

Stakeholders

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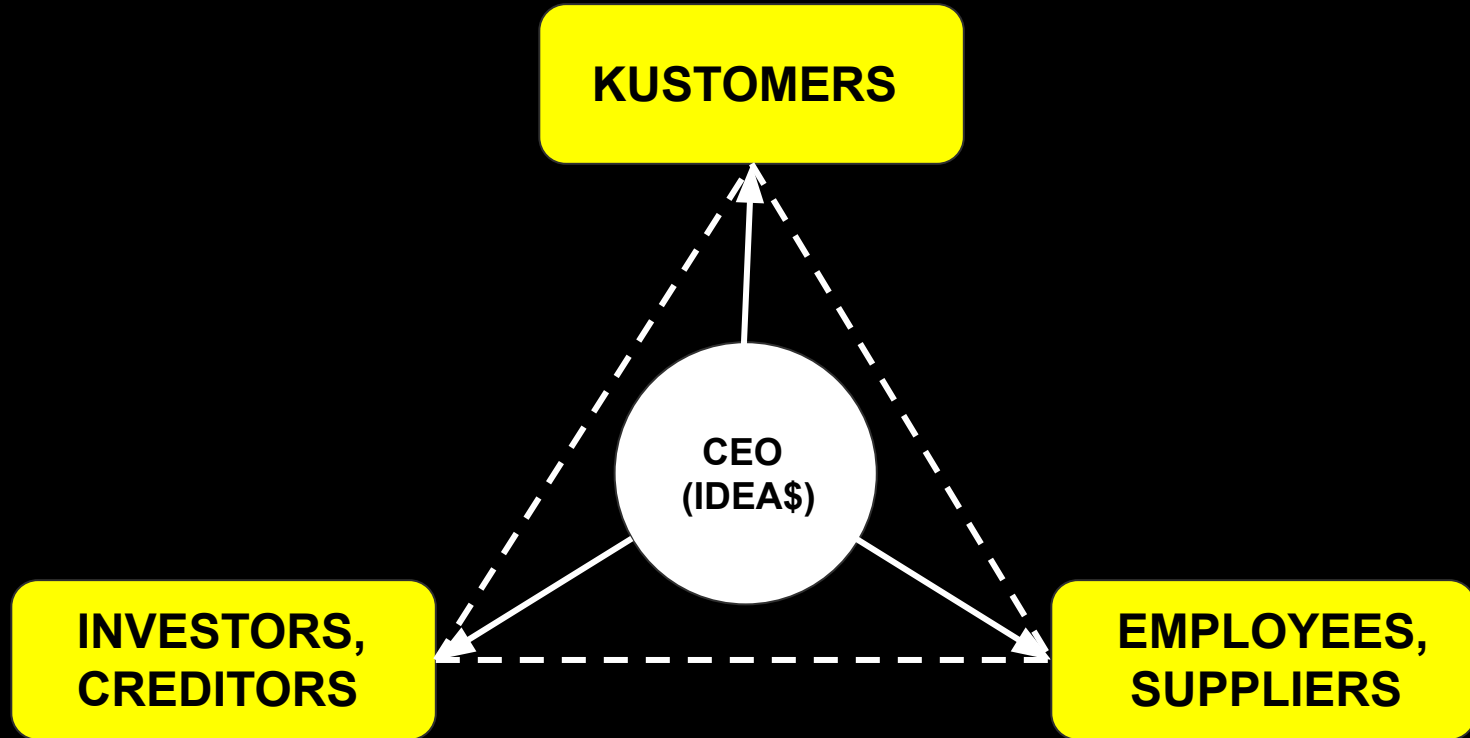
Stakeholders

- Individuals or groups having an interest in the succession or progression of a company.
- Who can affect or are affected by company.
- Two types
 - **Internal Stakeholders** - employees, investors
 - **External Stakeholders** - govt., media, customers
- Without whose support company would cease to exist.

