The Four Levels of Stakeholder Data Management

borealis

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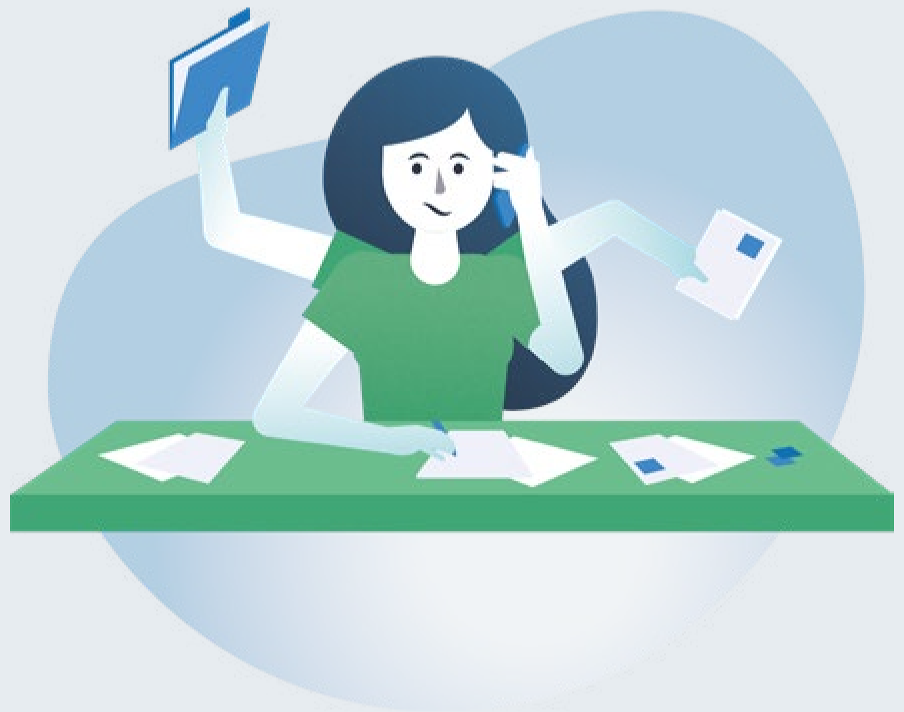
Today's interconnected world means that people are now aware of corporations' activities even thousands of kilometers away –and at a speed unheard of just a decade or two ago.

Opinions aren't always negative, however. Nor are they immutable. People change. Societies evolve. And organizations have to keep up. This means being able to identify key supporters and detractors, and track their evolving expectations. It also means being able to influence stakeholders and to be influenced by them in order to achieve the best possible outcome with the least amount of effort. Achieving this level of maturity requires certain processes and tools.

So how does all this play out in the real world? Take Becky's story. She's a stakeholder engagement team leader at a large corporation with multiple sites. Here's how her organization worked its way up the four levels of stakeholder data management maturity, framed through the lens of diagnosis, action and challenge.



Level 1

Awareness of the need for stakeholder management

A local paper publishes an article on an incident at one of the sites Becky oversees. A lot of chatter ensues on the community's Facebook page and a local group files a formal complaint. The stakeholder agent on the field can't be reached and the issue escalates to management. Unfortunately, Becky has little information on hand to guide the organization's response. Becky and her boss agree that these types of stressful situations must be avoided in the future.

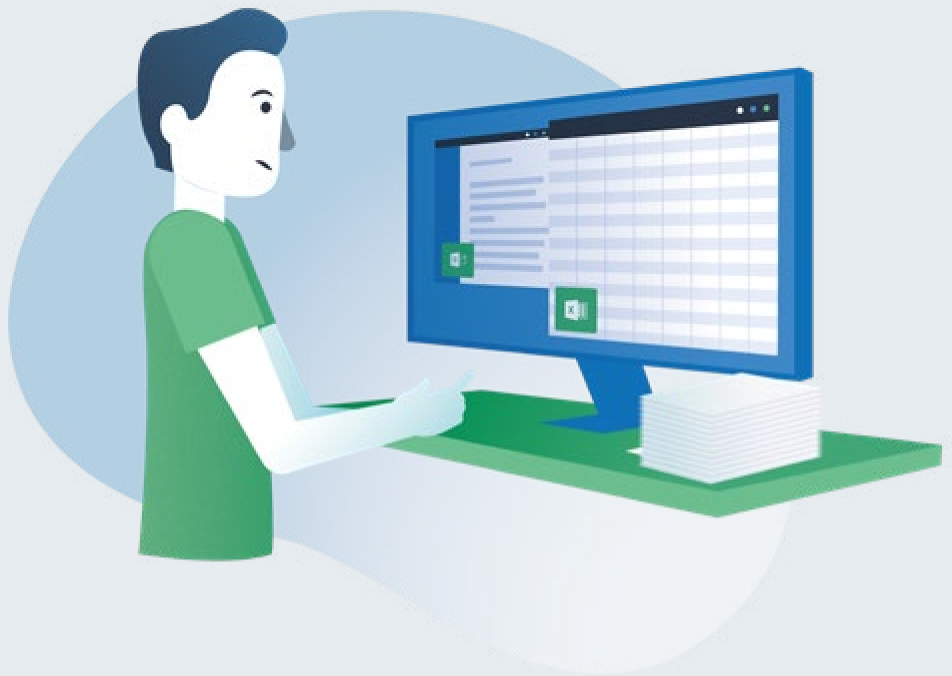
The organization recognizes the need to start collecting data – if only to create an institutional memory – to correct the following shortcomings:

- Team leaders rarely have a global view of the stakeholder landscape
- Management rarely has access to reliable and timely hard data to guide decision making.
- External lenders and regulators looking for a report on the project's main risks or issues are likely to receive incomplete or questionable information.
- Data deficiencies routinely lead to misunderstandings, inappropriate solutions, and disappointing results.

