



DELIVERING SUSTAINABLE SOLUTIONS

STAKEHOLDER MANAGEMENT

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Stakeholder management has become a key activity within any organisation's operations whether you are a global energy company embarking on a major new project in Africa or a not-for-profit organisation developing a campaigning strategy in Europe. Managing the expectations of the full range of people and groups who could be affected by your activities is essential to ensure success. Taking account of their different perspectives can reduce risk, add value to your project and ensure that it is genuinely sustainable in the broadest possible sense.

WHY SHOULD I BE INTERESTED?

We live in an increasingly interconnected world with ever higher levels of scrutiny of the impact of an organisation's activities (economically, environmentally and socially). Expectations and demands on both the business and not-for-profit sectors are increasing. Different groups or 'stakeholders' who may be affected by an organisation's activities create demands and can affect the delivery of these activities both positively and negatively. Each group of stakeholders can generate pressures that need to be understood, evaluated and managed in order that the ultimate impact of this pressure is to add sustainable value to your project.

Traditionally, stakeholder management was limited to engagement with local and national government but the widespread development of organised 'civil society' consisting of community organisations, NGOs and other interest groups over the last twenty years has necessitated a more comprehensive approach.

In some cases, consultation, a key element of stakeholder management, is mandatory for projects. However, there is also a clear business case for stakeholder management. When it is done well, the different perspectives and knowledge from external groups will improve your delivery, reduce your project risks and help to ensure that you can maximise the sustainable value of your operations.

WHAT ARE THE TYPICAL COMPLICATIONS?

- Local, national or international concerns relating to a project or a set of activities are not recognised or acknowledged until too late, leading to significant adverse media and relationship issues (governments and public).
- Retrospective changes to the project, delays, possible damages payments and loss of reputation are expensive and could jeopardise the project's viability
- Opportunities to maximise the sustainable value of the project by working with selected stakeholder groups are missed, reducing the return on investment
- Cultural and local differences are not recognised creating problems with project delivery

Even when organisations undertake stakeholder management, there are often significant problems:

- Each stakeholder brings different perspectives and expectations and may speak a different 'language' – organisations often find it hard to engage positively in this context
- Not all stakeholders are identified, causing conflict
- Organisations do not recognise that continuous stakeholder engagement and management is essential throughout all stages of the project lifecycle and not just at the beginning to 'tick the box'
- Organisations often simply go through a stakeholder analysis without developing a fully differentiated stakeholder management strategy



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HOW CAN BUSINESSMINDS HELP?

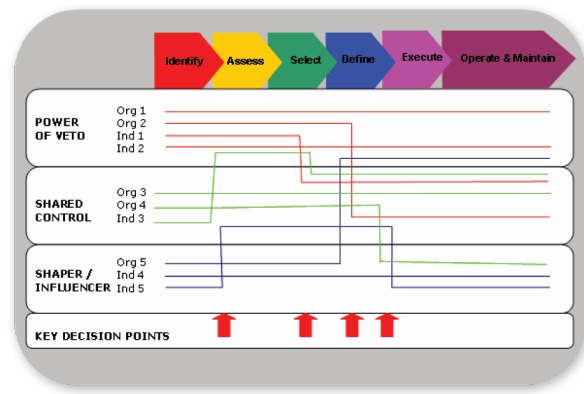
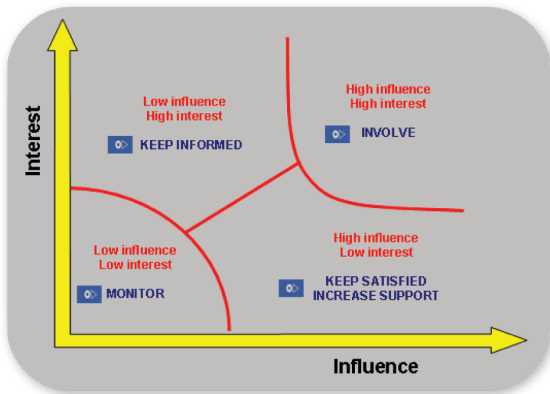
BusinessMinds has wide experience of stakeholder management from the commercial, public and nongovernmental sectors. We speak the 'language' of the different sectors and can help to interpret between them. BusinessMinds links the stakeholder management plan to the project lifecycle offering an integrated view and ensuring that a strategy is developed that goes through the whole lifecycle and is dynamic to the changing needs of the project.

HOW DO WE DO THIS?

The approach starts within an Opportunity Framing¹ exercise to ensure a clear understanding of what success could look like and the road map to get there. During the framing of the project the main stakeholders are identified and categorised. To ensure that all stakeholders are identified, this exercise casts the net very widely encompassing all groups that could affect or could be affected by the project.

Stakeholders will vary from project to project but typically may include your employees, shareholders, customers, contractors, funders, communities, other businesses, national and international NGOs, media, local and national government and multilateral agencies (such as World Bank). Your level of influence over these organisations and individuals varies widely. This drives both the type and nature of your engagement.

A power analysis of the identified stakeholders is then carried out which results in an interest / influence map. This is a useful tool to evaluate the expectations and the impact of particular stakeholders. It gives a visual representation of the project team's answers to the following questions: how interested is each stakeholder group to influence decisions?; and, do they have the means and power to do so?



The analysis is then extended to look at different points in the project cycle to provide a time-related mapping of how interest and influence may change throughout the project. This enables strategies to be put in place at each stage of the project lifecycle which ensure that you are engaging with the right stakeholders at the right time and you can plan resourcing that is appropriate and fit-for-purpose.

It also provides a template that can be revalidated as you move through the project so you can react to changing circumstances.

¹ Opportunity Framing is a BusinessMinds tool usually applied with tools like Stakeholder Management



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WHAT ARE THE BENEFITS?

Using BusinessMinds' set of tools for stakeholder management provides a structured approach to deliver a time-based stakeholder management plan. It ensures that you avoid the potential pitfalls of less integrated approaches and enables you to:

- Understand the different perspectives of all your stakeholders and put in place strategies to manage the expectations of key stakeholders
- Maximise the benefits of stakeholder engagement – reducing your project risk and increasing its sustainable value
- Only do as much work as is necessary at each point in the project cycle by differentiating between stakeholders and tailoring a strategy that is time-dependent and flexible

WHO DO I TALK TO?

For a discussion about how BusinessMinds can help you get the most out of Stakeholder Management call us on +31 70 392 7894 or send an email to info@businessminds.eu



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