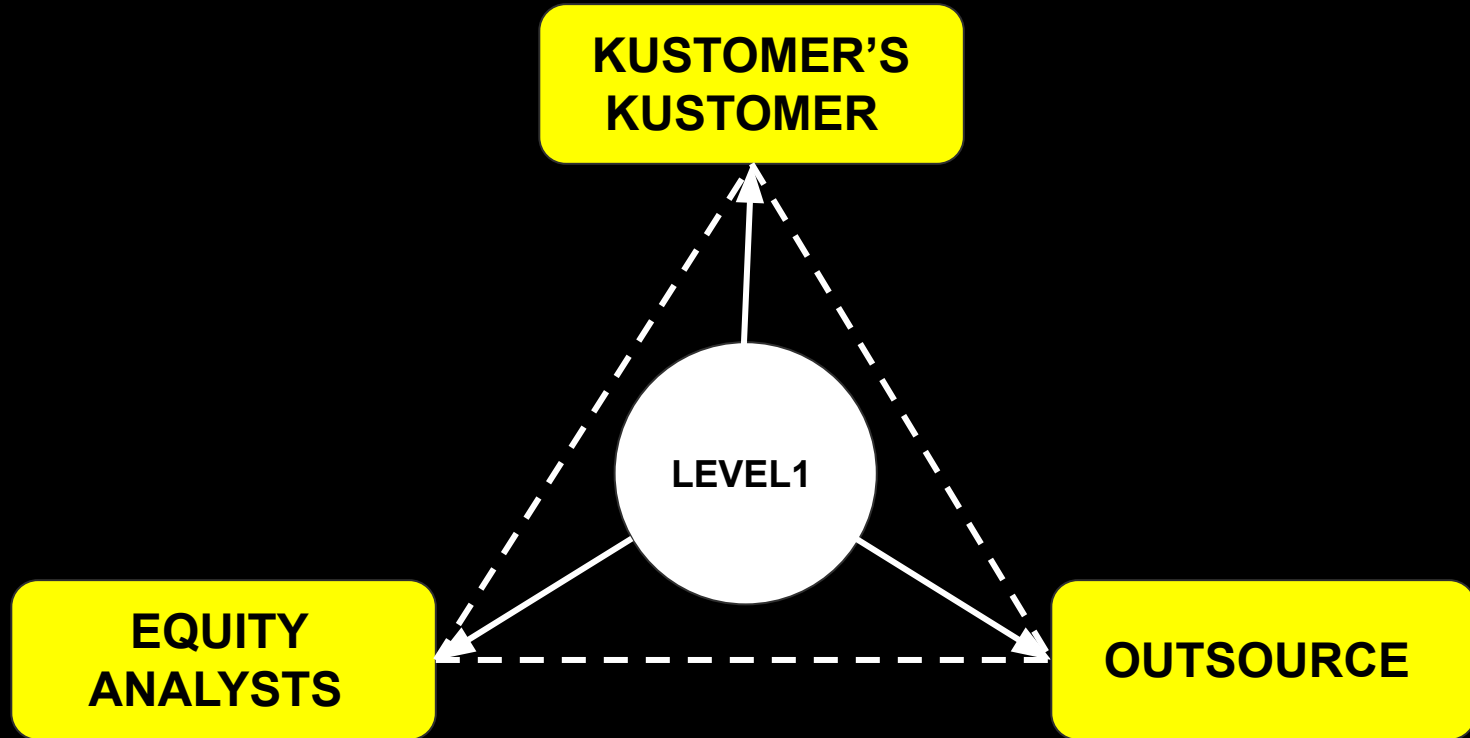
Stakeholders - The Holy Trinity

- **Unholy** Trinity(Cost, quality, speed)
- **Holy** Trinity(Stakeholders of a Company)

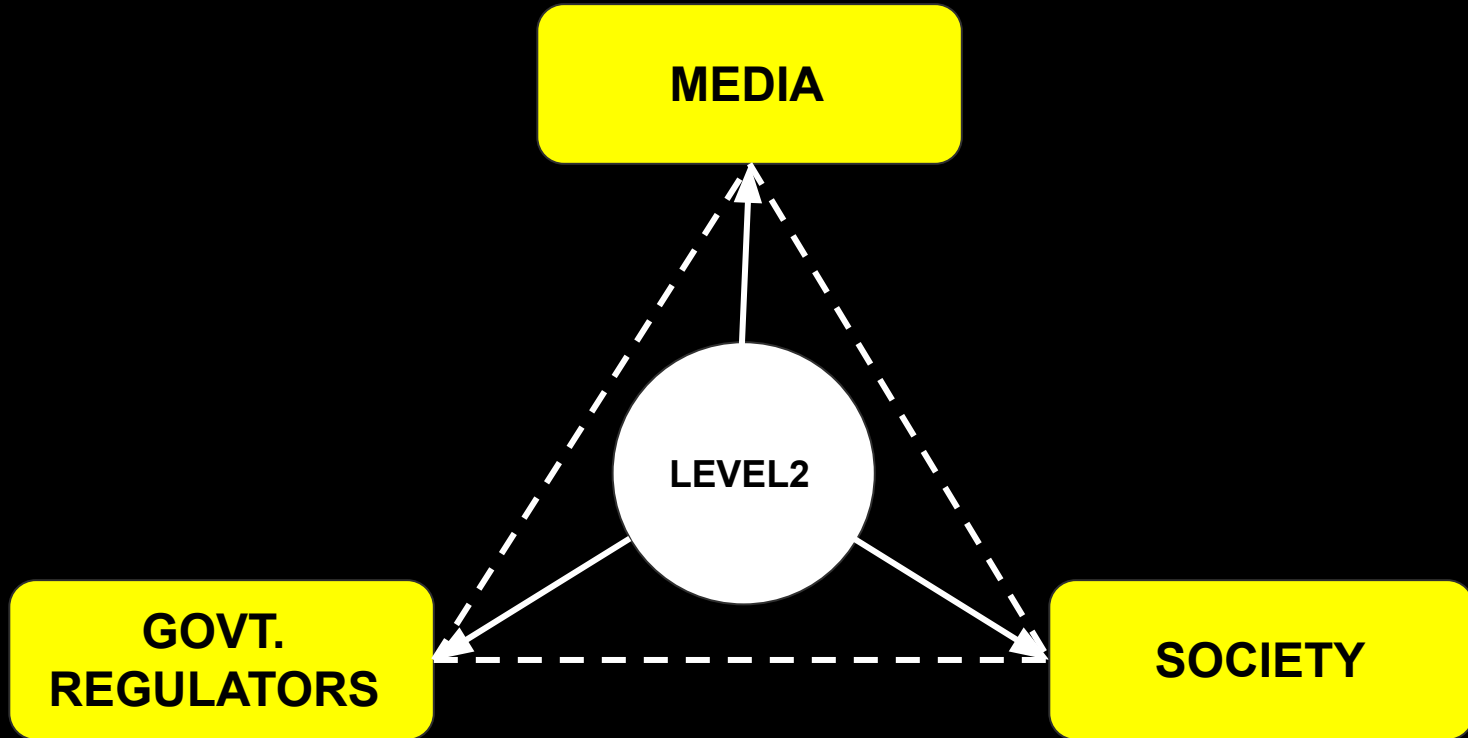
Level-1(Primary)



