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# **Stakeholder Management** - An Essential Tool for the Successful Implementation of ITIL® Service Level Management

Steve Mousley

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## Introduction

It was the American philosopher and professor of business administration, Edward Freeman who in 1984 introduced the concept of stakeholder management. In short, he defined the stakeholder as “Any individual or group that can affect or is affected by the achievement of an organization’s objectives”. Whilst this definition is rather all encompassing the basic theory of stakeholder management covers four key stages; identification, analysis, engagement and on-going management of key individuals or groups of individuals, ensuring that their needs and interests are being met. The often quoted phrase “perception is reality” is the main driver behind stakeholder management.

Over the years there has been a raft of journals and academic publications detailing stakeholder theory, the importance of stakeholders within projects and how stakeholders can be managed through the Project Lifecycle. With the introduction of ITIL V3 and the concept of the Service Lifecycle it seems quite appropriate that much of this research and analysis can be transferred to the Service Management arena. After all, projects are incepted in order to implement a change of some description. Surely the same is true for Service Management implementation? This paper aims to draw from this useful material and transpose some of these theories and ideas into a more practical guide to how a Service Level Manager entering an organization can quickly introduce best practice when implementing Service Level Management.

## Stakeholder Management through ITIL

As is commonly known, ITIL was created in the late 1980’s by the UK governments CCTA (Central Computer and Telecommunications Agency) with the objective of ensuring

better use of IT services and resources. V1 was focused on delivering a comprehensive framework introducing best practices for managing IT services. Whilst this framework was incredibly well received during the late 1990’s there was an increasing recognition that organizational success was also dependent upon the alignment of IT to the business.

ITIL V2 introduced the concept of stakeholder management through the introduction of “The Business Perspective”. This recognised that for IT to bring the greatest possible benefits to a business, IT needed to develop a deep understanding of the organization’s key principles and requirements in order to support the organizational strategy. Tools and techniques for engaging with the business ‘stakeholders’ were introduced. ITIL V3 takes the issue of stakeholder management a step further and where V2 talked about Business and IT Alignment, V3 emphasises the integration of business strategy and IT service strategy.

## Stakeholder Analysis

The sooner stakeholders are identified, the better prepared the Service Level Manager will be to deal with their interests. In summary stakeholders are all of the people who are affected by the work of the SLM. Stakeholders may have direct influence or power over the initiative or may simply have

interest in its successful or unsuccessful conclusion.

Stakeholder analysis can be broken down into 3 steps. Firstly, you need to understand who your stakeholders are. The next step is to work out their power, influence and interest, so you know who you should focus on. The final step is to develop a good understanding of the most important stakeholders so that you know how they are likely to respond, and so that you can work out how to win their support. This can then be recorded on a stakeholder map. Typically the Service Level Manager will engage with the following stakeholders;

- Business customer(s)
- Supplier Managers (both internal and external)
- Line Manager (whoever is paying the bills)
- Change Manager
- Problem Manager
- Incident Manager
- Capacity Manager
- Availability Manager
- Service Continuity Manager
- Other Service Level Managers
- Project Managers of key ongoing projects.

Figure 1 - Power/Interest Matrix

|       |   | L                       | Level of Interest      | H  |
|-------|---|-------------------------|------------------------|--|
| Power | L | <b>A Minimal Effort</b> | <b>B Keep informed</b> | Supplier Managers<br>Change Manager<br>Problem Manager<br>Incident Manager<br>Capacity Manager<br>Availability Manager<br>Service Continuity Manager |
|       | H | <b>C Keep Satisfied</b> | <b>D Key Players</b>   | Project Managers<br>Other Service Level Managers<br>Business Customers<br>Direct Client  |

One common method for analyzing stakeholders is stakeholder ‘mapping’ which is very useful when trying to identify the likely interests, influence and actions of stakeholders. One model which is essential when trying to map stakeholders is via the power/interest matrix. This is a very simple but effective model which identifies the stakeholders who may need the most attention. Figure 1 demonstrates how the Service Management stakeholders may be mapped onto this matrix.

**High power, interested people:** these are the people you must fully engage and make the greatest efforts to satisfy.

**High power, less interested people:** put enough work in with these people to keep them satisfied, but not so much that they become bored with your message.

**Low power, interested people:** these people need to be adequately informed with regular communication to ensure that no major issues are arising. These people can often be very helpful.

**Low power, less interested people:** these people also need to be monitored, but do not overload them with excessive communication.

The next step is to learn more about your stakeholders in order to understand their agendas and motivations. Essential to analyzing stakeholders is to collate

historical information about them. For example, are there any political agendas that need to be considered? Are there any organizational changes afoot? Have there been any attempts to implement similar types of processes before? Why did they fail? Who was involved? The importance of understanding the politics and organizational changes which may influence the successful outcome of implementation cannot be underestimated. It is essential to do your homework before engaging with these individuals.

It is important to understand how these individuals will react to the changes, how best to engage with them and how best to communicate with them. Good old fashioned face to face communication is often the most effective way of doing this. The Service Level Manager should setup introductory meetings with all identified stakeholders in order to establish the following;

- What interest do they have in the implementation of the change? Is it positive or negative?
- What information will they require?
- How do they want to receive this information?
- When do they want to receive this information?
- What is their current opinion of the role of the SLM function? Is it based on good information?

