

Successful change management:

stakeholders hold the key

by zoe pappas

Right thinking

- Getting things done in organisations today requires an elevated knowledge and understanding of key influencers and implementers: those who fall under the term stakeholders.
- Stakeholder management is not simply a tick-box exercise but fundamental to the ultimate success of a strategic project or change initiative; it's been a key factor in almost every project we've run.

Change depends on people. It is a simple enough notion, but much complexity sits behind it.

An idea or an identified need or opportunity comes from an individual or a group of people, the analysis and decision-making will come from people, the implementation of the decision will be done by people, and the ultimate success of the change initiative will depend on the attitudes and behaviours of various people inside and outside the organisation.

All the human dynamics and variables of values, experience, needs, motivations, risk and reward will come into play, sometimes very predictably and sometimes far less so. Against that reality, the better-performing organisations are those who deal best with economic, technological and cultural change, and they achieve this by paying more attention to the people who will determine whether their change will be a success.

Getting things done in organisations today requires an elevated knowledge and understanding of the key influencers and implementers: those who fall under the term stakeholders.

Our experience at Right Lane, across organisations of various sizes and sectors, continually reinforces that the challenges and opportunities afforded by stakeholders are somewhat universal, but also need to be tailored to an individual organisation at a given time and in a given environment.

It is imperative that organisations have clear and deep understanding from the very earliest discussions about who should have a seat at the table, which will ultimately determine the quality of the thinking, the decision-making and the implementation.

Defining 'stakeholders' can seem to be in the eye of the beholder, but it clearly now carries a much broader meaning than the hitherto formal 'stakes'. Yes staff, customers, suppliers and regulators have a stake, but the challenge is really understanding the dynamics and processes needed to maximise the prospects of success: answering the basic who, what, when, why and how questions.

Six questions to assist you achieve successful change management

Answering these six questions – and acting on the answers – has been key to the success of many of the most successful changes we've seen:

1. Who in the board, executive, staff, customers, suppliers and regulators are in a position to elevate or diminish the prospects of success?
2. Why should they be engaged and why does it matter to them?
3. What is it they should or need to be engaged in? What is the best form of engagement and the best language and environment for that engagement?
4. Who is in the best position to identify and engage those people, understand their motivations and needs?
5. How should they be engaged to remove obstacles and build bridges to success?
6. When will they be best engaged, how deeply and how often?

Organisations that undertake successful change programs frequently have a sophisticated approach to stakeholders. For some, this might mean not just the statutory or known stakeholders, but those who believe society is a stakeholder in what is done by anyone else, by virtue of taxation, community licensing or rights and values. Engaged individuals or organisations, the media, activist groups or digital networks can also potentially become make-or-break stakeholders and therefore require attention.

Many organisations, including those with considerable experience and resources, have been suddenly forced to pursue a much broader and deeper view of stakeholder engagement and stakeholder management. It might be an unanticipated or under-anticipated event, or an unintended or ill-understood consequence, that forces a rethink.

In almost all the big corporate and political stories of recent times, there is a stakeholder management issue in evidence, be it on the success side (Apple, Disneyland, Intel, Obama's election) or on the more problematic side (Goldman Sachs, General Motors, BP, European Community). Stakeholder momentum and influence can rapidly shape an organisation, for good or bad, and the speed of communications can make it difficult to stop.

Like most aspects of business and life, organisations and individuals that work and think smarter and harder keep getting smarter over time, and that gives them an edge. Frequently, they seem to be able to make big decisions with positive impact, and bring their people and other stakeholders with them. They ask lots of the right questions, and invest heavily to find the right – or best possible – answers.

Each organisation has its own strategic needs and its own environment, so each needs its own approach to and with stakeholders. In our work with more than 60 organisations on strategy and planning, we've seen them contend with questions such as:

- What exactly can we see or detect that is going on in the world and the marketplace?
- How can we create the best prospects for ourselves?
- What can or should we change?
- Who has the most potential to influence that change, for good or bad?
- How do we get them to share our journey?
- How do we use stakeholders to continuously increase our own capacity?

In practical terms, addressing seemingly simple but sometimes challenging questions such as these can involve deep stakeholder mapping, analysis or research, and sometimes quite specific stakeholder engagement and communication strategies.

At Right Lane we work with organisations on various projects, from helping them to frame their strategy and direction, to responding to major economic or regulatory change, and from assessing merger candidates, to pursuing growth options. In all our work the issue of stakeholder engagement is, or becomes, an integral part of the approach to the project – gathering relevant knowledge and intelligence from stakeholders; engaging them in developing the solution; and involving them in communicating the need for change to their constituent groups. Each of these factors is connected, much like a three-legged stool: all three legs must be equal otherwise it is unstable.

Whether the project is working with the board, executive or staff, everyone behaves in an organisation as we do in our personal lives: if we feel involved with framing the question or issue upfront, are part of the conversation or analysis, and see our concerns and needs addressed or reflected back to us, then we are well on the way to being engaged and part of the solution. Decision-makers need to be engaged, involved and committed to the process, particularly if change is required. There has to be a truly shared understanding of the issues and options, and their consequences; an understanding that is fact-based; and a real engagement and commitment to the process and outcomes.

Right Lane's approach from the very beginning has a stakeholder foundation. It's likely to involve a considerable amount of focussed conversation with key decision-makers upfront before we commence what they might regard as the 'normal' consulting work. It's our firm belief that stakeholder management is not simply a tick-box exercise but fundamental to the ultimate success of any work that involves change.

want to know more?

If you'd like to find out more about Right Lane's potential to help your organisation better engage stakeholders, contact

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About Right Lane

Right Lane is a flourishing, top quality, management consulting firm.

We employ our distinctive ideas and processes, and our absolute commitment to delivery, to help clients we care about pursue their inspiring missions.

We work alongside clients who do great work within the sectors they operate, and we are excited to be involved in creating outcomes that truly make a difference.

We are an ethical consulting firm with a strong belief in the work we do, and with a passion to give back to the broader community with the skills and expertise available within our walls.

Right Lane was established in 1997 to help private, not for profit and public sector clients to clarify and accelerate their future plans. Over the past 21 years, we have helped the executive teams and boards of more than 250 organisations to define and adapt their direction and strategy, identify and clarify their priorities, align their efforts with their aspirations, get their major projects started and finished, and measure and improve their performance.

Our areas of focus

- Developing and managing strategy and planning processes for clients
- Leading strategic growth projects, such as pre-merger analysis, new product feasibility, marketing expenditure effectiveness and growth options evaluation
- Implementing strategy through aligning and engaging the organisation, and measuring and monitoring performance
- Assisting clients with governance projects – from board culture and capabilities to board appraisals and reviews

B Corp certified - what does it mean?

In 2015 Right Lane became Australia's first B Corp certified strategy consulting firm.

This follows Right Lane's decision in 2011 to adopt 'for benefit' principles, including reasonable returns, inclusive ownership, stakeholder governance, transparency, and social and environmental responsibility.

B Corporations are a new kind of company that uses the power of business to solve social and environmental problems. Certified B Corporations meet higher standards of social and environmental performance, transparency, and accountability. The performance standards measure a company's impact on all its stakeholders, including workers, suppliers, community, and the environment. It's like Fair Trade certification but for the whole business.

