Stakeholder Identification and Management Tools Guidance Notes
The document outlines the CIPS Stakeholder Identification and Management Tools created to help you to identify and manage your stakeholders more effectively.

This knowledge paper is supportive of Procurement professionals operating at operational level of the CIPS Global Standard

01 CPD HOURS

CIPS members can record one CPD hour

CIPS Stakeholder Identification and Management Tools Guidance Notes

Stakeholders are any individual or organisation that has an interest in or can be affected by a project, product, service or venture.

In any activity an organisation undertakes, whether strategic, operational or tactical, the activity can only be successful with the input, commitment and support of its key stakeholders. Identifying stakeholders, then engaging, gaining and maintaining their support and commitment is a continuous process.

Stakeholders can be classified into three areas – internal, connected and external. This classification depends on their position in relation to the organisation or project.

The identification of stakeholders is important. Without correctly identifying stakeholders and ensuring their inclusion, problems could develop.

Once identified the individuals or organisations need to be classified, engaged and interacted with as well as being managed appropriately to ensure the outcomes are as required.

Through positive engagement with stakeholders, project managers, procurement managers and purchasing staff will be able to improve the quality of the outcome. This is because stakeholders can provide important and often unknown information as well as support once communication takes place rather than putting obstacles in the way of progress.

If stakeholders are not identified and engaged with, this can present risks for the project outcome. Potentially if the correct stakeholders are not identified and managed effectively deadlines could be missed, budgets could present variances and ultimately and the worst possible scenario is that the project could fail.

You can also access further CIPS stakeholder guidance here.

This document will cover the following tools which CIPS members can download here.

Tools

- Types of stakeholder
- Stakeholder identification brainstorming
- Cross Functional Teams
- Stakeholder identification techniques
- Stakeholder engagement
- Mendelow
- Stakeholder mapping template
- RACI
- RACI template
- Stakeholder management
- Stakeholder interaction
- Conflict Resolution

1. Types of stakeholder

This model shows the three different categories of stakeholders. Internal, connected and external.

Internal stakeholders are individuals that are connected very closely to an organisation. They are people that have a strong influence on how the organisation is run and its success. Internal stakeholders could be employees, business owners or directors.

Connected stakeholders are individuals or organisations that have a relationship in a contractual capacity to a business or project.

Connected stakeholders can have a financial or legal connection to the organisation. Examples of connected stakeholders include shareholders, customers and suppliers.

External stakeholders are quite diverse and are individuals or organisations that are not directly linked or contractually obligated to an organisation or a project. Examples of external stakeholders include the government who are enforcing the rules and regulations that must be adhered to, the community and the pressure groups (i.e. environmental or ethical activists).
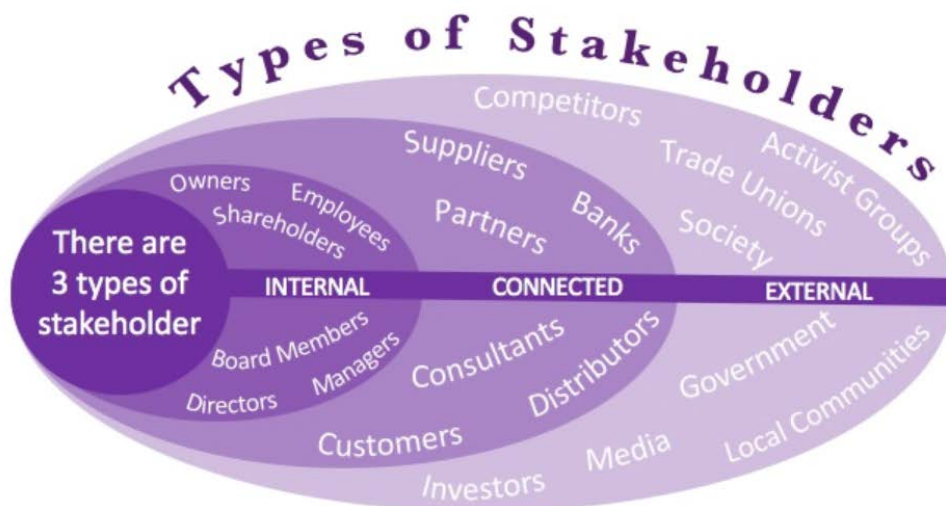
(Source: Jarvis-Grove, 2020)

2. Stakeholder identification brainstorming

This model should be used at the outset of any project whether that be the procurement or sourcing of a new item, a modified rebuy or a straight rebuy.

