

# Tools for Change: The Basic Stakeholder Analysis

## What is it?

Basic Stakeholder Analysis is a simple but effective tool, often used in a group setting, to:

- identify the key stakeholders who can impact your organisation (since their view of your performance can define or even determine success)
- get to grips with their view of how your organisation is performing.

## Who would use it? What would they use it for?

Public sector and not-for-profit organisations would use the Basic Stakeholder Analysis at the beginning of a change process to identify the stakeholders and issues that shape the change agenda. Basic Stakeholder Analysis would also be used to identify who needs to be involved in the change process itself. The technique can be used by these organisations for strategic direction-setting (either self-generated or externally imposed) and by all organisations – business, public sector or not-for-profit – in the early stages of implementing new IT, performance improvement or finance systems, especially for helping to identify customer requirements or set system specifications.

## Why is it important?

Stakeholders are those individuals or bodies who can influence the fate of your organisation, or are influenced by it. Their view of your organisation's performance is a key measure of your success, especially if you're dependent on them for funding, credibility, profile or a favourable regulatory environment.

Without a properly executed stakeholder analysis at the front-end of a change effort there is a risk that key issues and major players instrumental to the success of the effort will be left out, hence increasing the risk that the change effort will be derailed.



↳ Carrying out a basic stakeholder analysis helps ensure that all players' agendas are comprehended; it's also a valuable first step in shaking out all the issues that the change program needs to address.

## How do you use it?

Typically, a change program will be driven by a steering committee or working group. Early in the change process this committee would conduct a preliminary 'back room' Basic Stakeholder Analysis to see who else (other than them) needs to be involved in organising the effort, to keep it on track.

Once the change program is underway, another Basic Stakeholder Analysis would be conducted to determine who in the environment (internal or external to the organisation) should have their views of the organisation's performance taken to book, what those views actually are, and what needs to change as a result.

The basic stakeholder analysis is conducted as follows:

- Brainstorm the list of stakeholders
- Write each stakeholder's name at the top of a flip chart sheet
- Create a narrow column near the right edge of the sheet and leave it blank
- For each stakeholder, in the area to the left of the narrow column, list the criteria used by the stakeholder to evaluate your organisation's performance (or the stakeholder's expectations of your organisation)
- In the right hand column opposite each criteria, discuss and decide jointly how you think the stakeholder views the organisation's performance on that criteria using a coloured dot to show good performance (green) fair (yellow) or poor (red)
- Discuss the results, record what can be done to satisfy dissatisfied stakeholders, and craft the change agenda accordingly.

## What does it look like?

At right is the output of a hypothetical Basic Stakeholder Analysis undertaken by a government agency on a key stakeholder: its industry regulator.

From this analysis the agency might conclude that their poor track record in providing quality submissions to inquiries is jeopardising their relationship with their regulator, on whom they rely for favourable assessments in public reports which impact the agency's public reputation and standing. The agency might therefore explore their lack of analytical or policy horsepower with a view to making changes such as buying it in, or influencing the regulator's view of them in other ways, such as by creating a new information sharing forum.

### Stakeholder: Industry Regulator

Stakeholder Expectation or Performance Criteria	Rating
Provide data and reports on time	●
Contribute to overall industry policy	●
Adhere to Code of Conduct	●
Provide quality submissions to inquiries	●
Be generally available/approachable; maintain cordial relations	●