

# Stakeholder Analysis

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## Purpose of Stakeholder Analysis

- The purpose of stakeholder analysis is to understand
  - who the stakeholders are,
  - their characteristics,
  - the nature of their interest in the project and
  - how the project will affect them

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## Why is it important

- Better buy in
- Connections with the wider community
- Understand what is important to everyone

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## Better buy-in is essential for successful projects

- Any stakeholder can cause you difficulty
- To succeed requires the cooperation and support of every stakeholder
- People have more interest in something if they think their interests have been considered

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## Everything is connected

- More understanding and concern about the effect of a product or service over its entire life
- Stakeholders are specialised and their concerns are fragmented. No one stakeholder can speak for everyone.

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## People are different

- Despite what we may think, not everyone thinks like us
- “Women see different things as problems, and see problems differently” – a high school teacher at a discussion about technology
- Cultures have different ways of seeing the world
- Attitudes change over time

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## Identifying stakeholders

- Life cycle approach
  - Who is involved when the product is designed, developed, implemented, released, used, supported, disposed?
- Relationship approach
  - Who approves (or pays for) the project
  - Who develops, deploys and supports the product or service
  - Who benefits from its development and use
  - Who may be harmed by this project
  - Who regulates its development or use

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## Stakeholders are not created equal

- Importance is ultimately measured in terms of the ability of the stakeholder to promote or impede the project
- If the stakeholder has minimal influence then leave them out
- Rate the stakeholder's importance on a scale
  - Any scale will do
  - Numeric scales are better because they can be sorted
  - Rate both the ability to promote and the ability to impede

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## Stakeholder ratings - Example

This example uses a numeric scale of 0 (no ability to promote or impede) to 5 (significant ability to promote or impede)

Stakeholder	Promote 0 - 5	Impede 0 - 5	Comment
S1	5	5	Significant stakeholder.
S2	3	1	What type of stakeholder is this?
S3	4	3	Important stakeholder
S4	1	5	Need to keep this stakeholder happy because they can stop the project

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## How would you characterise this stakeholder?

- Helps to determine how to deal with them, what information they would want and how they might react to events.

<b>Identity</b>	Organizations who provide services. EDS, IINet, Optus, Telstra. Unknown just how extensive this community is at this stage.
<b>Characteristics</b>	Sometimes a precarious existence in a rapidly changing industry. Service provision can be a highly volatile and highly mobile market with increasing competition from low cost providers. Subject to some legislative barriers such as data privacy or cross-border data flow prevention.

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## What are the stakeholder's interests

- Stakeholders want different things from products, projects, services
- You may be interested in the technical detail but
  - the CEO is only concerned about the effect this will have on the future of the organization
  - The CFO is concerned about the effect of this project on the organization's finances
  - The CIO is concerned about the effect of this project on IT operations
  - The users are concerned about how it will affect them – for better or worse
  - And on and on and on

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## As stakeholders, academics want different things

- In a project to "Research, develop and trial a method of assessing the maturity and capability level of IT service management and delivery processes," academic researchers were considered to have the following interests

<b>Identity</b>	This group of researchers will also liaise with other research groups engaged in related research. They will also liaise with the standards development community both when developing the standards and when trialling them.
<b>Characteristics</b>	Academic. These researcher are expected to know how to conduct research to ensure the validity of the results and to achieve consensus about the conclusions within both the research community and the community of service providers.
<b>Nature of their interest</b>	Publish research papers. Advance the body of knowledge. Extend their network of researchers. Engage with industry to see the relevance of their research.

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## If you don't know, go and ask them

- You won't always know what the stakeholders interests are, so don't try to guess or make it up.
- If you can, ask them directly
- Other sources of information include;
  - Strategic plans
  - Job descriptions
  - Key performance indicators
  - Personal web sites
  - Internal newsletters
  - Interest groups
  - Professional associations

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## Benefits to the stakeholder

- How will the stakeholder be affected?
- Will they be asked to contribute time, money or other resources
- Will the project or product
  - Enhance their position
  - Support their strategic objectives
  - Enable them to do something new or better
  - Open up new markets or activities
- How will the stakeholder benefit or be harmed?

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## Example stakeholder benefits – Users of a travel booking system

<b>Identity</b>	General public booking travel via web based systems
<b>Characteristics</b>	Computer literate Affluent enough to travel either for business or holiday Knowledgeable about travel in general but not about specific destinations, resorts, hotels, visa requirements
<b>Nature of their interest</b>	Search for flights, select preferred flights, book flight Want accommodation but need to select style and rating to avoid paying more than they should. Get local rates Need assurance that bookings are confirmed. Don't want to arrive to find their booking wasn't made or their room is not available.
<b>Benefits to the stakeholder</b>	Book travel when they have time to consider alternatives Avoid the feeling that they could have got it cheaper if only they had known about X. Certainty of reservations

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## Putting it all together

- Make decisions about the project and product
- Project
  - Who needs to be kept informed and what information do they need
  - What are significant dates and deadlines
- Product
  - What mix of product qualities are needed
  - What functions must be present
  - What must the product not do or prevent

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## Keep the stakeholders informed

- What information does each stakeholder want
  - Financial
  - Progress
  - Technical
- In what format is this best presented to them
  - Spreadsheet, balance sheet, cash flow
  - Gantt chart, milestone dates, available buffer
  - Technical representation e.g. UML, boxes and arrows, circuit diagram, drawing
  - Narrative description
  - Special format e.g. Parnas tabular relations, Petri nets

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## Significant dates and deadlines

- There will usually be some milestone dates
  - Launch of a new initiative
  - Start of the academic or financial year
  - Start of the tourist season
  - Start of the Olympics, World Cup, etc
- Which dates are important to different stakeholders

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## Product qualities

- Stakeholders may assign different importance to different product qualities
  - Availability
  - Modifiability
  - Performance
  - Security
  - Testability
  - Usability
- Which stakeholders will be affected by the product
- How important is each quality to them
  - Give each stakeholder 10 or 20 points to spend on the attributes
  - This reduces "I want all of them"
  - You can't have all of them, they contradict each other

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## Deciding which qualities matter

Stakeholder	Available	Modify	Perform	Test	Secure	Usable
S1	5				5	0
S2	2		2		4	2
S3		4		4		2
S4			2		3	5
Totals	7	4	2	4	3	9

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## What must the product do, not do or prevent?

- Which stakeholder wants which feature?
- Keep the analysis at a high level
- As with qualities,
  - allocate each stakeholder 10 or 20 points to spend on the features.
  - This reduces the tendency to want everything
  - You won't have the time, money or resources to deliver everything

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## Deciding which features are important

Stakeholder	Feature 1	Feature 2	Feature 3	Feature 4	Feature 5	Feature 6
S1	5	3	0	2	0	0
S2	2	4	2	0	0	2
S3	0	4	0	4	0	2
S4	5	0	2	0	3	0
<b>Totals</b>	<b>12</b>	<b>11</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>4</b>

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## Summary

- The purpose of stakeholder analysis is to understand
  - who the stakeholders are,
  - their characteristics,
  - the nature of their interest in the project and
  - how the project will affect them
- Stakeholder analysis is used for decisions about
  - Project
    - Who needs to be kept informed and what information do they need
    - What are significant dates and deadlines
  - Product
    - What mix of product qualities are needed
    - What functions must be present
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## Questions

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- Questions

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