By identifying the stakeholders who will have an impact on the outcome of the project, the process can be managed effectively.

This model shows the questions that can be considered in a brainstorming session with cross-functional team members. By asking the questions outlined in the model a good amount of relevant stakeholders should be identified.

(Source: Jarvis-Grove, 2020)

Cross Functional Teams
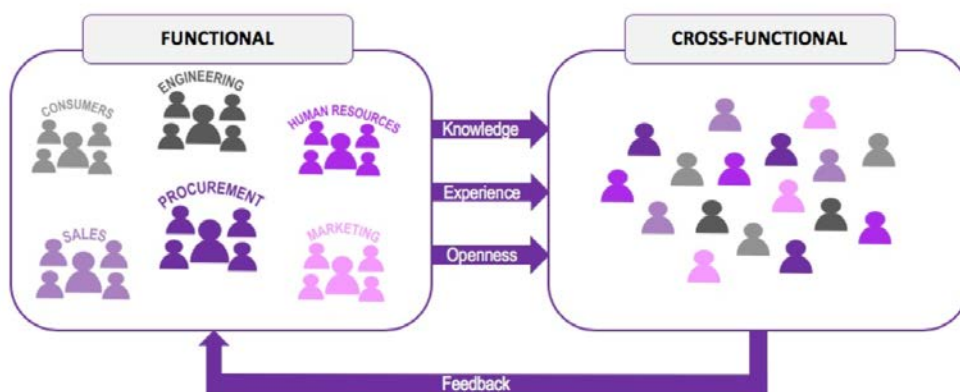
(Source: Jarvis-Grove, 2020)

3. Stakeholder identification techniques

This model outlines techniques that can be used as aids in the identification of stakeholders.

In some situations the opportunity to engage or create a cross-functional team is not possible and in such circumstances this model may assist in helping to recognise the stakeholders for a project.

This model suggests techniques such as conducting research, referring to one's own knowledge, using brainstorming within the company or department, referring to previous documentation or media reports, communicating the objectives to establish if there is anyone who may object or add value, hold meetings and use STEEPLE to investigate the macro/external factors that may then present new and previously unknown stakeholders.

(Source: Jarvis-Grove, 2020)

4. Stakeholder engagement

Stakeholder engagement is important throughout the duration of the project.

By following the five stages shown in the stakeholder engagement model engagement should be apparent throughout.

It is important to create a strategy of how engagement is going to be created and this should include the current vision and a preview into future objectives.

Stakeholder mapping using Mendelow's matrix then should take place.

Once stakeholders have been mapped the preparation of how the engagement will happen should be conducted. Focus should be placed on long term wins and future objectives.

The engagement itself now commences ensuring that stakeholders are listened to and any tension or conflict is managed effectively and professionally.

From the engagement feedback should be sought and acted upon to ensure the stakeholders' needs have been met.
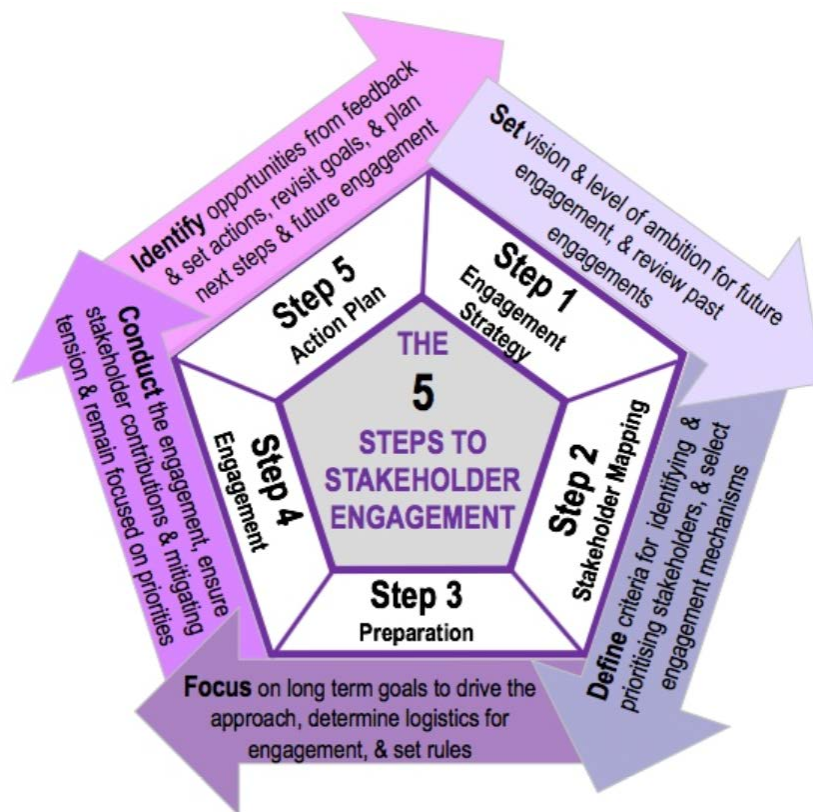
(Source: Jarvis-Grove, 2020)

