Stakeholder Analysis using the Power Interest Grid

last edited by: **Latha Thamma reddi** on Apr 14, 2023 10:27 AM   login/register to edit this page

Stakeholder Analysis

Stakeholder Management is an important discipline that successful people use to win support from others. It helps them ensure that their projects succeed where others fail. Stakeholder Analysis is the technique used to identify the key people who have to be won over. You then use Stakeholder Planning to build the support that helps you succeed.

The benefits of using a stakeholder-based approach are that:

- You can use the opinions of the most powerful stakeholders to shape your projects at an early stage, their input can also improve the quality of your project.
- Gaining support from powerful stakeholders can help you to win more resources – this makes it more likely that your projects will be successful.
- By communicating with stakeholders early and frequently, you can ensure that they fully understand what you are doing and understand the benefits of your project – this means they can support you actively when necessary.

IDENTIFY YOUR STAKEHOLDERS

The first step in your Stakeholder Analysis is to brainstorm who your stakeholders are. As part of this, think of all the people who are affected by your work, who have influence or power over it, or have an interest in its successful or unsuccessful conclusion. Remember that although stakeholders may be both organizations and people, ultimately you must communicate with people. Make sure that you identify the correct individual stakeholders within a stakeholder organization.

PRIORITIZE YOUR STAKEHOLDERS

Once you have the long list of people and organizations that are affected by your work. Some of them may have the power either to block or advance. Some may be interested in what you are doing, others may not care. This is where the Power-Interest grid comes in handy in segregating/prioritizing the stakeholders. Doing this helps in identifying stakeholders based on their power and interest in the project. When you plot your stakeholders on a power/interest grid, you can determine who has high or low power to affect your project, and who has high or low interest. People with high power need to be kept satisfied, while people with high interest need to be kept informed. When a stakeholder has both, make sure you manage her expectations very closely!

Power - Interest Grid
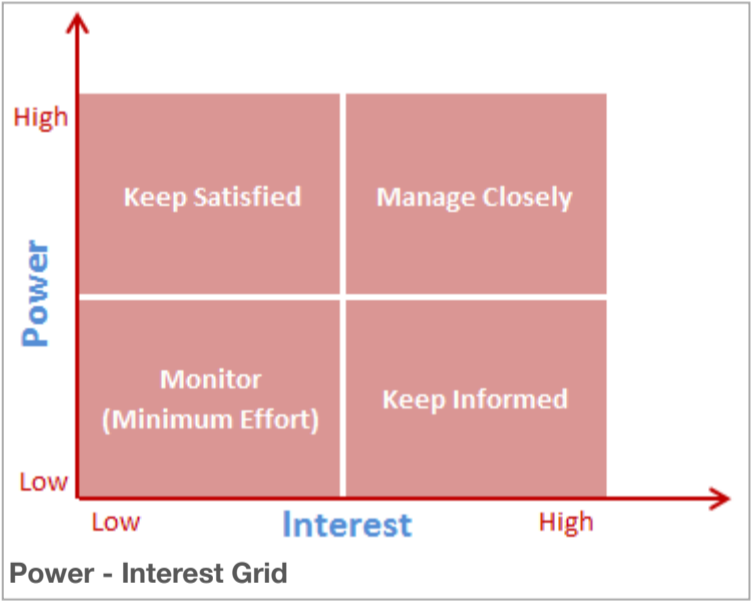
The above figure explains the different approach we should have for the segregated/prioritized stakeholders.

- High power - High interest: these are the stakeholders are decision makers and have the biggest impact on the project success and hence you must closely manage their expectations.
- High power - Low Interest: these are the stakeholder needed to be kept in loop, these stakeholders need to be kept satisfied even though they aren't interested because they yield power. These type of stakeholders should be dealt with cautiously as well since they may use their power in a not desired way in the project if they become unsatisfied.
- Low power – High interest: keep these people adequately informed, and talk to them to ensure that no major issues are arising. These people can often be very helpful with the detail of your project.
- Low power - low interest: monitor these people, but do not bore them with excessive communication.

References:

https://www.mindtools.com/pages/article/newPPM_07.htm

Head First PMP, 3rd Edition

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