

Key Stakeholders

I was recently asked by a colleague for the definition of key stakeholder. Everyone writing about stakeholders uses the term probably synonymously with ‘important stakeholder’ but what is the actual definition?

One definition is from Cornell University, Information Technologies, their definition is: ***‘Key Stakeholders are a subset of Stakeholders who, if their support were to be withdrawn, would cause the project to fail’.***

The Cornell definition is probably true of IT and internal projects but ignores important stakeholder groups such as the ‘environmentalists’ opposed to a major engineering project. Some important stakeholders will never support the project and are focused on preventing it proceeding (or in the example above, at least minimizing its impact on the environment). They may never see the project’s output as good or desirable – for these, effective stakeholder management is about finding an effective, ethical way of neutralizing the threat they pose.

We use the term key stakeholder to identify members of the sub-group of stakeholders who have the power to substantially damage the project and may potentially cause it to fail (see definitions at the end). Members of this sub-group are both influential and powerful; they may be individuals such as an important manager or entities such as a regulatory authority. This concept of key stakeholder is used extensively in Dr Bourne’s book ***Stakeholder Relationship Management: A Maturity Model for Organisational Implementation***¹.



Key stakeholders must be both important and influential

Our definition of a key stakeholder is:

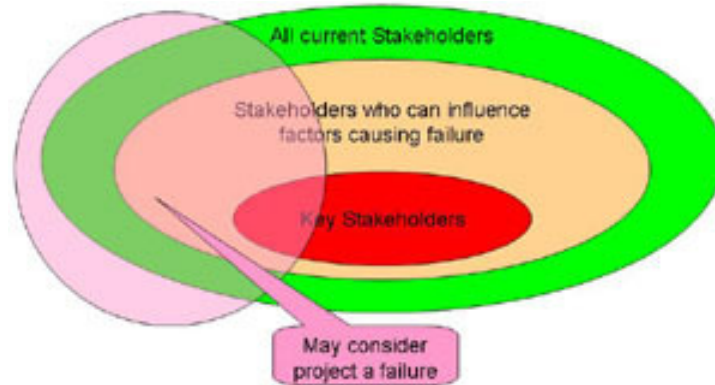
Key stakeholders are a subset of stakeholders who have power to prevent the project from achieving its full set of objectives and potentially may cause the project to fail.

This is the flip side of success; however “*Before you can win a game, you have to not lose it*”². If you fail to manage your project’s key stakeholder community, your project is almost certain to fail: however *not failing* is not synonymous with succeeding.

From a stakeholder management perspective, achieving success involves significantly more than just completing the project on-time and on-budget. The real measure of success is recognition by the general stakeholder community that the project is successful, usually because the project’s deliverables help the stakeholders in some way and importantly, the stakeholders recognise this fact!

¹ For more on ***Stakeholder Relationship Management: A Maturity Model for Organisational Implementation***, see: http://www.mosaicprojects.com.au/Book_Sales.html#Book_Bourne

² Chuck Noll, ex-Pittsburgh Steelers Coach



For the project to be deemed successful, most stakeholders must perceive it as a success

Within this framework, a large proportion of the project's key stakeholders (but not all) will also have the power to influence the determination/perception of the project's eventual success. However, some key stakeholders that can influence failure have no interest or involvement in the project's success (eg, regulatory authorities).

Additionally, in most circumstances, for the project to be deemed successful, a large numbers of other stakeholders will also have to be aware of the project's deliverables and want to make use them to realize the value/benefits the project was initiated to create³. You can never expect 100% support and recognition and trying to please *'all of the people, all of the time'* is a recipe for failure but you should aim for a solid majority. Achieving this recognition of success is the subject of other articles⁴.

Stakeholder Definitions:

- **Organisation's Stakeholder:** Stakeholders are individuals or groups who will be impacted by, or can influence the success or failure of an organisation's activities.
- **Project's Stakeholder:** Stakeholders are individuals or groups who will be impacted by, or can influence the success or failure of the project's work and/or its deliverables.
- **Important Stakeholder:** A stakeholder who has been identified as important, using an appropriate prioritisation methodology (such as the *Stakeholder Circle*⁵), for the purpose of allocating scarce resources to ensure effective communication and to focus other stakeholder management initiatives.
- **Key Stakeholder:** A stakeholder who has to power to prevent the project from achieving its full set of objectives and potentially may cause the project to fail.

Note: By these definitions, *key stakeholders* are always a potential risk to the project (opportunity or threat) but may not be particularly important *'at this point in time'* if the relationship between the project team and the stakeholder is working well (ie, they may not need high priority communication at this point in time).

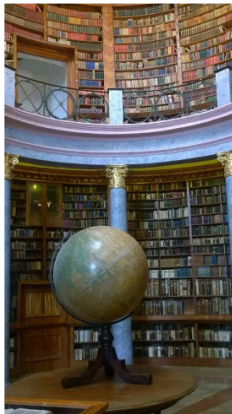
³ For more on benefits realisation and value see:

http://www.mosaicprojects.com.au/WhitePapers/WP1023_Benefits_and_Value.pdf

⁴ See *Success and Stakeholders*:

http://www.mosaicprojects.com.au/Mag_Articles/N009_Success_and_Stakeholders.pdf

⁵ For more on the *Stakeholder Circle*[®] see: <http://www.stakeholder-management.com/>



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