



# Best-in-Class Stakeholder Advocacy Development

by

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In most companies and organizations, the group of external people that gets most attention from management, marketing and other functions is the customer group. Rightfully so: customers are the external relations that bring in the revenue. They form the ones that need to be convinced that the product is worthwhile spending money for. Without them, the company can not survive. Having said this, another maybe even more important group of people is largely overlooked, or at least not taken care of in a remotely similar way as the customers: *the stakeholders*. Stakeholders can make or break your company. If a stakeholder group with considerable power is not served in the right way, forget about customers: your product will never reach their hands.

What is a stakeholder? Scanning through the chronological list of about 55 definitions for the term “stakeholder” collected by Friedman and Miles in *Stakeholders, Theory and Practice*<sup>1</sup>, one the best and most comprehensive books on stakeholder management, ranges from “Those groups without whose support the organization would cease to exist”<sup>2</sup> to “A person or entity that can affect, or is affected by the accomplishment of the goals of the organization”<sup>3</sup>. This list of definitions provides an interesting insight into the changing and professionalizing vision on the importance of stakeholders for the success of individual projects, or the company as a whole. Whereas originally stakeholders are seen as a group of people that almost form a threat to the company if their needs are not satisfied, as described by the first definition, the second definition moves to seeing the stakeholder less company-centric, but more as a true business partner, whose needs have to be addressed in a mutually beneficial way.

Given the increasingly recognized importance of stakeholders, it is surprising that organizations are generally not structured professionally to manage the relationships with them. Typically, companies do not have a formal database of stakeholders. Even if such a list is maintained, it is usually spread out on the laptops of many individuals, it is not complete, it is not up to date, and it is sub-

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<sup>1</sup> Friedman, A.L. and Miles, S. 2005: *Stakeholders, Theory and Practice*, Oxford University Press.

<sup>2</sup> Internal memo, Stanford Research Institute 1963.

<sup>3</sup> Freemand, R.E. 1984: *Strategic Management: A Stakeholder Approach*. Boston. MA: Pitman.



relevant. The interaction with stakeholders is not managed in a professional way, but by many individuals that sometimes talk to the same stakeholder with different messages. Stakeholder relationships are often seen as owned by individuals. Some employees even see them as a way to safeguard their position in a company: if they ever should get fired, the company will fire the stakeholder as well. Very seldom, a pro-active plan is formulated for engagements towards stakeholders, but interactions are usually performed ad-hoc: *i.e.* when a particular issue has arisen. Furthermore, transparency in stakeholder interactions is often absent, few in the company know that the interactions are taking place, and the result of them. Finally, effective sharing and teaching of stakeholder advocacy development is typically not performed.

With all these hurdles in place, it is not surprising that most companies are not able to define and implement a coherent, pro-active and transparent stakeholder advocacy development process.

Best-in-class stakeholder advocacy development consists of several distinct steps:

1. *Objective* analysis of the stakeholder environment. Who are or could be playing a role in the success of my project? Where do those persons work and how are they interconnected? It is necessary to understand the complete stakeholder map, since seeing the stakeholders in isolation may seriously hamper the effectiveness of future engagements with them. It is important to understand and appreciate that the stakeholder operates in a multi-directional force field of opinions and interests as defined by the network of that stakeholder. If you are aiming to shape the opinion of a certain stakeholder, influencing the key actors in the stakeholder's network may be just as important.
2. Evaluation of the *ability* (or power) of stakeholders to influence the success of your project, as well as their *willingness* to do so. Are the stakeholders particularly powerful to influence the success of your project, because they are member of a decision-making body, or are they merely sideways connected to your project? Do the stakeholders have a particular agenda they try to accomplish, either helping your cause or acting against it? It is important to consider that the evaluation of the importance of stakeholders is often biased by the personal history that the team members have with them. Meaningful evaluation is therefore performed in a team session where importance of stakeholders is discussed and publicly motivated.



3. *Objective* prioritization of the engagements that are being planned with the individual stakeholders. Based on the ability and willingness of the stakeholder to influence your project, the priority of interactions needs to be set. Powerful stakeholders that also have a high willingness to act are the first ones to keep track of and prepare an action plan for. Stakeholders with other combinations of *ability* and *willingness* may be dealt with a little later.
4. *Pro-active* formulation of a communication strategy towards the individual stakeholders. Actions should be planned beforehand, and not on an *ad-hoc* basis when an issue has arisen. People in organizations are typically full of plans, but lack in execution of those plans, mostly because of poor planning. Usually this results in stakeholders being approached too late, or in an inconsistent way, leaving the impression that they are only being contacted if something is needed from them.
5. Perform consistent and correct follow-up. When promises are being made, stick to them. If stakeholders ask for something, try to deliver. Treat stakeholders as your true partners and friends: often a simple catch-up phone call, or drink in the bar may be the most effective engagement.
6. Assure *transparent* documentation of the interactions that have occurred. For those of us that have worked in large organizations and talked to external relationships, we all recognize the frustration of discovering that a colleague has been speaking to “my” stakeholder. If that person has tried to push a different agenda with the stakeholder, it is often more frustrating. Also from the stakeholder’s point of view, being contacted by several people from the same organization with different messages is confusing and does not help to establish the credibility and professionalism of your organization. Another reason for consistent documentation is to reduce the business risk associated with staff turnover. If people are leaving the company, the stakeholder relationship built by these people may be leaving as well.
7. Evaluation of the results of stakeholder interactions. Evaluation and analysis is essential to constantly improve the stakeholder engagements and allows the transfer of the best-practices across the company. Consider instating an award or special recognition for a great example of stakeholder advocacy development, to motivate learning from each other and to assure continued organizational improvement. Sharing best practices is often difficult because the perceived Return on Investment on that activity from the view point of the person sharing the best practice is low: there is no immediate pay-off to pick up the phone and discuss a best-practice with another person in the company. Switching from *sharing* best-practice to *acquiring* best-practice is powerful. The ROI on acquiring a best practice is much higher, since the individual doing so



directly benefits from this action. One way of doing this effectively is to establish an internal communications position, or using software solutions that allow smart cross-searching in project management systems.

By implementing these seemingly obvious steps in your organization, you will be starting to see stakeholders not as hurdles on your path, but as partners on the road to success.