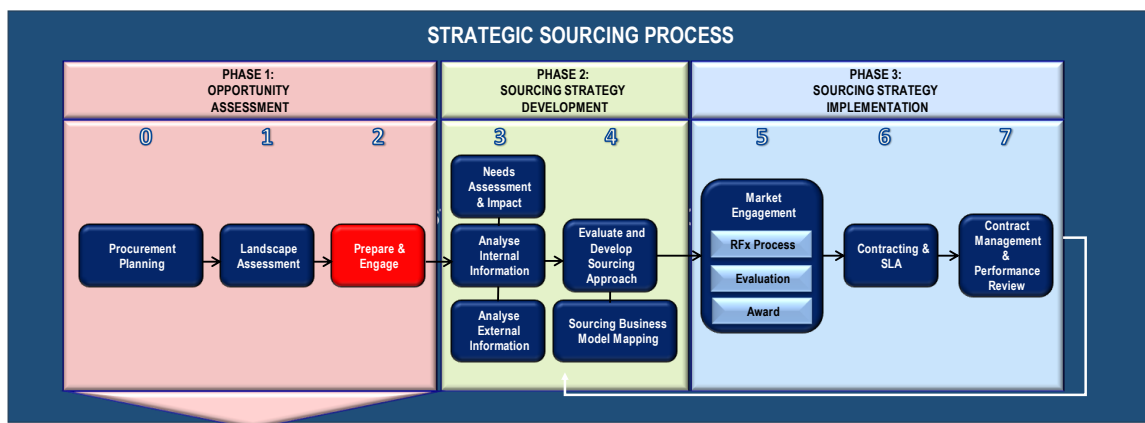


Using this guide

This guide accompanies the National Treasury's Strategic Procurement Framework (SPF) for Strategic Sourcing in the Public Sector. For more information, visit the National Treasury website at <http://ocpo.treasury.gov.za/>
The SPF can be found here:
http://ocpo.treasury.gov.za/Resource_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf

STAKEHOLDER IDENTIFICATION & MAPPING



2. PREPARE & ENGAGE

- 2.1 Establish a Cross -Functional Project Team
- 2.2 Stakeholder Identification and Mapping, Governance Structure & Communication Plan
- 2.3 Project Scope
- 2.4 Project Plan & Project Charter

1.0 Introduction

- i. Stakeholder identification, mapping, governance and communication form an integral part of satisfying the stakeholder needs and expectations.
- ii. The following good practice guides and templates are applicable when conducting stakeholder identification and mapping:
 - a. Stakeholder identification
 - b. Stakeholder commitment
 - c. Stakeholder mapping
 - d. Stakeholder engagement
 - e. Stakeholder support
 - f. Stakeholder communication strategy
 - g. Stakeholder engagement (template)

- h. The communication plan (template)
- i. Stakeholder identification sheet (template)
- j. Types of stakeholder (template)
- k. Stakeholder category (template)

1.1 The objective

- i. To identify individuals and/or groups that are affected, can support, or have influence over the sourcing project.
- ii. To establish proper governance structures for oversight, direction and risk management.
- iii. To develop a communication plan to communicate the progress and status of the project to decision-makers and all affected parties.

1.2 The output

- i. A stakeholder map with a clear understanding of their power and/or influence
- ii. A communication plan

2.0 Good practice guide

2.1 Stakeholder identification

- i. Stakeholders are individuals, groups, or end-users who may affect, be affected by, or perceive themselves to be affected by a decision, activity, or outcome of a sourcing initiative.
- ii. Assessment of stakeholders and stakeholder issues is necessary to identify the range of interests, affiliations, vested interests, and priorities to be taken into consideration in planning any change and to generate support for the improvement efforts.
- iii. Based on this information, it is possible to develop a list of management actions to maximise support and overcome resistance that reduces the likelihood of unexpected requirements surfacing later that cannot be accommodated because of schedule or scope constraints.
- iv. Stakeholder identification is the first step in planning engagements and communication with project stakeholders.
- v. Stakeholders may be actively involved in the project or have interests that may be positively or negatively affected by the performance or completion of the project.

