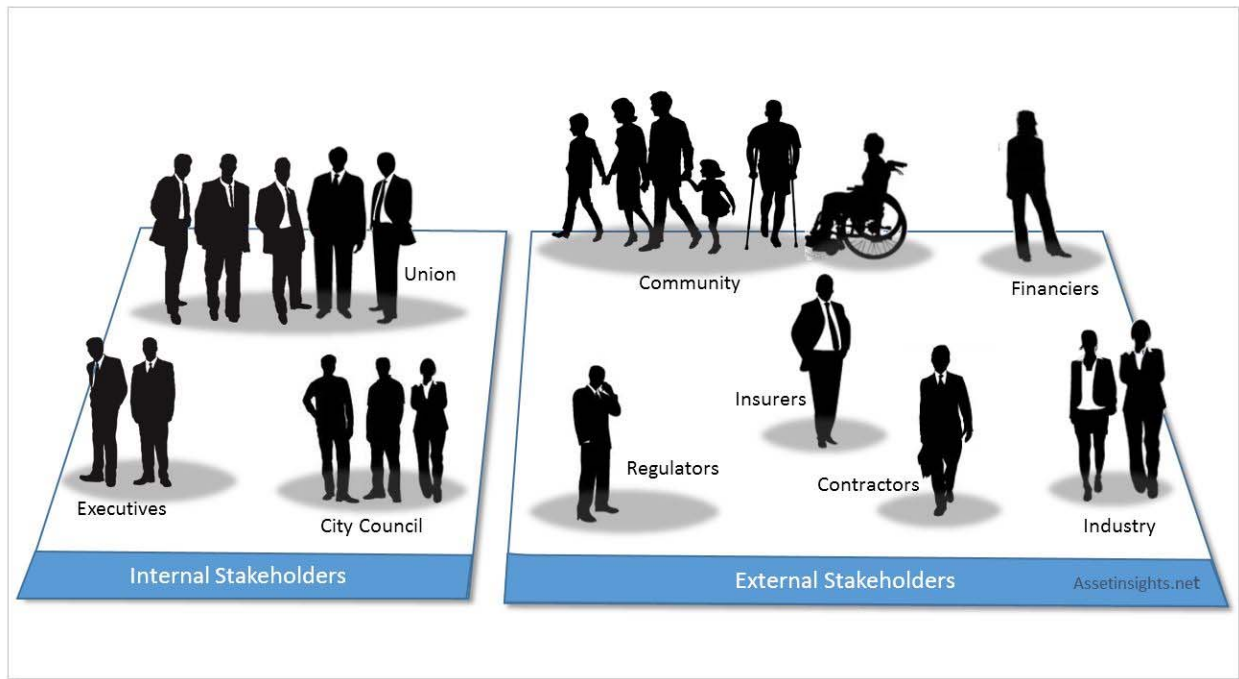


Stakeholder Management Simplified into 5 Steps

David Albrice, August 28, 2015



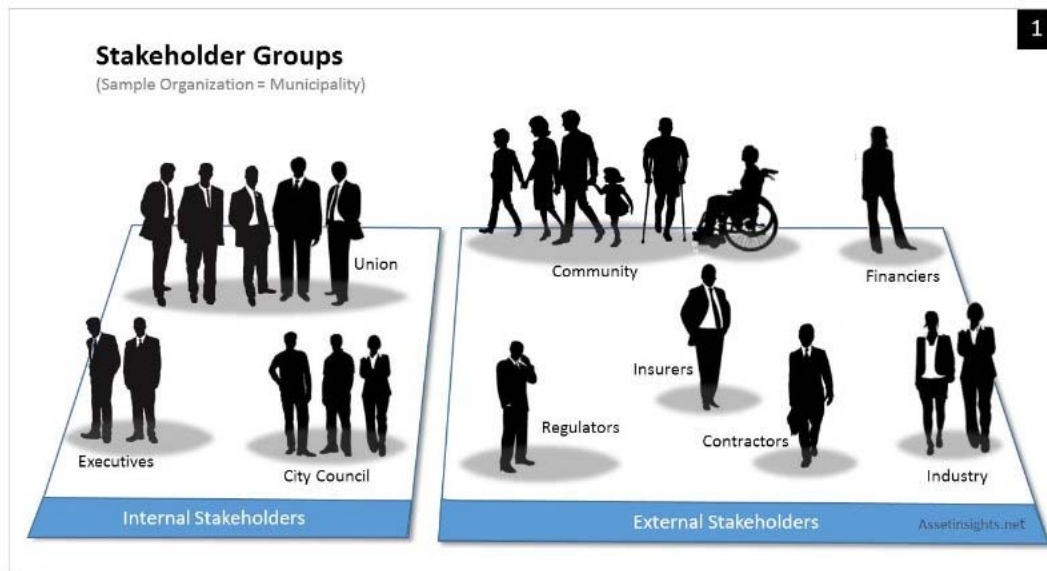
A stakeholder is "a person or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity" (ISO 55000:2014). A stakeholder can also be referred to as an "interested party".

The word stakeholder appears 61 times in the ISO 55000 standard and management of stakeholders is paramount to effective asset management.