5. Mendelow

Once the stakeholders have been identified they can be categorised. By categorising stakeholder into four different quadrants, procurement professionals can understand the amount of engagement that is needed as well as the level of information that needs to be shared.

Mendelow's Stakeholder Mapping model.

This model has two axes – the horizontal axis shows the level of interest that the stakeholder is perceived to have. The left side of the axis represents low interest and the right hand side shows high interest.

The vertical axis shows the level of power an identified stakeholder has. The bottom of the axis represents a low level of power and the top a high level.

From understanding whether a stakeholder has high or low levels of power and interest, it is possible to categorise them in one of the four quadrants.

A stakeholder with **high power and high interest** is a Key Player, somebody that needs to be managed closely. This could be the owner of an organisation.

A stakeholder with **high power and low interest** is somebody or an organisation that needs to be kept satisfied. This could be a government or regulatory body that needs to ensure that the project or product is meeting any legal requirements.

A stakeholder with **high interest and low power** should be kept informed. This type of stakeholder has little ability to stand in the way of project success but has an interest so some communication is beneficial. An example could be a local community group who are keen to understand the impact of the project.

A stakeholder who has **low interest and low power** should not be ignored and do not require much resource to manage. An example of such a stakeholder could be the general public who are not aware of a project and who have neither interest nor power. Periodically monitoring theses stakeholders is usually sufficient for their management.

6. Stakeholder mapping template

This template can be used to physically enter in the names of the stakeholders that have been identified within each quadrant.

For example if Mr Smith has been identified as a stakeholder with high power and low interest, his name can be added against an Asterix in the "Keep Satisfied" quadrant.

This template should be used as an aid to see who or which organisations need to be managed in which way throughout the duration of any project.