- vi. Different stakeholders may have competing expectations that might create conflict within the project.
- vii. Stakeholders may also exert influence over the project, its deliverables, and the cross-functional sourcing team (CFST) to achieve a set of outcomes that satisfy strategic business objectives or other needs.
- viii. As indicated in Figure 1, stakeholder management starts by identifying the stakeholders, analysing their level of influence and impact, developing a communication strategy and engaging.

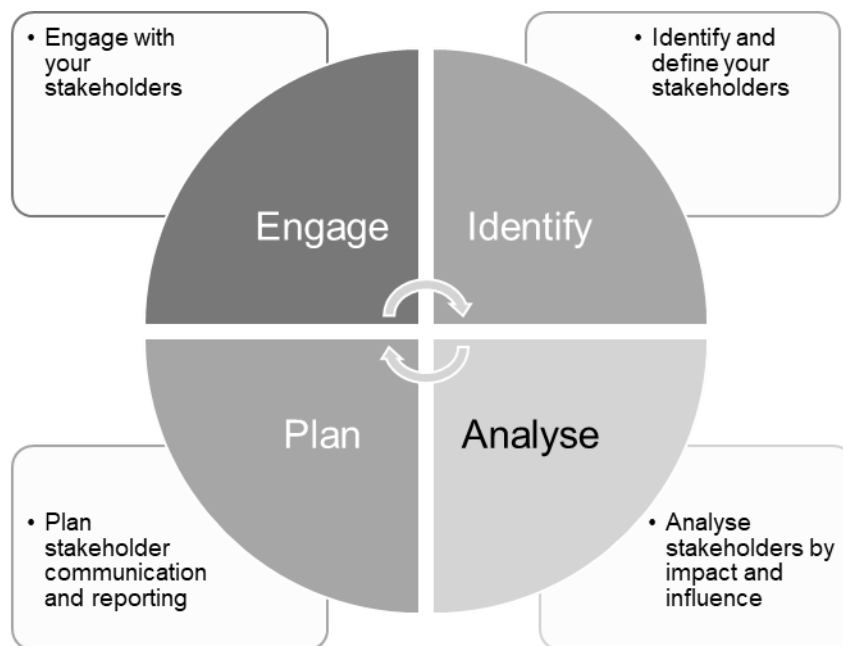


Figure 1: Stakeholder identification

- ix. Stakeholder identification helps to manage the interests and influence of the various players in strategic sourcing development.
- x. The stakeholders can either be internal (within the institution) or external (outside the institution).
- xi. Before the mapping takes place, the stakeholder analysis must be conducted to ascertain interest and influence.
 - a. Interest refers to how the stakeholder will affect or be affected by the decision.
- xii. Failure to assess and analyse the stakeholder interest might lead to wrong mapping and incorrect approach.

Stakeholder	Classification		The stakeholder responsibility	Interest		Influence	
	Internal	External		High	Low	High	Low
End-user	✓		The end-user is the line functionary who initiates the procurement process by setting the requirements for the goods or services to be procured.	✓		✓	
Technical expert	✓		This is a subject-matter expert who is responsible for compiling technical specifications. Technical experts, who are officials, may be members of the BSC. Usually, their role is to provide insight and technical advice on the commodity to be procured.		✓	✓	
Legal experts	✓		The final decisions of the various bid committees may have legal consequences for the institution. The legality of the SCM process must be safeguarded all the time.	✓		✓	
SCM units and the Head of SCM	✓		A fully-fledged SCM unit must be established in the Office of the CFO to implement and maintain the SCM system. They provide both compliance-related advice and supply market-related advice. Custodian of the strategic procurement framework.	✓		✓	
Chief Financial Officer (CFO)	✓		SCM is an integral part of financial management, and the SCM unit must be established in terms of Treasury Regulation 16A 4.1 in the Office of the CFO. The CFO must establish appropriate organisational structures and appoint fully skilled and professional SCM staff.	✓		✓	
Accounting officers (AO) / authorities (AA)	✓		AO/AA have the responsibility to maintain an appropriate procurement and supply system in line with section 217(1), and are fully responsible, and should be held accountable, for any expenditure relating to SCM within their line of responsibility.	✓		✓	

