



Stakeholder Analysis

Introduction:

Social economy organisations usually have a number of diverse stakeholders who have a direct interest in what the organisation does. These could be individuals, organisations or agencies and can include staff and volunteers, customers or service users, investors/funding bodies, partner organisations, government or local authority.

It makes sense then that social economy organisations should invest time and energy to manage their relationship with these stakeholders and also to seek stakeholders' views on how the organisation is performing. This is a key part in Performance Improvement systems such as PERform, the diagnostic workbook of the C3 Partnership and also an important part of the social auditing process. Knowing how your stakeholders view your activities allows you to plan more strategically to achieve the results that you want.

Stakeholder analysis often incorporates three main elements:

- ✘ Identifying your stakeholders,
- ✘ Understanding the 'stake' that your stakeholders have on your organisations and the impact you have on them
- ✘ Prioritising your stakeholders in order to determine which relationship you should manage most closely.

Conducting a stakeholder analysis will mean you are able to:

- ✘ Evaluate the impact that your work has on your stakeholders.
- ✘ Canvass stakeholders views about your performance, your products services and activities.
- ✘ Consult key stakeholders in the development of new projects and initiatives. Not only does this help to enlist their support but it helps to ensure that your activities are appropriate and needed.
- ✘ Access more resources.
- ✘ Communicate better to stakeholders to ensure that they receive the information they want.
- ✘ Identify potential conflict with stakeholders by seeking to understand how they perceive your activities.

This information sheet does not advocate any one particular approach to stakeholder analysis. Instead we list a few techniques that we hope may help you to conduct a form of analysis appropriate to your organisation.

A. Identifying your stakeholders

The first step of any stakeholder analysis is to brainstorm who your stakeholders are. Stakeholders are any individual or group who has an interest in whether your organisation is successful or unsuccessful.

The table below shows some of the people who might be stakeholders in your organisation or project:

Customers	Service Users	The local community
Clients	Volunteers	Trustees/management committee members
Staff	Networks, partnerships and associations	Strategic Partners
Like minded local and national organisations	Operational Partners	Investors/Funders
Local Authority	Central government	Infrastructure Support organisations

Remember that although stakeholders may be both organisations and people, ultimately you must communicate with people. Make sure that you identify the correct individual stakeholders within a stakeholder organisation.

Drawing an organisational systems map can help you to identify some of your less obvious stakeholders. This is a cross between an organigram of your organisation’s internal structure and a mind map. It allows you to explore all of the links between your organisation, other organisations of various types, partnership projects, networks and forums.

Take a big sheet of paper and write the name of your organisation in the middle. You can also add in your different activities and projects. Then start to map out your key relationships.

Using different symbols allows you to differentiate between different types of organisations, networks or partnership projects.

The symbols could look like this.



This approach does not enable you to consider the end users of your products and services, i.e. our customers and clients but allows you to map those organisations involved in delivering your main activities.

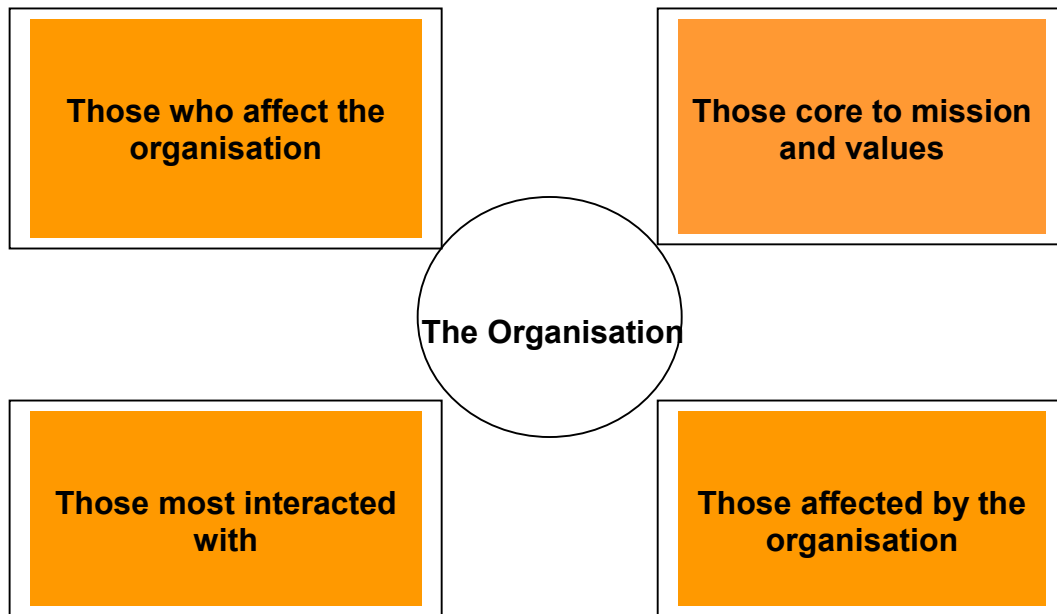
B. Understanding your stakeholders' stake

In order to start to understand the different needs of your stakeholders, it might be helpful to categorise your stakeholders.