The stakeholders within the matrix may shift positions as the project evolves. By using this template it is easy to move a stakeholder from one quadrant to another.
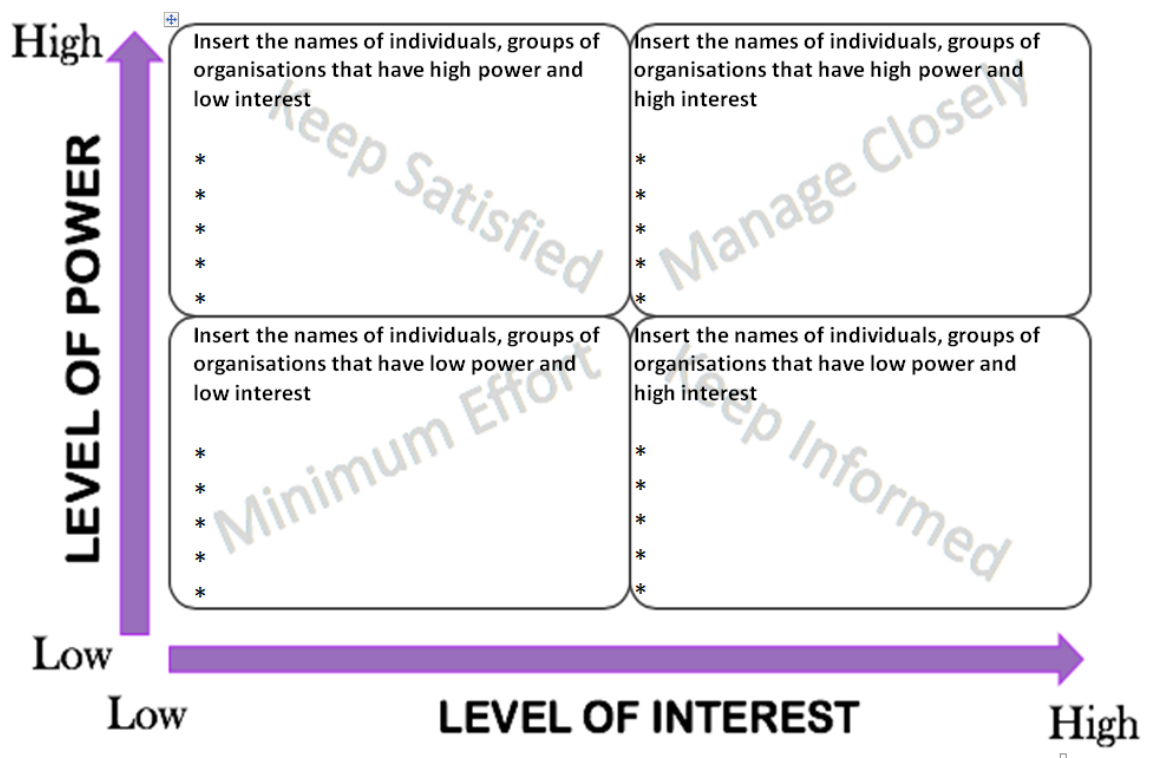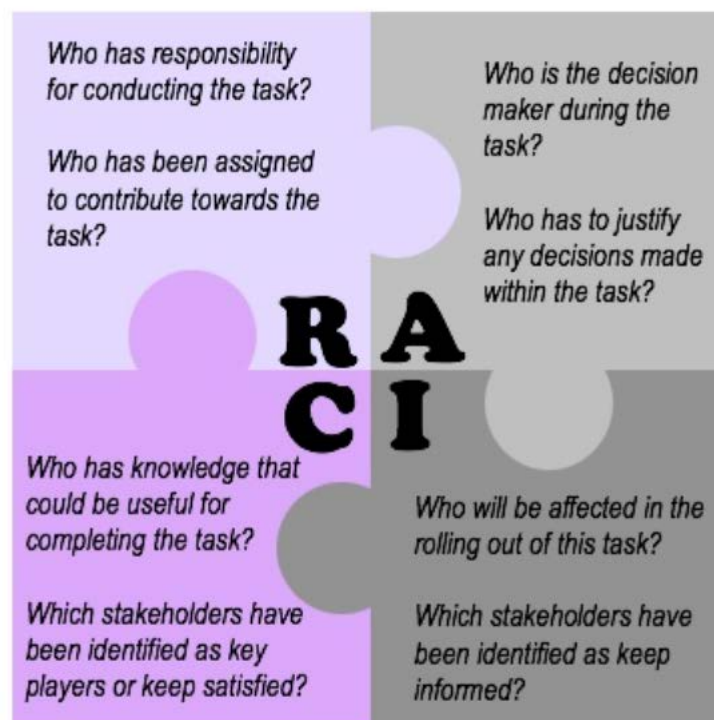

(Source: Jarvis-Grove, 2020)

7. RACI

RACI is another tool that can be used to help understand and manage stakeholders. The "R" represents Responsibility and within this quadrant individuals that have the responsibility for conducting a task in association with the project can be placed.
The "A" represents Authority and here the decision makers and stakeholders who can justify decisions can be placed.

The "C" represents who should be Consulted. This includes stakeholders that have expert knowledge who can aid the project as well as stakeholders that need to be kept satisfied.

The "I" represents who should be informed. Here stakeholders that will be affected need to be engaged with.

(Source: Jarvis-Grove, 2020)

8. RACI template

The RACI template allows project managers to enter in the names of the stakeholders in the cells along the top of the template and write in the tasks in association with the project.

For example, if a procurement manager has been tasked with souring a CAPEX item they may identify the finance director as a key stakeholder and name him or her as Team Member 1. If a task such as "sign off expense" is created in the left column of the temple, this would be allocated to the finance director as an R and this cell would then turn to pale purple.