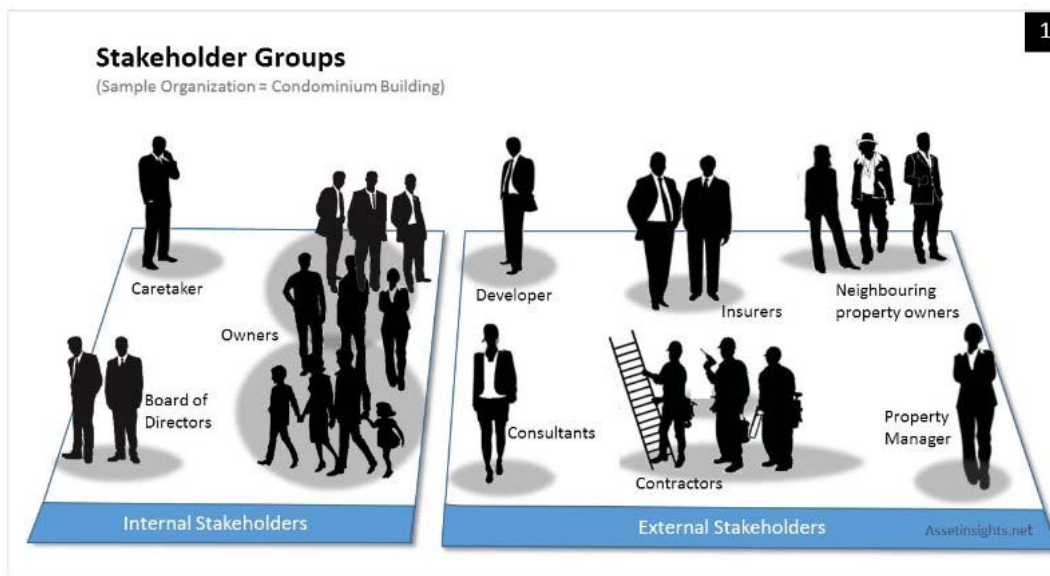
As part of a series of blog posts intended to make asset management concepts accessible and engaging, I have prepared the following images to help visualize the key steps in the stakeholder management process.

1. Identify the Stakeholder Groups

The first example uses a municipality to illustrate some of the key stakeholder groups, which are organized into: a) Internal Stakeholders (left side) and b) External Stakeholders (right side).