Diagnosis: Little to no data is being logged. Information is mostly stored in people's memory and there's no way to aggregate commitments.

Challenge: Increasing the amount of available data.

Action: Collect data on a regular basis.



Level 2

Ad hoc stakeholder management

Becky puts in place a series of mechanism that forces field agents to collect data during exchanges with stakeholders. Some agents start using Excel spreadsheets. Others start sending emails to both Becky and their stakeholders. Agents also start saving the minutes from meetings in Word documents.

Becky's boss asks for a formal report on the field agents' stakeholder activities for the last 2 months as well as an up-to-date risk assessment of key stakeholders. However, Becky is so overwhelmed by all the information that has been coming in that she has a hard time weeding through it all to identify what's important. She's also noticed that data collection sometimes stops altogether during a crisis, resulting in an incomplete and skewed picture of the situation.

Becky is convinced that the influx of data is a step in the right direction, but still worries about:

- The departure of key staff.
- Near-project failure due to oversights.
- Regulators or lenders demanding reports and metrics related to social performance.
- Etc.

Becky's boss is happy that an institutional memory of sorts is being created, but complains that data is not available in a format that easily allows for:

- Extracting trends over time.
- Knowing where the team is focusing its efforts.
- Determining what the real results of these efforts are.
- Generating basic snapshot reports.

Diagnosis: Information is being gathered, but on solely an ad-hoc basis. Data is not centralized or stored in a standardized format. Documenting is still not a priority, which increases the risk of key information becoming delayed or even lost.

Challenge: Improving the process for collecting and centralizing stakeholder management data.

Action: Establish formal business processes.

Level 3

Formal stakeholder management

Becky and her boss decide to purchase a stakeholder engagement software so that collected information can be uploaded and stored in a standardized format in a single location. They also decide to configure the software to each agent's specific requests to make their job easier and encourage adoption.

Becky's team quickly gets used to the system. Though some struggle with the new way of doing things, most are very happy with the new functionalities. Becky still has regular meetings with her boss, but the nature of the conversation has changed. Becky is now bringing to the table meaningful data such as:

- What her team has done, including lagging indicators.
- Who is contributing the most to knowledge internally.
- How often the team is engaging with various stakeholder groups.
- How long it takes to resolve grievances on average.
- If there are any open issues or commitments requiring action.

Other departments start to take notice of these efficiency gains and request for reports start coming in from Operations, Finance, Communications, etc. Despite these improvements, Becky wants to find an even better way to provide timely, pertinent information.

Diagnosis: Formal business processes are providing an overview of the situation at all times. However, leading indicators and KPIs are not being used to support decision-making.

Challenge: Getting users who are not being driven by internal reporting or project milestones to input information in a timely manner.

Action: Convince corporate staff, front-line employees and c-suite executives to use software.

Level 4

Formal stakeholder management

Following the initial stakeholder management successes, higher-ups realized the strategic value of the information garnered with the stakeholder engagement software. Although the stakeholder engagement teams document roughly the same information; it is now associated with stakeholder engagement plans and tasks. And that allows a more proactive stakeholder engagement by documenting actions, intent and targets. Some stakeholder engagement indicators make their way into enterprise-wide dashboards. Anyone can drill-down into the dashboards to access more detailed information. Upper management is now regularly using the system to obtain reliable and timely information to guide decision making.

Becky's job has evolved considerably. She now has a more strategic view and can clearly demonstrate the impacts of her team's efforts on social license to operate and brand reputation.

Diagnosis: Operational systems are being used to bridge strategy and execution, corporate management and business units. Strategy now drives data, which in turn improves strategy.

Challenge: Continuously adjust and improve stakeholder management to ensure better stakeholder engagement and improved brand reputation.

Action: Using a structured stakeholder methodology identify deficiencies and take necessary actions to improve the stakeholder management processes.

Conclusion

The 4 levels of maturity is a diagnostic tool. It provides actionable steps and outlines the common challenges an organization may encounter while working its way up the maturity ladder.

Not all organizations need to reach level 4. Level 1 might be perfectly adequate for some. However, if social license to operate is critical to the success of your project or brand reputation, then level 4 should be the end goal. Working at this maturity level will transform stakeholder engagement into a vital business function that drives results. Only at this level can decisions be made in real time based on reliable high-quality data.

By following in Becky's footsteps, you too can make a demonstrable impact on your organization. Boréalis has helped thousands of people working in various industries around the world improve the outcomes of their stakeholder engagement efforts.

Download checklist for selecting the right stakeholder engagement software.

Contact an expert for a demo or consultation.