By entering in the stakeholders' names and the tasks associated with the project, it becomes easy to see at a glance which individual needs to be responsible, has authority, needs consulting or informs.

|	A	B	C	D	E	F	G	H	I	J
		Team Member 1	Team Member 2	Team Member 3	Team Member 4	Team Member 5	Team Member 6			
	Task 1								R	
	Task 2									
	Task 3								A	
	Task 4									
	Task 5								C	
	Task 6									
	Task 7								I	
	Task 8									

(Source: Jarvis-Grove, 2020)

9. Stakeholder management

This diagram shows how it is important to manage stakeholders correctly to keep them up to date with a project that they have identified as being important to them.

The diagram includes areas such as showing empathy, being transparent, giving feedback and inclusion.

If when managing stakeholders these eight management methods are used, all individuals should feel that they have been treated fairly.
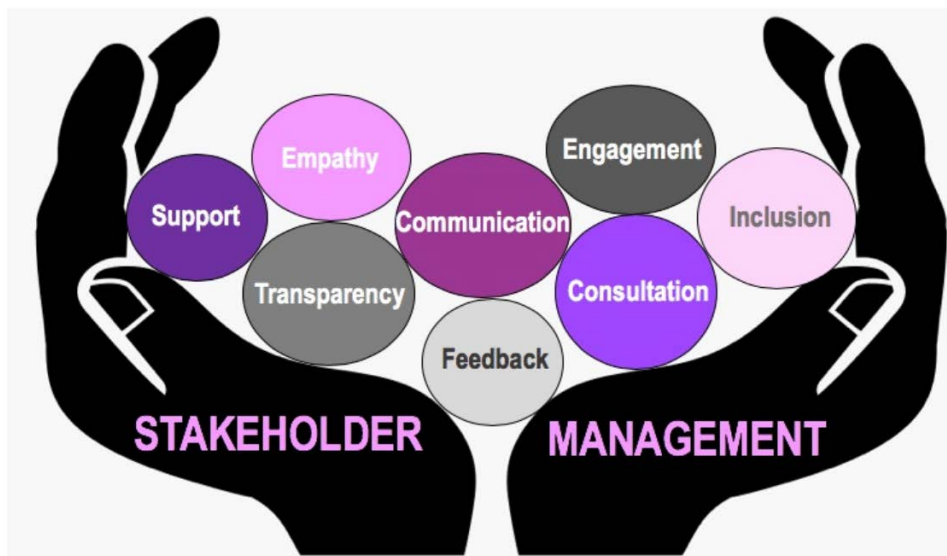
(Source: Jarvis-Grove, 2020)
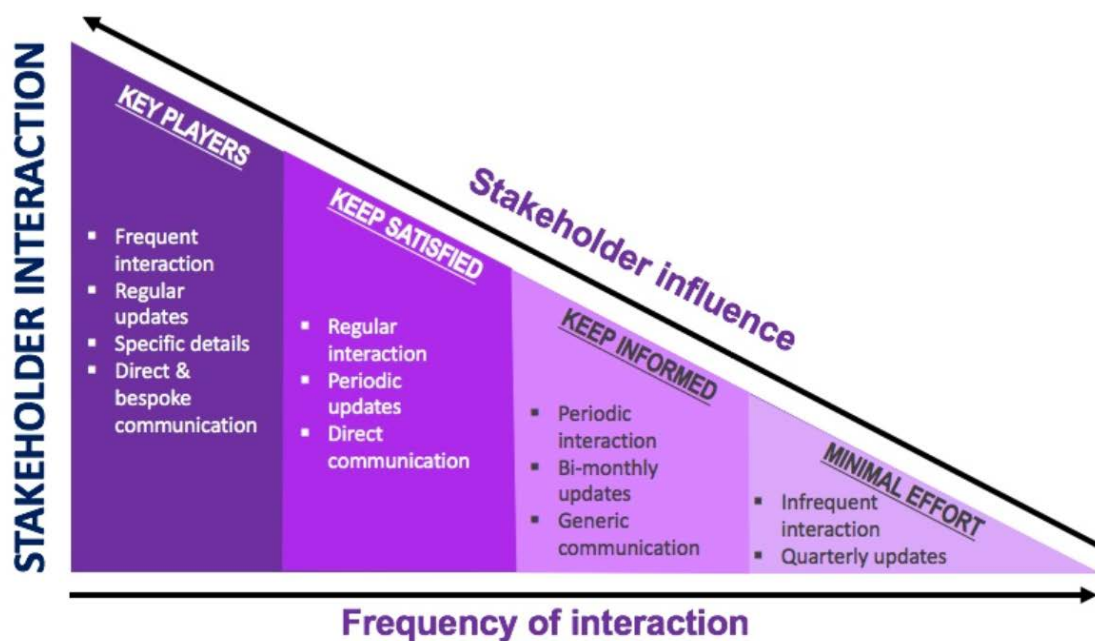
10. Stakeholder interaction