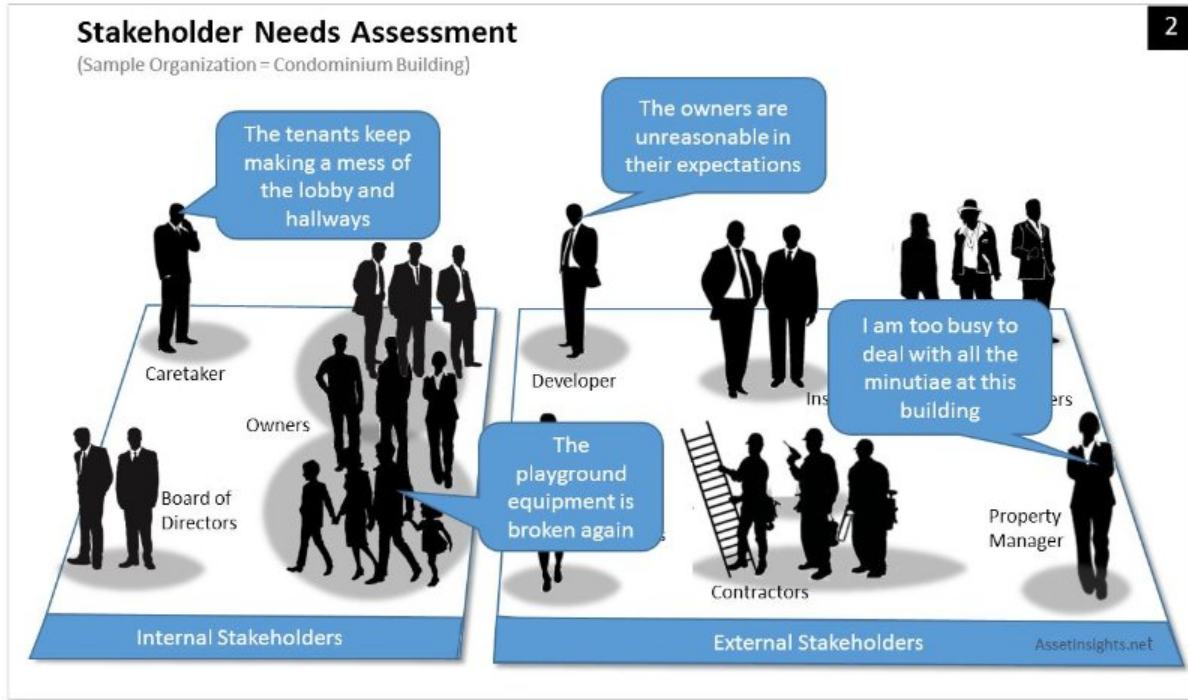


The next image identifies some of the key stakeholder groups associated with a condominium building.



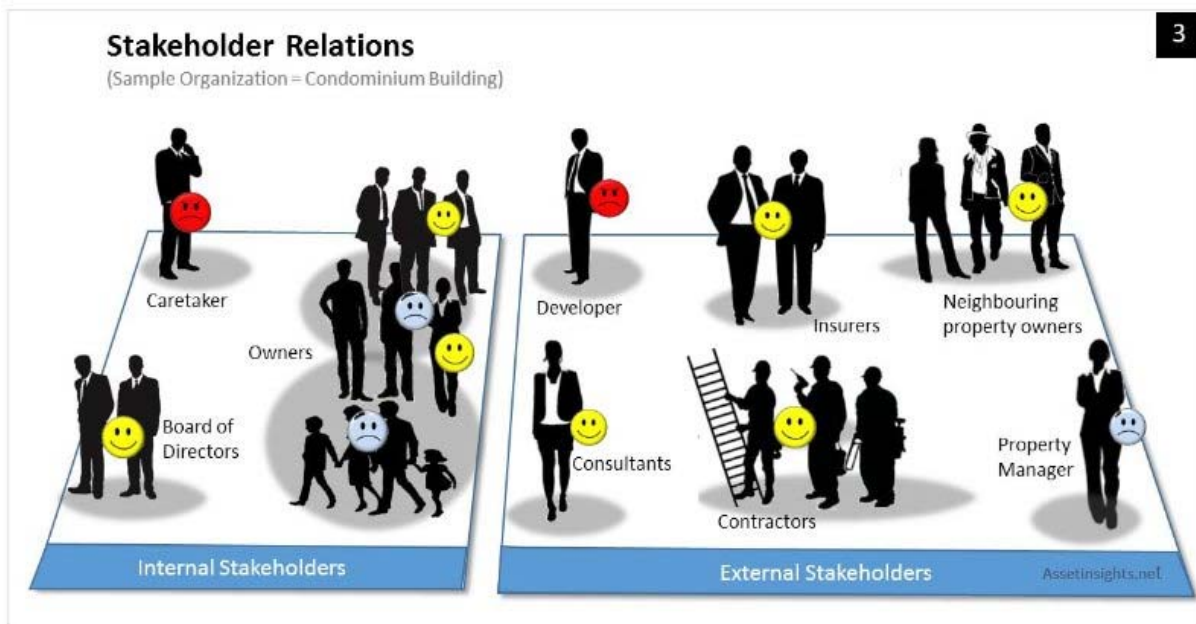
2. Engage with each Stakeholder to Determine their Needs