Stakeholder	Classification		The stakeholder responsibility	Interest		Influence	
	Internal	External		High	Low	High	Low
Auditor-General		✓	The AG ensures that there is no SCM system abuse and there is compliance with the regulations, Acts and policies governing SCM.		✓	✓	
National Treasury		✓	The NT promotes and enforces transparency and effective management concerning revenue, expenditure, etc.	✓		✓	
The OCPO of the National Treasury		✓	They formulate and advise on policy, administer national legislation, and ensure that policies and legislation are implemented in an appropriate, consistent, and systematic manner. They also audit the performance of AO/AA concerning adherence to SCM regulations, treasury instructions, guidelines, policies, norms, standards; efficiency of procurement, etc.	✓		✓	
Provincial Treasuries		✓	They normally have a similar organisational structure as the National Treasury.	✓		✓	
Suppliers		✓	Clear specifications	✓			✓
The public and communities		✓	Service delivery	✓		✓	

Table 1: Stakeholders for strategic sourcing

2.2 Stakeholder commitment

Level of Commitment	Amount of commitment required
Action required	Stakeholders should have the highest level of commitment to the project and action is required on their part for the project to achieve its objectives.
Belief or buy-in	Stakeholders must fully commit to the project and their participation is required for the project to be successful.
Understanding	Stakeholders require an understanding of the project and need a positive perception of changes brought about by the project.

Level of Commitment	Amount of commitment required
Awareness	Stakeholders should be aware of the project, but their commitment or adoption of the changes is not required.
No commitment	Stakeholders do not require any level of awareness of or commitment to the project.

Table 2: Stakeholders commitment

- i. This section refers to the completion of Table 5: Stakeholder identification sheet.
 - a. **Internal/External Stakeholder** – Indicate whether the stakeholder is internal to the organisation or external. (This may impact the choice of communications medium.)
 - b. **Further Analysis Required?** – Indicate (yes/no) if further analysis of stakeholder commitment is required.
 - c. **Preferred Communication Medium** - Indicate any communication medium preferences that the stakeholder may have.
- ii. Some stakeholders may prefer written correspondence to electronic messages.
- iii. Others may want messages delivered verbally, followed up with written communication.
 - a. **Reporting Frequency** – Identify how often communications with the stakeholder should occur.
 - b. **Technology Access Constraints** - Indicate any constraints that may inhibit communications. For example, using a project website to communicate will not be very effective for a stakeholder without intranet or Internet access.
Other stakeholders may have an assistant screen their correspondence; these 'gatekeepers' can decide which messages get through.
 - c. **Special Information Needs** - Describe any special information needs of the stakeholder. For example, lead time may be required for service or audit stakeholders. Other stakeholders may have their standard forms of communication that must be adhered to.

2.3 Stakeholder mapping

- i. Once stakeholders have been identified, the next step is to analyse their level of interest and power in the course of action or strategic sourcing decision that we intend to take.
- ii. The mapping is done using Mendelow's Mapping Matrix.
- iii. The following stakeholder categorisation grid can be used to understand the correlation of stakeholder power and influence:

Influence Category	Influence on project
Decision maker	Have the formal authority to directly affect the project's ability to achieve objectives.
Gatekeeper	Able to route, delay or block project communications.
Opinion Leader	Significant informal influence that will indirectly affect the project's ability to achieve objectives.
Minimal	Has no formal or informal influence on the project.

Table 2: Profiling stakeholders

- iv. Determine the formal power of the project stakeholder as follows:
- High power means the person or group has the power of veto and can cancel or significantly change the project
 - Medium power indicates that the project could achieve its objectives against this stakeholder's opposition, but it would not be easy
 - Low indicates the stakeholder can do little to adversely affect the outcome of the project.

