

## The Stakeholder Circle – A Visualisation Tool

The *Stakeholder Circle* is based on the premise that a project can only exist with the informed consent of its stakeholder community. This community comprises individuals and groups, each with a different potential to influence the project's outcome. The *Stakeholder Circle* has been devised to offer a mechanism for assessing the relative influence of each of the key stakeholders. The benefit of this tool is derived in part from the analysis process itself as well as from the ease with which key stakeholder's influence on the project can be judged once the diagram is complete. The assessment should be updated regularly as the stakeholder set changes to reflect the dynamic nature of project relationships.

Stakeholders are weighted according to the three characteristics described below. These initial assessments are melded into a single diagram to produce an image similar to Figure 1.

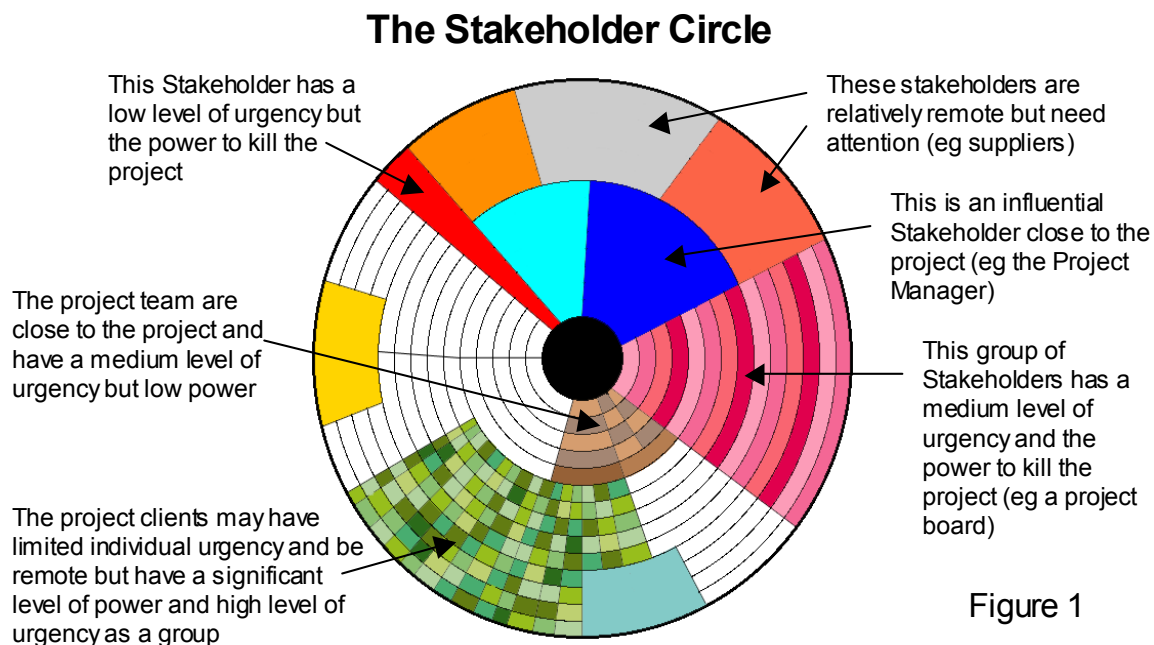


Figure 1

The *Stakeholder Circle* plots the power and proximity assessment of a stakeholder along the radial axis and the team's urgency/importance assessment along the arc. The resulting diagram plots the relative influence of each stakeholder and offers a visual tool to facilitate decisions being made on the amount of effort the project team will allocate to managing their relationship with any given stakeholder.



## Stakeholder Assessment Criteria

### Power

Some stakeholders (either alone or operating as a group) can kill the project using their own power (eg by withdrawing all funding). Other stakeholders have the power to damage the project but cannot on their own cause it to be cancelled or fail – this is the power axis in the stakeholder circle. The radial depth of each stakeholders segment represents the power of that stakeholder. Any stakeholder (or group of stakeholders) that can completely break the circle if they withdraw support can kill the project.

