

# Stakeholder analysis

## Building with Nature Guideline

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## Stakeholder analysis

**Type:** Framework

**Project Phase:** all

**Purpose:** Identification, assessment and management of stakeholders

**Requirements:** Negotiation skills beneficial

**Relevant Software:** none

### About

Stakeholder management is an important discipline to both increase the quality of projects and win support from others. It helps ensure that projects are implemented and successful, where others fail and are discarded. It is of particular interest to professionals that have limited experience in how to involve stakeholders in project development and implementation. Experienced professionals tend to use similar frameworks on a subconscious level when managing projects. Being more explicit and structured in stakeholder analysis facilitates communication within project teams.

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In BwN projects, stakeholders are important because BwN projects affect the physical environment: environments to which stakeholders attribute several – often different – functions. This means that physical measures affect the socio-economic environment in which stakeholders function. Different stakeholders have different reasons for participating in, or opposing project development in a specific area. Careful selection of partners and management of opposition helps to make projects feasible and successful.

Due to their novel and innovative nature, designs based on BwN-principles can encounter resistance. Unfamiliarity with the approach often leads to initial opposition when applying novel, dynamic solutions to problems that were previously perceived as static and solvable by traditional means. This can be overcome through attentive identification and involvement of stakeholders, thereby making such dynamic solutions feasible.

Stakeholders can be defined as 'any group or individual who can actively affect or be affected by the project development' (based on Freedman, 1984). As such, stakeholders can be anything from individuals affected by a project through to large-scale non-governmental organisations (NGO's) whose organisational goals are related to aspects of the project. Attention to stakeholders is important throughout the project development process for the following reasons:

### 5 Basic steps towards Building with Nature

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1. Success depends on satisfying key stakeholders according to their definition of what is valuable (Bryson 1995: 27). In other words: project initiators should be aware that the "stakes" held by the relevant stakeholders may be conflicting. The challenge is to manage these conflicts and make sure that all stakes are adequately addressed.
2. Political feasibility needs to be assessed and enhanced, especially when it comes to articulating and achieving the common good (Bryson et al, 2002; Campbell and Marshall, 2002). No project operates in a political vacuum, and public and private interests may be conflicting.
3. Requirements of procedural justice, rationality and legitimacy need to be satisfied for those involved or affected (Eden and Ackermann 1998). There is a large variety of legislation on participation, and thoughtful stakeholder management helps satisfying the corresponding procedural obligations.

This tool provides a means of stakeholder identification and classification. It is meant especially for teams and managers developing BwN-type projects. No special skills are required.

## Building with Nature interest

BwN infrastructural projects operate on the boundary of several physical and social scales and sectors, because they are usually complex and of high exposure. A multitude of interests are therefore involved in the successful development of such projects. Thoughtful management of these interests – as well as combining them as much as possible in a specific design - is essential to project success. Effective incorporation of interests can only be achieved by careful involvement and management of stakeholders, who not only represent these interests, but also play a role in the socio-economic context of the project. BwN projects initiate change in the socio-economic system, which often stirs emotions and resistance. The higher the impact on the system, the more important stakeholder management becomes. The output of the stakeholder analysis indicates the positions of people/organisations inside and outside the system relative to the envisaged change.

The tool can be used in all phases of BwN project development and in fact should be utilized in each phase anew, as stakeholders may change position as the project develops. Identifying and involving stakeholders in early phases of a project development is essential to obtain support in later phases. The tool can be used for two purposes:

1. to increase the chance of success by strengthening the forces in favour of the project and/or weakening the forces against it;
2. to decide at transitions between project phases whether or not to go ahead with the initiative.

## How to Use

No special skills are required, but note that stakeholder management is primarily a social skill. Previous experience in, for example, negotiations can be beneficial. The tool is especially helpful for managers and teams dealing with projects with BwN-perspectives. The tool can be used in the setting of a regular project meeting. Clearly, good social skills are essential to an effective and constructive interaction with stakeholders.

1. Phase plan process
2. Stakeholder identification
3. Stakeholder assessment
4. Prioritise and manage the stakeholders
5. Position to BwN
6. Advice and recommendations

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### 1. Phased plan process

Because stakeholders may change their position in the course of a project, it is essential to refresh the analysis from time to time: stakeholder analysis is an iterative process. A broad first analysis is meant to develop strategies towards stakeholders. Interaction with stakeholders further down the process offers opportunities to calibrate estimates. Reflection is needed when entering a new project phase, preferably based on a new round of stakeholder consultation.

### 2. Stakeholder identification

Deciding which stakeholders should be involved in a project development process is a strategic choice. In general, people should be involved if they have information that cannot be gained otherwise, or if their participation is necessary to assure successful implementation of the initiative (Bryson 2004:27). Stakeholders are normally identified through structured brainstorming sessions by the project initiators.

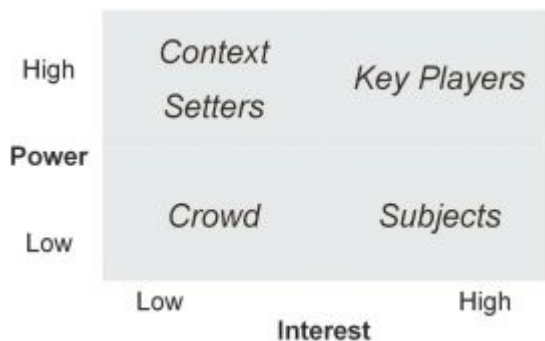
### 3. Stakeholder assessment

In participation processes, a large number of stakeholders can be present. Not all of these stakeholders have the same attitude towards the project, nor are they all of the same importance to its success. Therefore, it is important to identify the role different stakeholders may play in the project development, so specific management strategies can be utilised for their involvement, often at different instances in the process.

