Effective Communications: How to Perform a Stakeholder Analysis

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Initiatives: CIO Role Evolution; Executive Leadership: Internal Communications

Great communication inspires action and commitment and leads to better business outcomes. To deliver great IT communications, CIOs must build a strong communications core, one that includes an understanding of the stakeholders in the communications process and their needs.

Overview

Key Findings

- The number and variety of stakeholders whom CIOs must consider have expanded, from inside IT to beyond the walls of IT — and beyond the enterprise, increasing the complexity of the CIO’s role in communications.

- Communications designed to address the specific needs of stakeholders are considerably more effective than communications that do not, yet most communications are delivered without deliberate consideration of the intended audience.

Recommendations

CIOs seeking to improve the effectiveness of IT’s communications:

- Identify the stakeholders who have a vested interest in IT communications. Use the network created to continuously refine the list, looking for additional advocates and interested parties.

- Continuously refine messages for stakeholder groups and individuals by using a stakeholder analysis to shape messaging.

Introduction

This research is part of a series on effective communications for the CIO and IT organization. As a study shows, it pays to invest in effective communication. Other research in this series includes:

- Effective Communications: How to Develop a Communications Strategy
This installment in the series presents the top practices of an effective stakeholder analysis. It is designed for CIOs to use when identifying stakeholders in communications and customizing messages for them.

**Analysis**

**Identify the Stakeholders Who Have a Vested Interest in IT Communications**

CIOs need to engage and effectively communicate with a variety of stakeholders when creating and delivering enterprise value. For example, many stakeholders on the executive team have a vested interest in determining the right technology investments and are needed as partners to effectively incorporate technology into the business model and strategy. Other stakeholders, such as leaders of business capabilities, are critical to the successful adoption and use of IT-provided capabilities.

CIOs also have external stakeholders, including strategic vendors and ecosystem partners. Increasingly, CIOs are a conduit for communicating with enterprise customers as well, using what they learn to shape the products and services of the company.

Whether internal or external, each stakeholder individual and group has a unique set of needs for the CIO to incorporate in the effective framing and delivery of digital capabilities. To effectively communicate, CIOs must start by actively identifying and analyzing their stakeholder community to help shape individual messages.

**Ask, “What Do I Want to Accomplish?” and “With Whom?”**

To identify key stakeholders, start with the end in mind by answering the question, “What do I want to accomplish?” And follow that question by asking, “With whom?” Use the answers to these questions to create a list of stakeholders who will benefit from effective CIO communications.

The most common stakeholders include:

- **Board of directors, including the CEO.** The board of directors and CEO are critical stakeholders, because their primary concern is business growth. Their ability to invest effectively is tied to their understanding of the business capabilities to be developed.

- **Executive team — those who report directly to the CEO.** The executive team is a critical stakeholder group, because together, these executives define the enterprise strategy and need to understand how information and technology shape that strategy and impact all aspects of the organization.

- **Business unit leaders who make technology decisions for their business unit strategies.** This stakeholder group is important, because these leaders serve as a bridge between executive vision and
To ensure a complete list of stakeholders, think at a deeper level:

- **End users.** End users are important stakeholders, because they use the tools and platforms to develop technology solutions within their business teams. This group needs to be educated as an extension to the IT organization to achieve the same level of quality as if they are part of the IT organization.

- **Strategic vendors and ecosystem partners who need to engage to support the IT strategy.** They need the same level of understanding of the IT organization and its processes as internal users and IT staff do.

- **IT leaders and staff.** They need to understand the IT strategy, goals and initiatives to support successful delivery of IT value and their relationship to strategic vendors and ecosystem partners.

- **Customers.** The communications between the CIO and customers are increasingly essential to defining products and services and refining the customer experience.

To ensure a complete list of stakeholders, think at a deeper level:

- Who influences the list of groups and individuals above?

- Who else is important to influence and bring along on a journey to achieve the intended outcomes?

Refine the list, using the answers to those questions.

Vet the list with others who have a perspective about whom the CIO should engage as stakeholders, and continue to refine the list. It is the continual refinement of the stakeholder community and communications process that achieves the results highlighted in *Effective Communications: How to Develop a Communications Strategy.*

**Perform a Stakeholder Analysis**

Working with your IT leadership, perform a stakeholder analysis by answering the questions in Table 1.
### Table 1: Questions for a Stakeholder Analysis

Enlarged table in Appendix

<table>
<thead>
<tr>
<th>Questions for Individual Stakeholders and Groups</th>
<th>Answer</th>
<th>Existing Relationships With This Stakeholder</th>
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<td>What is this person’s or group’s communication style? How do they tend to like to see or hear information (email, in person, video and so on)?</td>
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**Use a Stakeholder Analysis to Tailor Messaging**

With a better understanding of each stakeholder group and individual, reflect on the outcome to be achieved for each. Which stakeholders will you include in your communications plan (see Effective Communications: How to Develop a Communications Plan)? Which of the relationships identified above will you leverage when communicating to that group or individual? When you are successful, how will you know?

With the messages you want to convey, develop compelling stories designed to achieve the intended outcomes, keeping these questions in mind:

- Why do they care?
- Why should they care if they do not currently?
To be effective, tailor communications to the stakeholder. What follows are best practices and key themes to keep in mind when constructing a message:

- Ensure understanding of the business model, strategy, priorities and challenges.
- Be customer-centric. Top IT leaders live and breathe business and act to know critical customers, viewing IT through the eyes of the enterprise's customers.
- Communicate in the language of the stakeholder. Rather than speaking in technology terms, talk in terms of business value and business benefits.
- Customize messages based on the position and needs of the stakeholder group or individual. Work to ensure the IT organization is delivering a consistent message and all messages are current, adjusting as situations change.
- Learn active listening skills, and use them to sense and respond to changes and needs in the enterprise.
- Engage the enterprise in communications to stay engaged. Help stakeholders internalize key messages by working with them regularly to achieve the required level of internalization. Segment stakeholders into groups, and develop messages for each group.
- Develop the points that need to be made, and create a story that brings the points to life.

**Determine Whether to Communicate to Individual Stakeholders vs. Stakeholder Groups**

Determining when to communicate to an individual stakeholder versus a stakeholder group can be tricky. Some general rules can help:

- Deliver sensitive messages personally to engage individuals in a frank discussion about an issue.
- Communicate personally at the executive level. If there are too many executives to develop personal relationships with all of them, identify a few key executives or board members to whom you can present the ideas in advance.
- Communicate to groups when the message is a consistent communication that all in attendance need to hear. Questions raised and answered during the group meeting will help the entire group to understand and act on the message. Examples include policy or process changes and operational issues.
Use supporters to influence other stakeholders to help engage more people across the enterprise in your purpose.

Empathetic understanding of stakeholders is vital. People engage with people they know, people they like and people they respect. Ensure you understand all key stakeholders, and for the most critical stakeholders, take action to build personal relationships. Approach communication in a fact-based manner, and credibility will be established and improved with every interaction you have.

Evidence

1 Towers Watson Research Study on Effective Communication and ROI, Bizcommunity.com

Recommended by the Authors

How to Create a Persuasive Pitch That Attracts Interest and Investment
How Executive Leaders Can Optimize Communications Channels to Support Employees
Tool: Message Design Checklist for Department Memos and Presentations
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Source: Gartner