The organization's relationship with each stakeholder group must be translated into a statement of the needs of each stakeholder and whether these needs are currently being met.



3. Determine the Quality of the Current Relationships

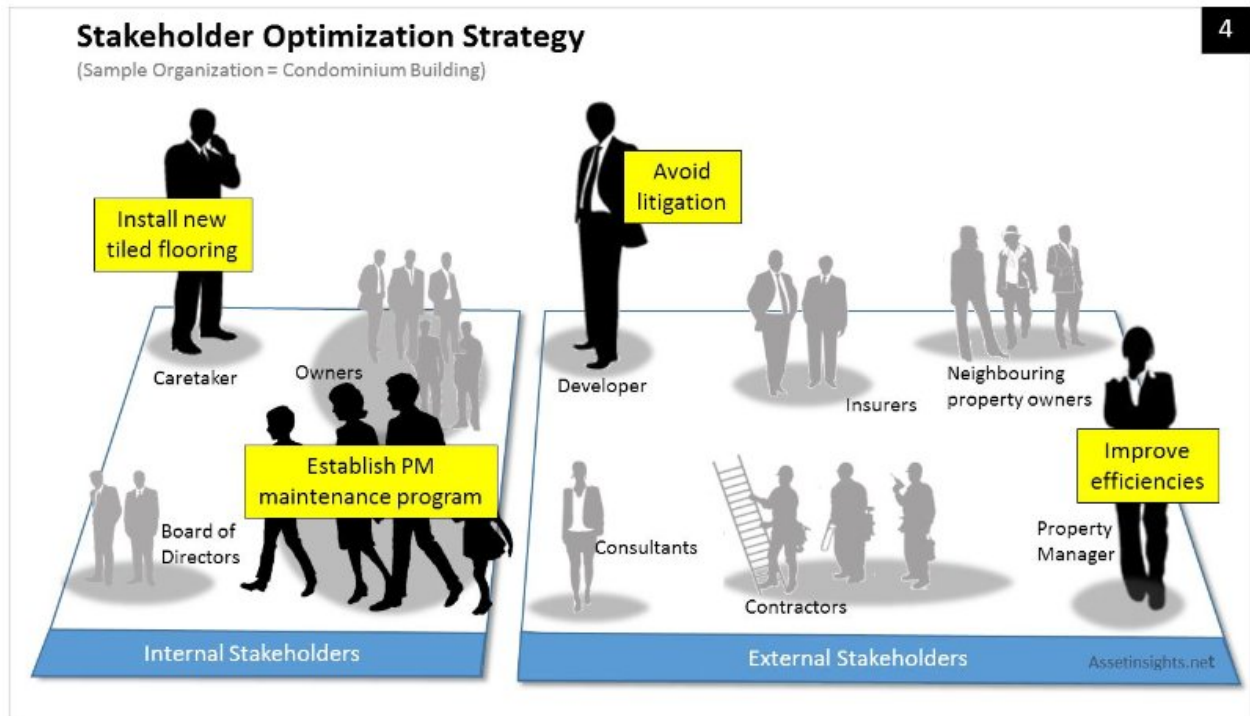
The next diagram conceptually illustrates the quality of the current relationship with each of its stakeholder groups, which can be plotted on a linguistic scale from "good" to "fair" to "poor".



