

Stakeholder Strategy Development



Building a *LINE of SIGHT*
between our stakeholders &
our strategy

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INTRODUCTION

As the pace of change in the business environment increases, the degree to which our stakeholders impact on our activity increases the pace of change we experience.

The *LINE of SIGHT* model is designed to support collaborative conversations on how external environmental drivers impact our stakeholders and what that means for our own organisation's strategy.

This conversation is about three things:

1. Thinking about our overall strategy and the implications for our business.
2. Considering the changes our stakeholders are experiencing and what that means to their relative importance on our future.
3. Thinking about which environmental factors are driving the focus of our most important stakeholders.

Key definitions:

LINE OF SIGHT is an expression that we use to describe the connections between our stakeholders and the activities we plan to take in order to deliver value to them.

By **STAKEHOLDERS**, we mean any individual or group of individuals within our own organisation or in other organisations that can either contribute or act as a barrier towards us achieving our objectives.

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PROCESS DESCRIPTION

1 STRATEGY & DIRECTION

The first aspect to address is the organisational context we are operating within. It is important to pay attention to organisational priorities and use them to help shape our objectives. But we should also consider where we can be innovative – our latitude to act - and add value to our business.

2 STAKEHOLDERS

Once we have understood the organisational context, we will ask, “who are the key stakeholders that are able to help or hinder achievement of our objectives, and how?”

We will then seek to differentiate between our stakeholders by considering their ability to influence our business into the future and the degree of change they are experiencing.

3 STAKEHOLDERS & ENVIRONMENTAL DRIVERS

There are a number of external business forces that act on people and organisations and determine how they behave. The forces can be enabling or barriers to success. Once we have identified the key stakeholders, we will ask: “What are the most important forces that might be acting on stakeholders now?” And: “What forces might be acting on them in the future?”

4 WHAT DOES OUR ENVIRONMENT MEAN TO OUR STRATEGY?

Once we understand the forces acting on our stakeholders, we will articulate what we believe the stakeholders value from their relationship with us, both now and in the future. This is because we believe that the services that the organisation offers will either satisfy needs that arise within stakeholders or not. Since the forces acting on the stakeholders influence their behaviour, they will also influence what they feel is of value to them. This is what we call a value proposition and this exercise will help us to gain an understanding of how the stakeholder’s views of value might change over the next few years.

We will assess our ability to deliver the value that stakeholders expect from us, both now and in the future. This exercise will prompt us to consider our strengths and weaknesses and our existing strategies and tactics.

Once we are clearer on our ability to develop and deliver value to stakeholders, we will start to identify the strategies and actions we need to take. These actions might be carried out with stakeholders (e.g. working in collaboration with them) or relate to changes we need to make to our own organisation, with other colleagues and functions.



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