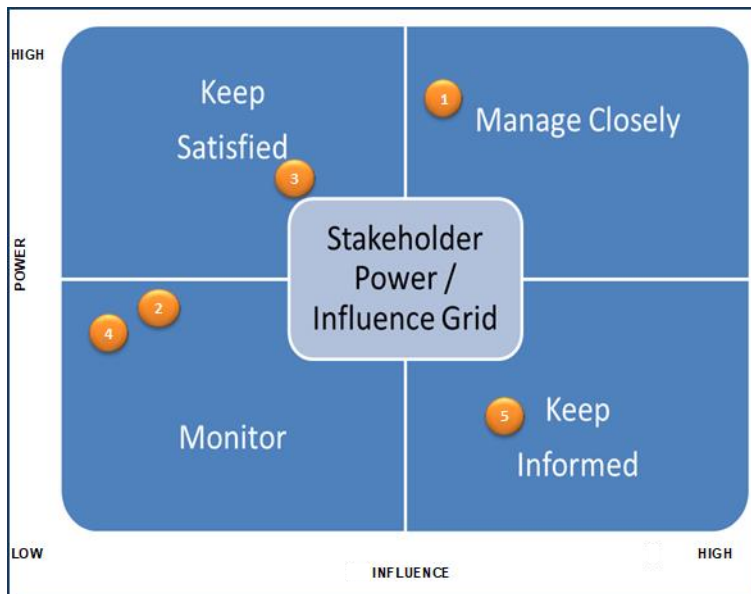


Figure 2: The stakeholder mapping matrix

- v. **Keep satisfied** – These are stakeholders who are high on influence but the change may not be impacting them as much. It is important to pay attention to these stakeholders and keep them satisfied with the solution or ideas.

- vi. **Manage & consult** – These are stakeholders with whom we must collaborate and ensure that we have their support and agreement. These are stakeholders that have high influencing power and are greatly impacted because of the change.
- vii. **Monitor** – These are stakeholders who are low on influence and not being impacted by the solution. These can be safely ignored but keep an eye on them in case there is any change in impact or influence.
- viii. **Keep Informed** – These are stakeholders that just need to be in the loop but may not have a high influence.

2.4 Stakeholder engagement

- i. The next step in stakeholder engagement is to develop a communication plan with specific messages.
- ii. After developing a communication plan, the next step is to devise an engagement strategy.
- iii. A stakeholder engagement strategy (SES) should establish the objectives of stakeholder engagement via the plan preparation process and indicate how the involvement of stakeholders is achieved at each stage of the plan preparation/ dissemination process.
- iv. It should indicate how the process of policymaking will be undertaken and how transparency is delivered.
- v. Best practice dictates that a public-sector organisation creates an SES as part of its general procurement strategy. The SES should establish the objectives of stakeholder engagement and indicate how the involvement of stakeholders is achieved at each stage of the activity/project. The strategy should be made publicly available to achieve transparency.
- vi. The strategy should have at its core the vision for stakeholder engagement and details of purpose, key players, methodology and responsibilities.
- vii. The Stakeholder communication strategy:
 - a. Should address the stakeholder commitment level.
 - b. Compare the required commitment level (from the Stakeholder Identification Sheet) with the current commitment level (based on the Stakeholder Analysis).
 - c. Prepare a communications strategy to close the gap between current and required commitment and then maintain the required commitment.
 - i. This may include methods of leveraging strong support from powerful stakeholders or means of mitigating the effect of stakeholders opposed to the project.

2.5 Stakeholder support

- i. Stakeholder support consists of two dimensions: agreement and trust. Based on the level of support across these two dimensions, stakeholders fall into one of six groups as shown in Figure 3.