Level-2(Secondary)



Level-3(Tertiary)



Primary Stakeholders

- Usually **Internal Stakeholders**
- Engage in economic transactions
- Examples -
 - Stockholders
 - Customers
 - Suppliers
 - Investors
 - Employees

Secondary Stakeholders

- Usually **External stakeholders**
- Do not engage in direct economic exchange
- Affected by or can affect company's actions
- Examples -
 - General public
 - Communities
 - Equity Analysts

Tertiary Stakeholders

- Examples -
 - Society
 - Media
 - Government agencies like RBI, Income Tax, Pollution Control Board etc.
- Society refers to -
 - **Physical environmental** like pollutions, hazards.
 - **Human environment** like income inequality and gender inequality.
- Media affects a company's social image.

Stakeholders v/s Shareholders

- A shareholder **can sell their stock** and buy different stock.
 - Don't have a long-term need for the company.
- Stakeholders are **bound** to the company for a **longer term** and for reasons of greater good.
- Shareholders are always stakeholders in a corporation, but stakeholders are not always shareholders.

Why are Stakeholders important?

- Long-Term relationships - company runs **more efficiently**, produces better profits.
- Feedback and Product Development - positively influence the product's success.
- A sense of community - positively **shape the organization**, increase consumer sales(holy trinity).
- Considerations - gives a competitive edge, determine the stakeholder who holds most value.

Why are Stakeholders important?

For example,

- Let's say you are the CEO of a company.
- The growth of the company depends on whether an investor invests or not.
- Now, investor will turn to equity analysts for the report of the company which determines the future growth of your company.
- So, the equity analyst is also indirectly responsible for the company's growth.

**Who is incharge of all these
Stakeholders?**

CEO

**Same as we are incharge of everything that is going around
us being the CEOs of our own-self.**

Who is incharge of all these Stakeholders?

- A CEO is **responsible**, **accountable** and **answerable** to everyone.
- CEO seems like boss, but is serving.
- He/She should manage everything between the Stakeholders in the same triangle as well as different triangles.
- A CEO should try to **maintain maximum transparency** among the stakeholders.
- **Motivate** them.

Who is incharge of all these Stakeholders?

- For example -
 - Mukesh Ambani is both owner and CEO.
 - Wearing two hats at a time.
 - CEO - Active ; Owner - Passive
 - As a CEO, he is using capital to create delta capital for the owner(himself).

Responsibilities to Stakeholders

- Responsibility to Employees
- Responsibility to Customers
- Responsibility to Society
- Environmental Protection
- Corporate Philanthropy*
- Responsibility to investors

* *Corporate Philanthropy - promoting welfare through charitable donations of funds or time.*

Responsibilities of Stakeholders

“With every position comes responsibilities.”

- Voting and decision making
- Environmental Responsibilities
- Investing
- Management
- Product Development

What we as employees can do to be a good stakeholder?

- Think about Kustomers' Kustomer.
- **Think out of the box.**
- While working on a product, know it's user base and work accordingly.
- For example - If you are working for a company A, and a bank wants to get an application built for rural people, it is good to have knowledge of the app's customer base.

If I am the 'CEO' of 'Me' !

- Building 'Brand-Me'
- Luck(IQ) as thrust and financial support
- How far will it take us?
- Great start but not enough
- 'Me' as a company
- 'I' am responsible for developing 'Me', therefore 'I' am serving me, same as CEO serves a company.

If I am the 'CEO' of 'Me' !

Who are the stakeholders of 'Me'?

- My **investors** - parents, teachers(invest time and effort)
- My **kustomers** - future family, parents.
- My **employees** - peers, colleagues.

We will have a future family through our career who will have different needs and requirements. We will have a different customer base.

Conclusion

- Businesses and communities **must work together** because they need each other.
- Businesses provide **jobs** and **economic growth**.
- Communities provide the customer base that fuel sales.
- Internal and external stakeholders work with businesses to ensure profitability and sustainability, coordinating with communities.
- Business leaders should look to stakeholders as **valuable resources** and **not obstacles** in moving the company forward.

References

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Dedicated to **FUTURES STAKEHOLDERS**



THANK YOU