

Stakeholder Management: Getting the most out of them or you?

Stakeholder Management (SM) is a title that – unlike many of terms and labels found in business, which can over-elaborate or complicate the simplest of activities – does exactly what it says on the tin. SM is the practice of involving, understanding and working with any person who has a stake or interest in a project, task or piece of work you are involved in. If you've never heard of the term before, you might be surprised to learn that you'll already be doing SM. It is something we all do in our lives, both private and professional, from when we were kids: managing and dealing with people who have an interest in what we do. The 'management' part of SM is perhaps the easiest to understand, as it involves simple, good management techniques. I will cover this part later in this article, but for now, let us consider the 'stakeholder' aspect of SM.

Knowing your stakeholders

The most important part of SM is no more complicated than knowing who your stakeholders are. Before we discuss this, it might first be helpful to elaborate upon what a stakeholder actually is.

Stakeholders are any people or groups who have a say, stake or interest in the work you are involved in. Everything you do at work will have a stakeholder, even if you are a self-employed individual (e.g. customers, bank, HMRC, etc.). A common perception is that stakeholders are only those parties with whom you have a direct involvement with (e.g. your boss); or that SM starts and finishes with your customer. But – while these 2 stakeholders are very important – to restrict SM to your manager and your customer would be to miss an opportunity and possibly reduce the chances of your work being successful.

A simple way to categorise your stakeholders is to consider – as defined above – who will have a say, stake or interest in your work. Let us label them as Type 1, Type 2 and Type 3 stakeholders:-

- Type 1: have power to veto or make your work happen/facilitate it; are likely but not necessarily directly involved in your work
- Type 2: are directly involved in your work, but do not have the power to veto it
- Type 3: have no direct involvement or power, but will have an interest.

It is not suggested that you label stakeholders in this way however, by broadening the scope of your SM activity to all 3 types, you will ensure that you recognise all the stakeholders that you might want to manage. It would be usual for Type 1's to receive the higher priority and focus but, depending upon their level of acceptance of your work, this will not always be the case. Indeed, as we'll discuss below, while Type 3's cannot (directly) block your work, they can be a useful ally and could also influence Type 1's and Type 2's, so they should not be ignored. By managing all types of stakeholder, you improve the chances of your work succeeding. Furthermore, by managing all types you set a precedent of good practice with your stakeholders, which will make future SM work much easier.

Now you have cast your net far and wide, you can begin to identify who your stakeholders are. Type 1 stakeholders are the easiest to identify (e.g. boss, customer, other departments your work relies upon, etc.), and Type 2's shouldn't be too tricky either (e.g. colleagues, people who report to you, etc.), but Type 3's can be harder to spot. A good way to help identify these is to breakdown your work into all its elements, then think about who might have an interest in each of these. When you do this, try to take the perspective of someone looking at your work from the outside, rather than looking at your work from your own perspective.



When you have identified all of your stakeholders and their role, try to establish (or predict) what their views on your work will be. This could be based on their past actions & opinions, or determined simply by having a preliminary discussion with them and asking for their views. One of the key benefits of good SM is to identify any potential obstacles to your work, but of course, to overcome these you first need to know what they are. Likewise, by uncovering any objections, you can: (1) identify a potential flaw in your work and a way to improve it, and (2) consider how best to tackle them. This is one of the key reasons as to why SM is so important. If you are not just engaging with your stakeholders to be polite, or – should they be a potential blocker to your work – to overcome them, then why bother? What are you trying to achieve?

As previously mentioned, good SM will definitely contribute towards a successful outcome to your work. It will help to break- down barriers which exist between groups (if the work

crosses various disciplines/departments). It greatly improves your management skills generally, as it forces you to manage people who may not be directly under your influence or control or even in the same company (a much tougher skill than managing people who are). It motivates you to consider the purpose and benefits of your work from all perspectives – and to fine-tune your work accordingly. And of course, another big benefit is the feedback you will receive from stakeholders: good or bad, if it's constructive it can be tremendously helpful and ensure that your work reaches a potential you might not even have realised.

Which brings us to the when of SM, and here the answer is very simple: as soon as possible! Most of us are busy and don't always appreciate surprises, so the earlier you can engage the better.

How to manage your stakeholders

Thousands of books have of course been written on management and there is no further insight or recommendations to be added by this author. Suffice to say, SM draws upon many good management practices and therefore anyone approaching SM without some basic management skills or experience may struggle in this field. However, since all of us have been involved with SM to some degree for longer than we may realise (as I alluded to earlier), and since it – like the core of good management – is based upon human interaction and relationships, you may well be better equipped than you realised.

The most important attribute is to be pro-active. Stakeholders are unlikely to come to you, especially if you have never engaged with them before or if your work is new, so take the lead. This approach – especially if it can be done in person – will ingratiate you upon stakeholders and hopefully set a very positive tone for the future. Part of this pro-activity should be your willingness to involve stakeholders in your work. Their involvement should increase the likelihood of them supporting your work and allow them a greater opportunity to provide you with feedback (see above). This involvement also breaks down barriers and prevents any “us and them” sentiment affecting the work (a potential risk if the work crosses departmental, company or national boundaries). Finally, consider a sales pitch for your work. You should fully understand and agree with the objectives, but your stakeholders might not have the benefit of your knowledge. This is particularly true of new/radical work, but even work that has been going on for years (look at the profession of Procurement for example) may require such a pitch. A good sales pitch and/or business case for your work will help your stakeholders to see the benefits (especially if the work benefits them) and show them that the work has been properly researched. Indeed, having preliminary dialogue with your stakeholders and getting their feedback will help you to write the pitch.

The final skill required for good SM is communication. This is clearly the foundation of all good business, but its importance in management - especially with regard to any change –

cannot be overstated. Quite simply, SM is not possible without good communication skills and techniques. Or to be more positive: if you possess good communication skills and no management experience, you're a lot closer to being an effective at SM than you might think.

Summary

SM is not easy or quick. It takes preparation, research, planning, various skills and time to execute well. Having said that, half the challenge of SM is recognising that you and your work have stakeholders in the first place, so if you can do this, you are already well on the way to successful SM. The skills of SM are not new or complex either, and I would not expect anything discussed here would be unfathomable to any business person. So the key is your state of mind with respect to others and your attitude to planning.

To recap, the 5 key stages of SM are as follows:-

- (1) Identify your Type 1, 2 and 3 stakeholders
- (2) Engage with them
- (3) Establish their views on your work and identify any objections
- (4) Create a sales pitch/business case
- (5) Communicate regularly

A common and perhaps cynical approach with respect to SM is to see it solely as a way of getting what you require from your Type 1's, neutralising and pacifying your Type 2's, and paying lip service to your Type 3's. But to have such a negative approach is to miss a great opportunity. If the work you are doing is important, and you personally want the best possible result, then stakeholder management is one of the best ways of achieving this.

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