This model demonstrates the frequency of interaction that each stakeholder group should receive based on their influence within a project.

The higher the influence level of stakeholder, the more frequent and personal the interaction should be.

For example a Key Player would expect to receive much more frequent and direct communication than a stakeholder who has low interest and low power.

Interaction of key stakeholders should be detailed and specific, ensuring that all the information that they need is presented to satisfy their high levels of power and interest.

Stakeholders with lower levels of power and/or interest will be satisfied with less regular, less direct and less specific information. For example periodic e-shots or newsletters will often suffice for stakeholders who simply require basic information.

STAKEHOLDER INTERACTION

KEY PLAYERS
- Frequent interaction
- Regular updates
- Specific details
- Direct & bespoke communication

KEEP SATISFIED
- Regular interaction
- Periodic updates
- Direct communication

KEEP INFORMED
- Periodic interaction
- Bi-monthly updates
- Generic communication

MINIMAL EFFORT
- Infrequent interaction
- Quarterly updates

Stakeholder influence

Frequency of interaction

(Source: Jarvis-Grove, 2020)

11. Conflict Resolution

This model shows that there are five main ways in which conflict can be resolved.

If as a procurement professional you have a high concern for the relationship i.e. you have a conflict with a key player and you want to achieve your objective, the style of resolution would be based on working together and/or finding a middle ground. This style would involve communication, listening and showing empathy to enable a resolution based on compromise and meeting in the middle.

If at the other end of the scale conflict arises with a stakeholder who has little or no impact on the project and the procurement professional has no concern for the relationship, the style is more likely to be a competitive one whereby the procurement professional pushes to get their objective met, usually at the detriment of the other party.

Another case of conflict resolution relates to having to back down if the concern for the relationship is high and the importance of achieving the objective is of minimal impact.

The final option is if both the desire to achieve the objective and the concern for the relationship is low, the conflict may be avoided or ignored as there is little or no point in causing any problems for something of little importance.
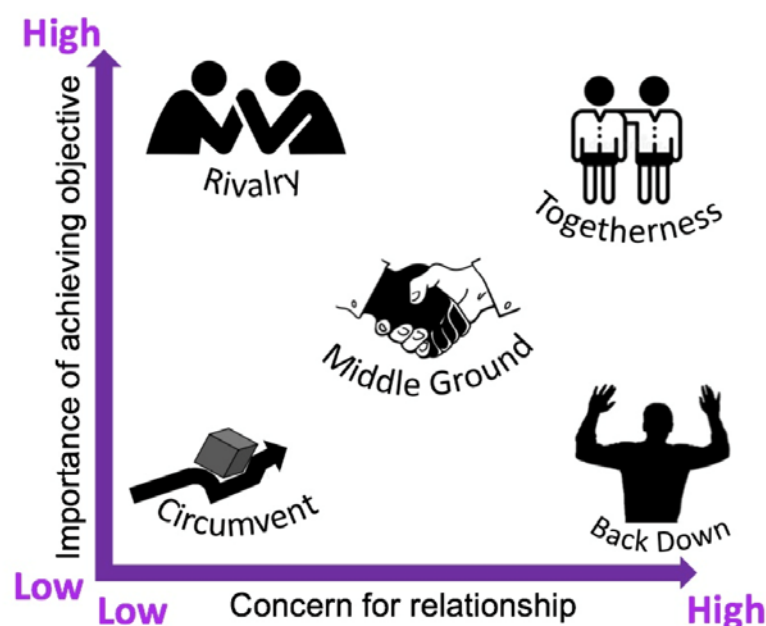
(Source: Jarvis-Grove, 2020)

You can also access further stakeholder identification and management guidance here.

CIPS members can download the tools covered here.

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