



Stakeholder Analysis

Partnerships are often formed to bring about some form of change – doing something new or better or stopping doing something. Change will often involve people, and may mean them changing their behaviour.

Stakeholder analysis is a very useful, simple technique, which can be used to assess the level of interest, and the degree of change necessary for the success of the project. It can help inform the development of the project communications plan.

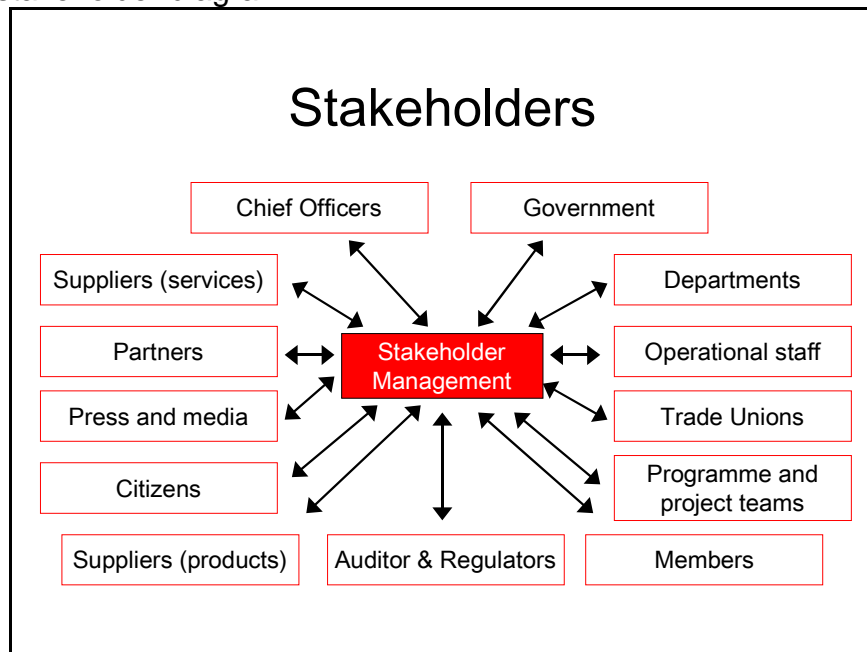
What is a Stakeholder?

A stakeholder is an individual or group who has an interest in the outcome of a project and the environment in which the project applies. It can be anyone affected by the project.

Typical examples include :-

- | | |
|---------------------|--|
| Service users | Chief Officers |
| Customers | Suppliers & contractors |
| Residents | Trade unions |
| General public | Inspectorates & Regulators |
| Partners & agencies | Internal services (ICT, legal, HR, Finance, etc) |
| Employees | Project team members |
| Members | |
| Cabinet | |

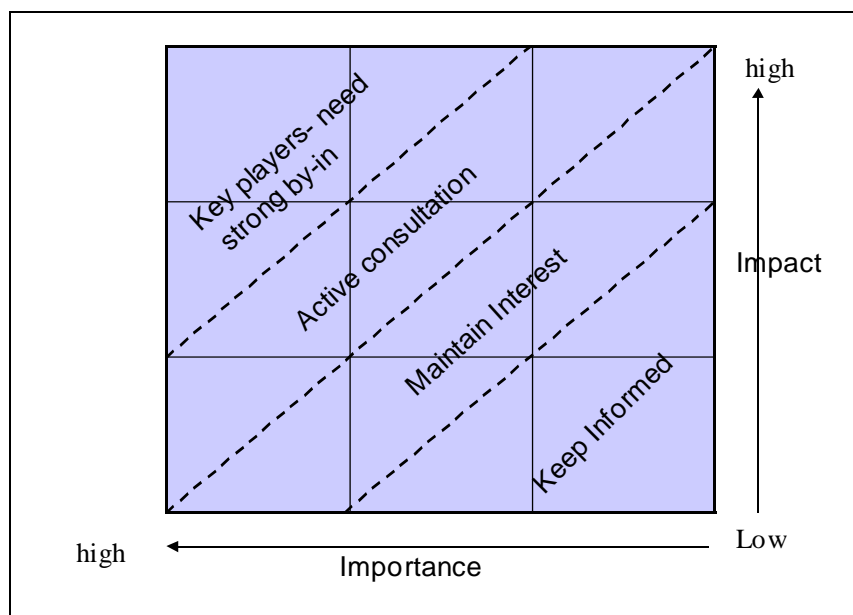
A typical stakeholder diagram :-



What role do stakeholders have?

Projects are about change and doing things differently (new or better). Often people need to change the things they do, or the way they do it, in order to realise the project benefits. Individuals or groups will feel differently about the changes needed depending on the potential affect of the change on them. Also, the support or buy-in of some individuals / groups will be more important than others.

There are a number of 2 dimensional matrixes that can be used to analyse stakeholders (for example : Importance to stakeholder v impact on stakeholder is shown below). A different response will be required depending on the combination.



What does stakeholder analysis involve?

- ✓ Identify the stakeholders in the project (or change)
- ✓ Understand what the benefits (or disadvantage) of the change mean for them
- ✓ Consider what changes are needed to enable the benefits to be realised
- ✓ Assess their likely resistance to change
- ✓ Assess their current level of commitment
- ✓ Assess their potential impact on the project
- ✓ Assess their level of importance / influence
- ✓ Assess their required level of commitment (at least accepting the change)
- ✓ Agree what actions are needed, according to their level of influence and the degree of change required.

The results of the analysis can be recorded using a simple matrix (see below) and should be used to inform the project communications plan.

Stakeholder Analysis Matrix

Stakeholder group	Potential benefits	Change needed	Possible resistance (drivers & reasons)	Underlying issue (root problem or concern)	Anti (against the change happening)	None (neutral)	Let (will allow the change to happen)	Help (will support the change)	Make (actively promoting the change)

A simple worked example for the development of a new product

Stakeholder group	Potential benefits	Change needed	Possible resistance (drivers & reasons)	Underlying issue	Anti (against the change)	None (neutral)	Let (will allow the change)	Help (will support the change)	Make (actively promoting the change)
Sales reps	Increased sales, increased commission	Learn about the new product	none				current		desired
Foreman	none	Oversee design and production	Loss of control or power	Loss feelings of inadequacy	current			desired	
Manufacturing teams	none	Design and create new product	Extra/ more complex work New skills	Fear of job losses, technical competence	current				required