- If they are not likely to be supportive, how can they be won over? How will they benefit?
- If they are not supportive, how can their opposition be managed?

You can summarize the understanding you have gained on the power/interest stakeholder matrix, so that you can easily see which stakeholders are expected to be critics and which stakeholders are likely to be supporters of your project. A good way of doing this is by colour coding; showing supporters in green, critics in red and others who are neutral in orange.

Figure 2 below indicates that Business Customers (high power, high interest) may be supporters of the changes. It is essential that the benefits are sold to these stakeholders in order to maintain crucial buy in and support. The benefits and justification behind the change should be continuously communicated. It is essential to gain credibility with these individuals. In contrast, there may be some criticism that needs to be overcome with other Supplier Managers (low power, high interest stakeholders). It is critical that these individuals are bought on board as they will be directly affected by the change in working practices. The Service Level Manager may be wise to adopt a more collaborative approach with these individuals.

## Stakeholder Planning

It is essential to remember that stakeholder management is about securing stakeholder commitment to the change and its aims and not simply initiating contact. A two-way stakeholder engagement approach or ‘active-consultation’ is key, both at the beginning and throughout the implementation.

The Service Level Manager must consider how much time they can allocate to Stakeholder Management and plan for this accordingly. This will depend on factors such as the complexity, size and

Figure 2 – Stakeholder analysis based on the Power/Interest Matrix

|       |   | Level of Interest   |  |
|-------|---|---|--|
|       |   | L   | H  |
| Power | L | <b>A Minimal Effort</b>   | <b>B Keep informed</b><br>Supplier Managers<br>Change Manager<br>Problem Manager<br>Incident Manager<br>Capacity Manager<br>Availability Manager<br>Service Continuity Manager |
|       | H | <b>C Keep Satisfied</b><br>Project Managers<br>Other Service Level Mgrs | <b>D Key Players</b><br>Business Customers<br>Direct Client  |

Figure 3 – Stakeholder Communications Worksheet

| Stakeholder Name | Communications Approach (from Power/Interest Grid)    | Role             | Attitude | Desired Support                            | Actions Desired                        | Action and Communication  |
|------------------|---|------------------|----------|--|--|---|
| Jo Bloggs        | High Power, High Interest – need to be fully engaged. | Business Owner   | Neutral  | Buy-in, business champion                  | Promote benefits direct to business    | Weekly face to face meetings, weekly progress report            |
| Peter Pan        | High Interest, Low Power – keep informed              | Supplier Manager | Red      | Collaboration, idea sharing and commitment | New processes developed in partnership | Informal (perhaps daily) contact as required. Bi-weekly reviews |

sensitivity of the change. A Stakeholder Management worksheet is a useful tool in tracking progress (see figure 3). This helps in developing positive attitudes and also preparing for any negative feedback. Adopting a Stakeholder Management approach recognizes that different stakeholders like to be communicated to in different ways. The Service Level Manager should be very clear on what messages they want to convey and to whom. It is important to show progress against agreed objectives in order to gain trust and buy-in.

Through populating figure 3 all required actions to manage the stakeholders throughout the implementation will be revealed. The Stakeholder Communications Worksheet also needs constant review (as does the Power/Interest matrix) throughout the life of the implementation.

## Conclusions and Recommendations

In conclusion it is mainly the human complexities of change which are much harder to overcome than the technical complexities. It is all very well having the most watertight Service Management implementation but unless all relevant stakeholders are bought into the benefits of the change, failure is inevitable. So many factors can influence the behaviour of an individual and Stakeholder Management tackles the difficult task of trying to manage and account for this as an additional risk to the success of the implementation. Ultimately 'softer', interpersonal skills are essential to successful Stakeholder Management. The challenge here being that these skills cannot always be learned, with some individuals far more equipped than others. In addition, the benefits of Stakeholder Management are not easily measurable therefore it is often something that is 'put to the bottom of the pile' when prioritizing work. Whilst many people appreciate that managing relationships is critical to business success, Stakeholder Management is helpful in putting some context around this challenging task.

With ITIL V3 and the Service Lifecycle approach, it is likely that Stakeholder Management will become more widely recognized within the Service Management arena as critical to ensuring IT is fully integrated with the Business. With this in mind it makes sense that now is a good time to 'get ahead of the game' and begin to factor Stakeholder Management principles when planning to implement Service Management best practice within organizations.

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## Author Details

Steve Mousley, Senior Consultant, iCore Ltd

Steve is an accomplished and highly experienced individual with an impressive background in Service Management and high profile consultancy with major organizations. Over the last 10 years he has worked on a variety of different assignments with major blue-chip clients from the Financial Services, Energy, Health, Travel and Tourism, Retail, Insurance, Health, Oil/Gas/Renewables and Chemicals manufacturing sectors.

Prior to his recent consultancy roles Steve had an outstanding career leading to Senior Management roles in a variety of Financial Services environments, culminating in an IT Directorship. His experience encompasses all the world class IT disciplines, notably ITIL, COBIT and PRINCE2 in high profile and business critical situations.

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