Stakeholder analysis can easily be done using stakeholder matrices, such as power versus interest (Eden and Ackermann, 1988; reproduced below) or problem-frame versus stakeholder (Anderson, Bryson and Crosby 1999; Bryson 2004). When starting a project, keep in mind that its development takes place in a world that is not a blank sheet. The physical environment is in many cases fully developed (although continuously further developing) and the social systems is filled with problems, issues and opportunities. Any development will therefore touch upon pre-existing issues and interests. These are important to know when dealing with individuals and organisations that may influence the project development. Interests should be defined very broadly: anything impacting the person/ organisation now or possibly in the future, depending on what the stakeholder considers to be of importance.

Whilst every stakeholder has interests, not everyone of them has the power to change or prevent project development or relevant decision making. Power can come in a variety of forms, such as political decision-making power, legal power, access to specific resources, or the power to block certain developments through media access. Power can be seen as a form of influence on the decision-making and implementation process. Therefore, it is important to assess the power of stakeholders in an early stage of the process, in order to get support from powerful actors, but also to be aware of powerful potential adversaries.

Note that influencing the process is not necessarily negative, in the sense of hindering or blocking a particular development. A development can also be enriched by stakeholder input. Stakeholders often have access to specific relevant knowledge, perspectives and resources that contribute to better ideas and better designs. Thus they may enhance the quality of the design and, consequently, the chance of successful implementation. By combining interest and power, we can map each actor in one of four positions in a matrix and prioritise them according to their importance (see figure).



### 4. Prioritise and manage the stakeholders

Not all stakeholders are equally concerned with the project. Therefore, it is important to categorise the stakeholders and adopt different management strategies for each category. The position in the interest-power matrix can be useful to decide which action to take (see figure). Especially the identification of stakeholders that might become key players is crucial to project success. They have a high political interest and are powerful enough to stop the project completely – or make sure that it succeeds.

**Key Players:** These are stakeholders with high power and high interest. This can relate to the actor's own interest, as well as the project developer's interest in what the actor can add to the project in terms of relevant knowledge, perspectives and resources. These are the people to fully and intensively engage in the processes and to focus the most effort on. They should be actively involved in the project development and consulted regularly.

**Context Setters:** These are stakeholders with high power but less interest. Their power provides part of the context in which a development is pursued. Spend enough effort to keep them satisfied, but not so much that it becomes counterproductive. When possible, try to increase their level of interest.

	High	Keep satisfied	Manage closely
Power		Monitor (minimum effort)	Keep informed
	Low		High
		Interest	

**Subjects:** These are stakeholders with low power but high stakes. Make sure to adequately inform them and to avoid major problems. Often these people can be helpful with the details of the project.

**Crowd:** These are stakeholders with low power and low interest. These should be monitored and informed passively. Do not bother them with excessive communication. When possible, try to increase their level of interest.

## 5. Position to BwN

Once the stakeholders that relevant to the project have been identified and their power and interests have been determined, it becomes important to also include their position regarding the development itself. This position can be positive, negative or indifferent. Actors with a positive attitude towards the project are obvious partners, those with a negative attitude are likely to become the adversaries. Indifferent actors should be actively persuaded, but note that both positively and negatively positioned actors will try to do so.

The position with respect to Building with Nature is influenced by many forces and factors). The most important is the dynamic nature of Building with Nature (see "the nature of BwN"), which actively seeks to change a system for the better. Not all actors are inclined to think in this 'dynamic mode'. Some may be more inclined to conservation than to development, especially when it comes to the ecosystem. Nature conservation and nature development are different and sometimes even conflicting mindsets. Economic interests are mostly of second-order importance to the position actors take. Only when their economic interest is direct and immediate, they will be inclined to take a position in favour or against a project.

## 6. Advice and recommendations

Use stakeholder analysis for developing effective stakeholder management strategies: once power, interests and position have been determined, these can be combined to target specific actors in a strategic manner. The most important goal is to identify the stakeholders that may contribute to a successful project implementation. The key objective is to increase the number of actively involved powerful stakeholders in favour of change, while decreasing the number opposed to change. A variety of strategies exist to change the position of actors. Many of these are documented in the BwN guideline section [Governance - Stakeholder network management](#).

## Practical Applications

1. Strategic Management of Stakeholders
2. The Traffic Light Approach

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The use of the stakeholder analysis tool is illustrated by Fran Ackermann and Colin Eden in their article **Strategic Management of Stakeholders: Theory and Practice** in Ackerman and Eden (2011). They repeat, explain and illustrate how their approach can be used in practice. The approach of Ackermann and Eden is considered to be of a relative sophisticated and strategic nature, but there is also a more straightforward approach towards stakeholder analysis.

The straightforward method is described by Bryson (1995) and is often referred to as the **traffic light approach**. The risk of using this approach is investing too much effort into the management of (perspectives and positions) of stakeholders that are not that important for the success of the project under development.

Both approaches can be combined as been described in [this stakeholder map](#). Much more relevant information with regard to the practical application of the described tool for stakeholder analysis (including video instruction and practical instructions) can be found on for instance [this site](#).

## References

>> Read more

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