfied

Regulatory Office++

Influence actively and engage closely

Board members+
CEO++

Support

Monitor
(minimum effort)

Keep informed

Trade Union-

Low   **Influence**   High

Stakeholder management is not a one-off exercise but is reviewed periodically (monthly) to determine where levels of support may have changed and whether the project needs to put additional actions in place to address these changes.

Completing this grid as a project team should ensure that everyone who has either an interest in, or influence over, the piece of work is identified.

2. Creating **The Stakeholder Management Matrix** (on the next page).

The project team can then agree:

- the current and desired levels of support for the work
- what the best approach might be for each of the stakeholder groups and
- who might be best placed to manage relationships with each stakeholder group for the duration of the project.

The rationale behind this approach to stakeholder management is to ensure that 'current levels of support' matches 'desired level of support.

Not all stakeholder groups can or will be advocates for the changes that are going to take place, but the project team needs to understand where its stakeholders are on this continuum and whether and when support levels change over time.

Academics David Archer and Alex Cameron, who specialise in collaborative leadership, emphasise the importance of, '…*a management style and skill set that engages all participants by*

designing constructive processes for working together, convenes appropriate stakeholders and facilitates and sustains their interaction[1]'.

3. Identifying and **Managing The Stakeholder Levels Of Support** (Fig. 3)

The *Stakeholder Management Matrix* (Fig. 2) assigns all stakeholders (individuals or groups) a '*current*' and '*desired*' level of support for the duration of the project.

However, as the programme evolves over time, this status will change. Your stakeholder management communications should support the migration of all stakeholders to their desired level of support, and then keep them there.

Stakeholder management is not a one-off exercise but is reviewed periodically (monthly) to determine where levels of support may have changed and whether the project needs to put additional actions in place to address these changes.

Fig. 3 identifies the categories that stakeholders fall into – Critic, Neutral, Supporter and Advocate – and offers tips on how to leverage each into the supporter zone - and keep them there, for the success of the project.

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[1] *Archer, D. & Cameron, A. (2009) 'Tough times call for collaborative leaders',* Industrial and Commercial Training, Vol 41 Iss: 5 pp 232 – 237

Fig.2: Stakeholder Management Matrix

Stakeholder Group	Stakeholders within Group (names)	Characteristics	Proposed contact frequency	How?	Level of influence on success	Current Level of support for project	Desired Level of support for project	How will Finance Transition impact this stakeholder group?	How will FT benefit this group (ie 'what's in it for me')	When will this change take place for this group?	Start engaging with stakeholder (date)	Relationship Owner
FINANCE TEAM												
	Finance Director		2 times per week	Face to face (individual) Email	High	Advocate	Advocate	Decreased span of control; decreased overall cost model	Significant contribution to budgetary savings		On-going	Project Manager
RTR team	HR Manager I SAP list	Large change management and local HR role	Weekly	Face to face (individual or group) Email	High	Critic	Neutral	Potential redundancy or redeployment Key to knowledge transfer	Opportunity for personal changes, CV development through transition experience	Now until future date	Now	Project supplier I
PTP team	Manager 2	End-to-end process alignment, hand-off points	Weekly	Weekly meetings	Low	Critic	Neutral			Now until future date	Now	Project supplier 2
OTC team	Mangers & direct report	End-to-end process alignment, hand-off points	Weekly	Weekly meetings	Low	Critic	Neutral			Now until future date	Now	Project supplier 2

The sample matrix above shows a snapshot at the beginning of a major Shared Services Finance programme. Your matrix would have significantly more line entries and as much detail as you can add.

Fig.3: Managing The Stakeholder Levels Of Support

This tool, identifies the categories that stakeholders fall into: *Critic, Neutral, Supporter and Advocate* – and offers tips on how to leverage each:

Types of stakeholders	Capitalise on	Be aware
Critic	Give due consideration to the points that critics make. They often care deeply about the work that's being undertaken. If a critic points out the pitfalls that happened in previous, similar work, then they can help you not to repeat past mistakes.	Pointing out a flaw in your logic or raising an issue does not turn a stakeholder into a critic. Don't be too quick to assign this label to an individual or a group. Critics that are ignored can quite easily become saboteurs, actively working against the project.
Neutral	Accept that some people may be neutral or even ambivalent to your project. Ensure that they're consistently kept informed as part of your communications commitments and focus on the stakeholders that warrant more attention.	Don't mistake neutrality for tacit acceptance. Neglected neutrals can become disenfranchised. Passive resistance will need to be understood and addressed.
Supporter	Feed your supporters key messages and check regularly that their position remains positive. Supporters can be nurtured to become the next generation of advocates should your project need this.	Beware of complacency. The last thing you need is to turn off your supporters. Ensure that you give them sufficient attention and take their feedback on board.
Advocate	Colleague advocates can generate a groundswell of support across the organisation. Advocates are also a great way to garner informal feedback that can be incorporated in your change management planning.	An over-enthusiastic advocate can sometimes 'promise the world', leading to disappointment in the actual deliverables from the project. Ensure that the messages your advocates spread align to the deliverables of the work.

Your stakeholder management communications should support the migration of all stakeholders to their desired level of support, and then keep them there.