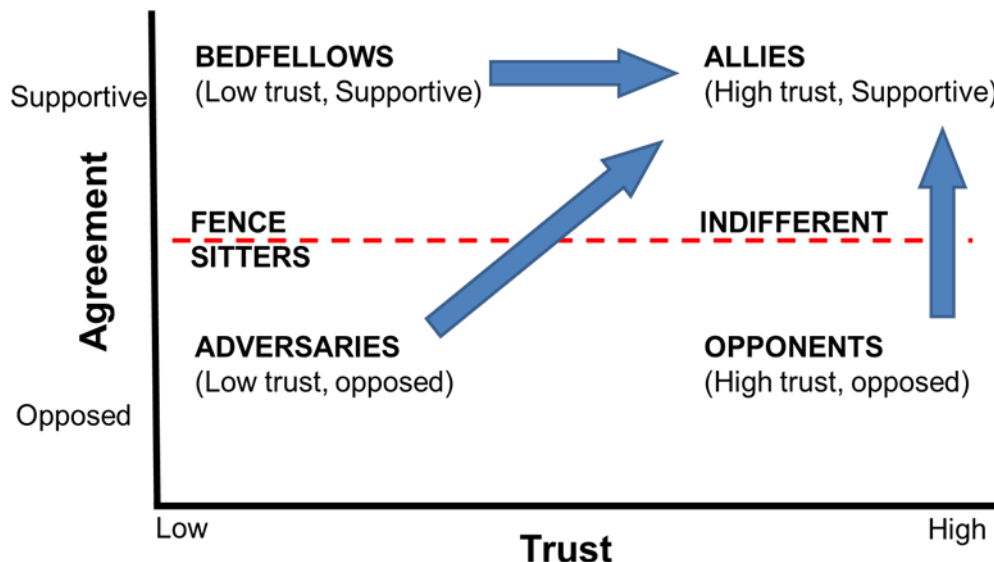


Figure 3: Stakeholder support

- ii. Allies are supportive and have proven trust. They can be counted on to champion the project and contribute to its success. The relationship with project allies should be nurtured; they should be kept involved and informed throughout the project.
 - a. Indifferent stakeholders can be trusted, but are neither supportive nor opposed.
 - b. Opponents have low support for the project but can be trusted to be honest and forthright in their views. They will challenge the project approach or deliverable quality and can offer constructive improvements. Opponents should not be ignored; a problem-solving approach to conflict resolution can turn an opponent into an ally.
 - c. Adversaries are different from opponents. While both groups are opposed to the project, opponents can be trusted; adversaries cannot. Their opposition and distrust can be harmful to the project. The role of the adversary on the project should be evaluated; avoid counting on an adversary if possible. Dealing with adversaries involves a degree of risk and mitigation plans may be required.
 - d. Bedfellows support the project, but cannot be trusted. They have a reputation for changing allegiance to serve their interests. Agreements with

- bedfellows should be documented; they may need to be held accountable.
- e. Fence-sitters are political and will wait to determine their level of support. Depending on the political climate, they become adversaries or bedfellows. Either way, they cannot be trusted.
- iii. An effective stakeholder management strategy will build trust and support for the project. As shown in Figure 3:
- a. Opponents can become allies through effective conflict management and seeking a common solution.
 - b. Adversaries can become allies through principled negotiation that focuses on the issues, not the people.
 - c. Bedfellows can become allies through the exchange of influence to create an environment of trust.

2.6 Stakeholder Communication Strategy

- i. The stakeholder communication strategy:
 - a. Should address the stakeholder commitment level.
 - b. Compare the required commitment level (from the Stakeholder Identification sheet) with the current commitment level (based on the Stakeholder Analysis).
 - c. Prepare a communications strategy to close the gap between current and required commitment and then maintain the required commitment.
 - d. This may include methods of leveraging strong support from powerful stakeholders or means of mitigating the effect of stakeholders opposed to the project.
- ii. The communication style to be used depends on the need to control both the message content and the audience involvement as shown in Figure 4.