The social accounting and auditing process offers a method for placing stakeholders into four categories (taken from the Social Audit Workbook, published by the New Economics foundation):

- ✘ Those that affect your organisation, particularly those that have power over the direction of the organisation, such as staff, trustees, owners and funding bodies.
- ✘ Those that are affected by the organisation, which might include intended beneficiaries such as service users and clients but unintended beneficiaries too such as perhaps the local community. Employees might also fall into this category as they are affected by the organisation
- ✘ Those core to the mission and values of the organisation, sometimes called strategic stakeholders. Key partners, likeminded organisations, public sector bodies, funders and donors can fall into this category.
- ✘ Those with which the organisation most directly and commonly interacts with, for example suppliers.

Some stakeholder groups will fall into more than one category.



Multiple customers

Many organisations in the social economy sector have a very diverse range of customers. It is worth devoting specific attention to establishing exactly who your customers are and how you should manage your relationships with them.

For example, a community centre has many different customers: the local community who use the centre, organisations hiring the centre's facilities, public sector bodies who commission services from you and the investors who fund the activities of the centre.

If thinking of your funders as customers is new to you, it might help to 'consider' that they are in a sense contracting you to run a project, service or activity. If you want future funds (custom) from them, it will pay off to treat them as customers.

The other trap that social economy organisations might fall into is that, if commissioned/contracted to provide a service (for example a training course), by another organisation or body, it is easy to forget that the people attending the training course are also customers, even though perhaps they do not pay you directly and it is important to make sure that their needs and opinions are considered in monitoring and evaluation.

Understanding your stakeholders

You may feel at this stage that you need to ask a few more questions about your stakeholders and your relationship with them. Useful questions could include:

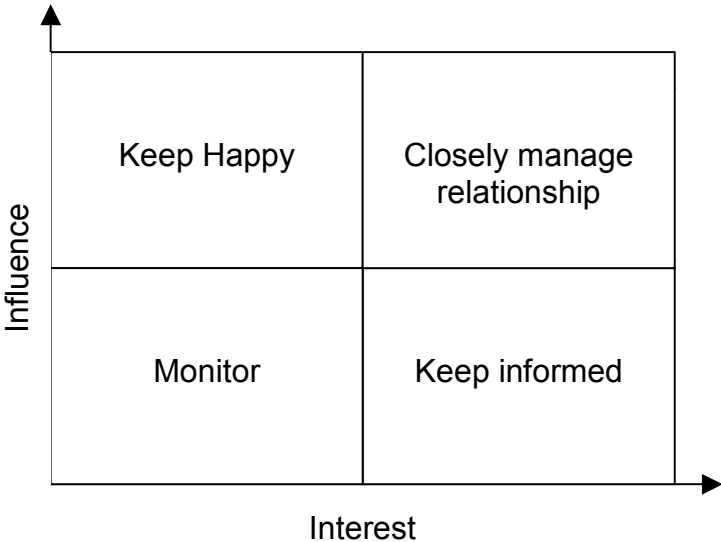
- ✘ What is their interest or involvement and why are they interested/involved?
- ✘ What is their current opinion of your work? Is it based on good information?
- ✘ Do they support your work, or are they critical or in competition with you? If they are not likely to be positive, what will win them around to support your project?
- ✘ What information do they want and how do they want to receive it? What is the best way of communicating your message to them? Are you communicating as effectively as you should be with them?
- ✘ Have you identified the right person in the organisation to contact?

C. Prioritise Your Stakeholders

Having identified your stakeholders and started to identify your relationship with them, you may have a long and daunting list of individuals and groups. Some of these may have a big impact on your work, either positively or negatively, some may be interested in what you are doing, others may not care.

It might help therefore to plot each organisation on a chart with two axes, one showing the influence they have over your activities and the other showing the extent of their interest.

This activity can be done in a group using a bit of flipchart paper and post it notes, which allows you to discuss the position of each stakeholder on the chart and make subsequent changes if necessary.



An organisation or individual's position on the chart allows you to prioritise and plan the way you manage your relationship with them:

Colour coding

You can use colour coding to plot the stakeholders on the power/interest grid above which allows you to determine different categories of stakeholder. For example, you could show advocates and supporters in green, potential competitors or critics in red. You could also differentiate between customers, partners and suppliers using a different colour for each.

Next Steps

Once you have identified and analysed the needs of your stakeholders, you'll need to plan a strategy for:

- ✘ Managing your relationship with them
- ✘ Communicating with them
- ✘ Identifying what they think of what you do

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