# The Stakeholder Cycle

The effective management of a project's stakeholders involves a continuous process of analysis and review. People's attitudes change with time and can be influenced by the project's communication efforts. One of the implicit elements of the *Stakeholder Circle®* methodology[1] is the cyclical nature of the overall stakeholder management process. But this is not a simple circle.

The starting point is **Step1 – Identification**. Whilst this is the critical first step, the methodology suggests that a fresh scan of the environment is undertaken on a regular basis to understand changes in the overall stakeholder community. This process can be usefully timed to support a routine risk review (there is a strong correlations between stakeholders and risk – this will topic for s future post.). Identification includes assessing the stakeholder's needs, perceptions and expectations on the one hand and what we need from the stakeholder on the other (mutuality).

Step 2 – Prioritization ranks the stakeholders based on a combination of power, proximity and urgency. Power and proximity are associated with the stakeholder's position and should be relatively stable. Urgency is more subtle and includes how likely the stakeholder is to take action and how significant the stakeholder's stake in the project is to that person. If the stakeholder feels comfortable with the overall running of the project, these factors are likely to be low. If the stakeholder is unhappy with the overall shape of the project they are likely to be higher. Managing these perceptions by effective communication is the core skill in stakeholder management (steps 3 and 4). Effective communication is likely to reduce the levels of 'urgency' and consequently reduce the stakeholder's level of prioritization.
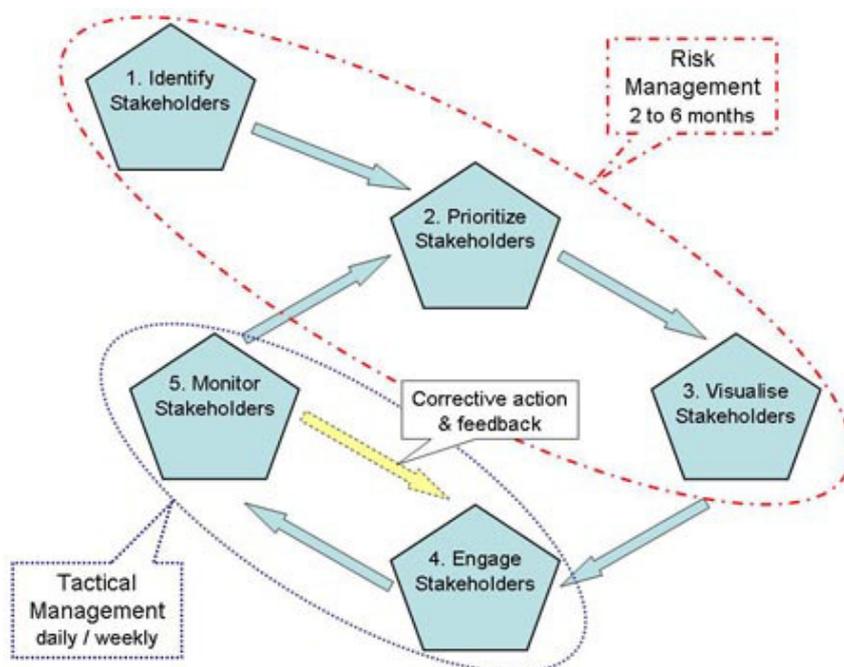
Consequently, after the initial prioritization, there are two inputs to re-prioritization, the current, changed, attitude of existing stakeholders who have been the subject of targeted communication plus any new stakeholders from identification.

The last of the processes in this phase of the cycle is **Step3 – Visualization**. The management team is looking for trends and patterns to understand what's happening both to individual stakeholders and the overall stakeholder community. This information feeds directly into the engagement process.

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[1] For more on the *Stakeholder Circle* see: https://mosaicprojects.com.au/PMKI-TPI-075.php

Step 4 – Engagement involves the planning and implementation of the stakeholder communication process. This should encompass everything from face to face meetings through to routine reports and newsletters. But the 'doing' of communication is not sufficient. It is critical that the effectiveness of the communications is monitored in real time and appropriate adjustments made to the messages and communication plan.

Step 5 – Monitor, is focused on this. Providing a continual watching brief delivering short term feedback to the communication process day-by-day, and a more comprehensive analysis to the next major review cycle. The inputs to monitoring should include formal assessments and informal 'intelligence' picked up by different team members as they go about their business[2]. The core element in this step is the proactive seeking of information and then putting the information to effective use.

Just like the penny-farthing the stakeholder cycle has a large and small wheel – and both wheels are critical for effective stakeholder management[3].
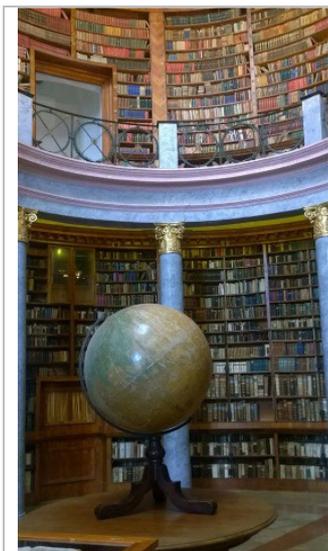
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[2] For more on **effective listening** see: https://www.mosaicprojects.com.au/WhitePapers/WP1012_Active_Listening.pdf

[3] For more on the **benefits of investing in stakeholder management** see:
https://www.mosaicprojects.com.au/WhitePapers/WP1083_Valuing_Stakeholder_Management.pdf