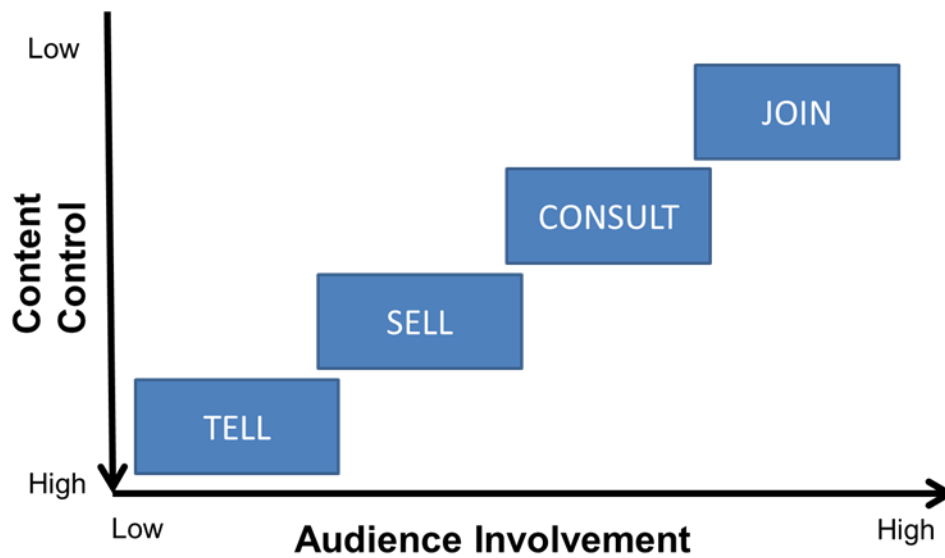


Figure 4: Communication styles

- a. The 'Tell' style is used when there is a need to control the content of the communication. In these cases the project manager has sufficient information and is instructing, informing or explaining. A Project Status Report is an example of a 'Tell' communication.
- b. The 'Sell' style is appropriate when the project manager is persuading or advocating and needs some audience involvement. Project proposals and change request recommendations are examples of 'Sell' communications.
- c. The 'Consult' style is used when the project manager needs input but wants to control the interaction. This style is helpful when learning and managing stakeholder expectations. Examples of the 'Consult' style include requirements workshops or scope definition meetings.
- d. The 'Join' style is a collaborating style where stakeholder commitment is needed or sought. Issue resolution, conflict management, and risk identification are examples of the 'Join' style.

3.0 The templates

3.1 Stakeholder engagement

Stage of plan preparation	Purpose of stakeholder involvement	Stakeholders to be involved	Methods of achieving involvement	Who organises involvement
Stage 1: business requirements	To identify business requirements	Internal	Brainstorming sessions	User
Stage 2: opportunity analysis	To identify opportunities for strategic sourcing		Risk profiling of each opportunity, commodity categorisation, including the development of a business case	SCM
Stage 3: market analysis	To undertake the market and business landscape, including available regulations	All – this may include external stakeholders as well	Analytical tools, such as Portfolio Analysis, STEEPLED, Supplier Preferencing Matrix, Kraljic Matrix, Porter's Five Forces and SWOT	SCM
Stage 4: categorise data (project plan, stakeholder map and communication plan)	To consolidate and to interrogate data	All	Spend analysis, regulatory data, market data and supplier data (supplier segmentation data)	SCM
Stage 5: implementation and evaluation	To decide on the implementation plan	All	Decide on the rules of engagement and the kick-off date	SCM

Table 3: Stakeholder engagement

3.2 The communication plan

Travel Category Communication Plan						
Stakeholder/ role player	Comments	Key messages (what we will communicate)	Channel	Frequency/ Importance	Owner/ Responsibility	Review
User						
CFO						
Bid Committee						
SCM						
Legal						

Table 4: Communication plan

3.3 Stakeholder Identification Sheet

Stakeholder Category	Stakeholder Name	Project Stake	Commitment Requirement	Reporting frequency	Internal/ External	Further Analysis	Preferred medium	Technology Access	Special information needs

Table 5: Stakeholder identification sheet

3.4 Types of Stakeholders

Stakeholder Category	Stakeholder Description
Output delivery	Individuals, groups, or organisations responsible for the delivery of the project's outputs
Product/service usage	Directly or indirectly use the project products; ultimately responsible for the achievement of business objectives using the project deliverables
Product/service support	Responsible for ensuring that the project product is available for use
Funding/budget authority	Accountable for the outcome of the project and approval for release of funding and provision of resources
Contributor	Individuals or groups who provide inputs and services to the project
Review / Audit	Groups or organisations who need to review or audit the project and its deliverables to ensure that proper processes are followed and the quality of deliverables meets appropriate standards
Outcome affected	Public/press/media, unions or bargaining units, and competitors of the organisation
Related projects	Other project teams may provide inputs to or receive outputs from the project

Table 6: Type of stakeholder

3.5 Stakeholder category

STAKEHOLDER CATEGORY								
Project Planning	CFST (Output Delivery)	Product or Service Usage (End-users)	Product or Service support	Funding or Budget authority	Contributors	Review/ Audit	Outcome affected parties	Related Projects
Potential Project Identification	X	X		X			X	
Project Priority List	X			X				X
Project Business Case	X	X	X	X			X	
Project Charter	X	X	X	X			X	
Scope Statement	X	X	X		X			X
Risk Management	X	X	X	X	X	X	X	X
Sourcing strategy	X		X	X	X	X		

Table 7: Stakeholder category