### Proximity

This aspect considers how closely a stakeholder is associated with the day-to-day running of the project. The small circle in the centre of the diagram represents the project. The space between the two circles represents the *sphere of influence* of the project on its whole stakeholder community (including the project manager and project team). The proximity of a stakeholder to the project is represented by how close their segment is to the project in the centre. This factor interacts with the power factor and is of secondary importance. It is used to locate stakeholders with relatively low power.

### Urgency / Importance

The width of the arc represents the amount of urgency or importance attributed to a stakeholder from the teams perspective (ie, how likely the stakeholder is to use its power). Some stakeholders will attach significant urgency to their interaction with the project others are relatively uninterested and have little interaction. Each stakeholder's degree of urgency is represented by the width of their segment, the wider the segment, the greater the urgency. No differentiation is made in respect of positive or negative attitudes on the part of the stakeholder. A supportive stakeholder with a high urgency rating needs to be managed (to keep the positive support) with the same level of attention as a negative stakeholder. However, human nature is expected to resolve any potential problems in this respect. Most people with a positive view of the project will be happy with its progress, etc and will generally exhibit a low level of urgency.

## Data Entry Template

Each Stakeholder should be dealt with as a single entity. Wherever practical, groups should be assessed rather than individuals (eg the project team or the system users). If significant differences are seen in the appropriate stakeholder management strategy for different sections of a group, then the group should be divided and assessed separately (eg the project team may be divided into the development team and the test team). Each stakeholder group should be assessed against the following scales

### Power

All sources of power should be considered (positional, political and personal) but only from perspective of the stakeholders capacity to cause change to the project.

4 = High capacity to formally instruct change (ie, can have the project stopped)

3 = Some capacity to formally instruct change (eg, must be consulted or has to approve...)

2 = Significant informal capacity to cause change (eg, a supplier with input to design)

1 = Relatively low levels of power (ie, cannot generally cause much change)



## **Proximity**

How closely involved in the project is the stakeholder.

- 4 = Directly working in the project (eg, team members and contractors working on the project most of the time)
- 3 = Routinely working in the project (eg, part time members of the project team, external suppliers and active sponsors)
- 2 = Detached from the project but has regular contact with, or input to, the project processes (eg, clients and most senior managers)
- 1 = Relatively remote from the project (ie, does not have direct involvement with the project processes)

## **Urgency / Importance**

How important necessary or desirable is the taking of action to manage the stakeholder? Either to reinforce positive aspects of the relationship or mitigate negative influences (viewed from the Stakeholders perspective).

- 5 = Immediate action is warranted irrespective of other work or commitments.
- 4 = Urgent action is warranted provided it can be accommodated within current commitments.
- 3 = Planned action is warranted within a relatively short timeframe.
- 2 = Planned action is warranted within the medium term.
- 1 = There is little need for action outside of routine communications.

## **Conclusion**

The overall size (or area) of a stakeholder's segment gives an indication of the overall influence of that person (or group of people) on the project. The outcome of the visualisation process is a diagram designed to facilitate decisions on where the project team need to concentrate their stakeholder management effort. Defining appropriate responses requires an understanding of such elements as which stakeholders need to be involved in the project definition and planning processes, who needs more information to mitigate opposition, who are the key and relevant stakeholders, etc.

Only after an insight has been gained to these questions, can a true stakeholder-centric planning process be commenced.

---

## **Supporting Tools**

- 1. Data collection spreadsheet (Excel) – used by project team to gather and assess data on all potential stakeholders.
- 2. Data processor – Analyses the top 15 stakeholders for display.



3. Stakeholder Circle display tool – presents the optimised display for use by project team.

## **Contact**

Stakeholder Circle Development Manager:-

Lynda Bourne BA(Hons) PMP

**Mosaic Project Services Pty Ltd**

Tel: (03) 9686 1424 Fax: (03) 9686 1404

Email: [lyndab@mosaicprojects.com.au](mailto:lyndab@mosaicprojects.com.au)