In some cases, the quality of the relationship may vary between members within a single stakeholder group and the challenge is to determine the blended relationship with that group.

4. Develop an Optimization Strategy

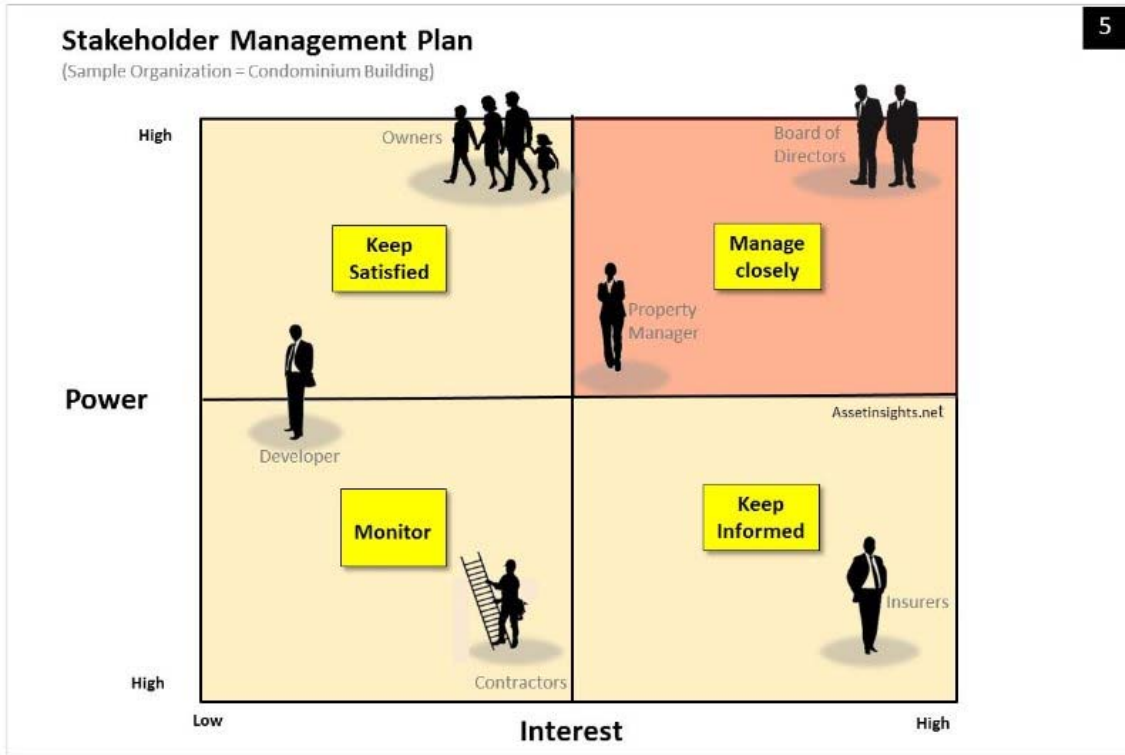
The next figure illustrates how the needs of certain stakeholders may potentially be satisfied relative to the needs of other stakeholders. Some stakeholders will be considered to be more important than others and therefore certain needs may need to be deferred.



5. Stakeholder Alignment Plan

The final step is to plot each of the stakeholders on a matrix that identifies an appropriate strategy to manage the ongoing relationships over time.

The vertical axis indicates the relative "power" of each of the stakeholders on the organization while the horizontal axis indicates their relative "interest" in the affairs of the corporation.



The stakeholders in the top right-hand quadrant must be managed closely, whereas other stakeholders must be kept satisfied, kept informed, or simply monitored.

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In addition to assisting asset-intensive organizations with strategic planning for their asset portfolios, he provides educational workshops and seminars on asset management, reliability and maintenance optimization.

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