

# Effective Communications: Stakeholder Analysis

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This research is the third in a series about effective communications. The first publication presented a strategy for effective communication and discussed how to improve presentation skills; the second publication addressed how to develop a communications plan. This publication will address the question: How do I understand my audience in order to develop effective messages for each of my stakeholder groups? Future publications in this series will be dedicated to addressing how to communicate IT updates and IT performance.

Gartner foundational research is reviewed periodically for accuracy. This document was last reviewed on 7 December 2015.

## Key Findings

- Communications that consider the specific needs of its stakeholders are considerably more effective than communications that do not.
- IT leaders can move from order takers to strategic partners by becoming more of an influencer with their key stakeholders and by understanding the influence the key stakeholders have in IT decisions.
- Great communication involves delivering the right type of communication and right amount of information to the right people at the right time, using a method that works for them.

## Recommendations

- Understand the people and groups of people you are talking to by performing a stakeholder analysis.
- Develop messages that consider the specific and unique needs of your stakeholder groups.

- Communicate with stakeholders in their language to increase your communication effectiveness. Adjust messages and refine your vision as required to continuously engage stakeholders in your mission.

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Analysis

**Stakeholder:** A person or group that has an investment, share or interest in something. — [www.dictionary.reference.com](http://www.dictionary.reference.com)

A stakeholder is an individual or a group of people who have a vested interest in what you have to say. For example, in a political campaign, registered voters have a vested interest in the candidates. Individuals and institutions who buy stock in a company have — literally — a vested stake in the company. Based on the type of communication you want to deliver, it is critical to identify those people who care, or should care, about your message and to craft a message just for them.

A communications strategy (covered in "Effective Communications: A Strategy") provides the overall framework for communication, and a communications plan brings the strategy to life by addressing the specific components for each communication (discussed in "Effective Communications: How to Develop a Communications Plan"). The foundation of the communications plan, however, is understanding the people who have a stake in what you say.

## 1.0 Know and Understand Your Stakeholders

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Identifying who your communications stakeholders are is one of the key components of a communications plan (see Figure 1).

Figure 1. Example of a Communications Plan

Communications Plan							
Communication Type	Purpose	Communicator	Stakeholders	Messages	Delivery Method	Feedback	Measures of Success
IT strategy	The purpose of the IT strategy is to communicate the value of IT in business terms and to discuss the actions and plans of IT over the next XX months	CIO	<ul style="list-style-type: none"> <li>Board of directors</li> <li>Business executives</li> <li>IT organization</li> </ul>	<ul style="list-style-type: none"> <li>The IT strategy reflects the business direction</li> <li>The IT strategy enables the enterprise to accomplish its vision in a unique way</li> <li>Etc.</li> </ul>	<ul style="list-style-type: none"> <li>In person: board of directors and business executives</li> <li>Supported by a PowerPoint presentation: the IT organization</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative feedback from the board of directors and business executives</li> <li>Online survey for the IT organization</li> </ul>	<ul style="list-style-type: none"> <li>Extent to which people can articulate what they will be doing for the company</li> <li>Etc.</li> </ul>

Source: Gartner (August 2009)

CIOs and IT executives are in a unique role, because the business of IT impacts every area of the enterprise, from shareholders in the enterprise to the executive levels of management to the frontline employees. Technology — whether they know it or not — touches them all.

The challenge becomes focusing the effort of communication to create the highest level of impact possible. If one were to communicate every little thing about technology to every single stakeholder touched by technology, well, each communication wouldn't have much impact at all. Instead, the challenge is about understanding the impact that technology has on the individual or groups of individuals and tailoring a message to that person or group that they need to hear. In fact, the business of technology is tricky, particularly as it relates to communication. Even though technology pervades every level of our lives, it still remains a "black box" mystery at the detailed level. To talk to a CEO about server virtualization or the complexities of designing a network is futile; talking, instead, about how actions within the department are going to save money, help grow the enterprise faster or attract more customers to the enterprise is far more compelling.

So, the critical first step is to understand to whom you are talking and to understand why they want to know or need to hear what you are going to say.

Identify the stakeholders in technology communication by listing all of the groups of people within the enterprise. Examples include:

- Board of directors, including the CEO
- Executive team — those who report directly to the CEO
- Business unit leaders
- IT leaders
- End users
- IT staff
- Vendors

While these are common examples, other stakeholders that CIOs are increasingly thinking about include customers and the media.

Communication is a leadership competency, and your role as chief leader of the IT organization is to continuously build the leadership skill within your organization, so engage your staff in this process. Develop the list of stakeholders that you have, and facilitate a frank and open conversation, using the series of questions in Figure 2.

Figure 2. Stakeholder Questions

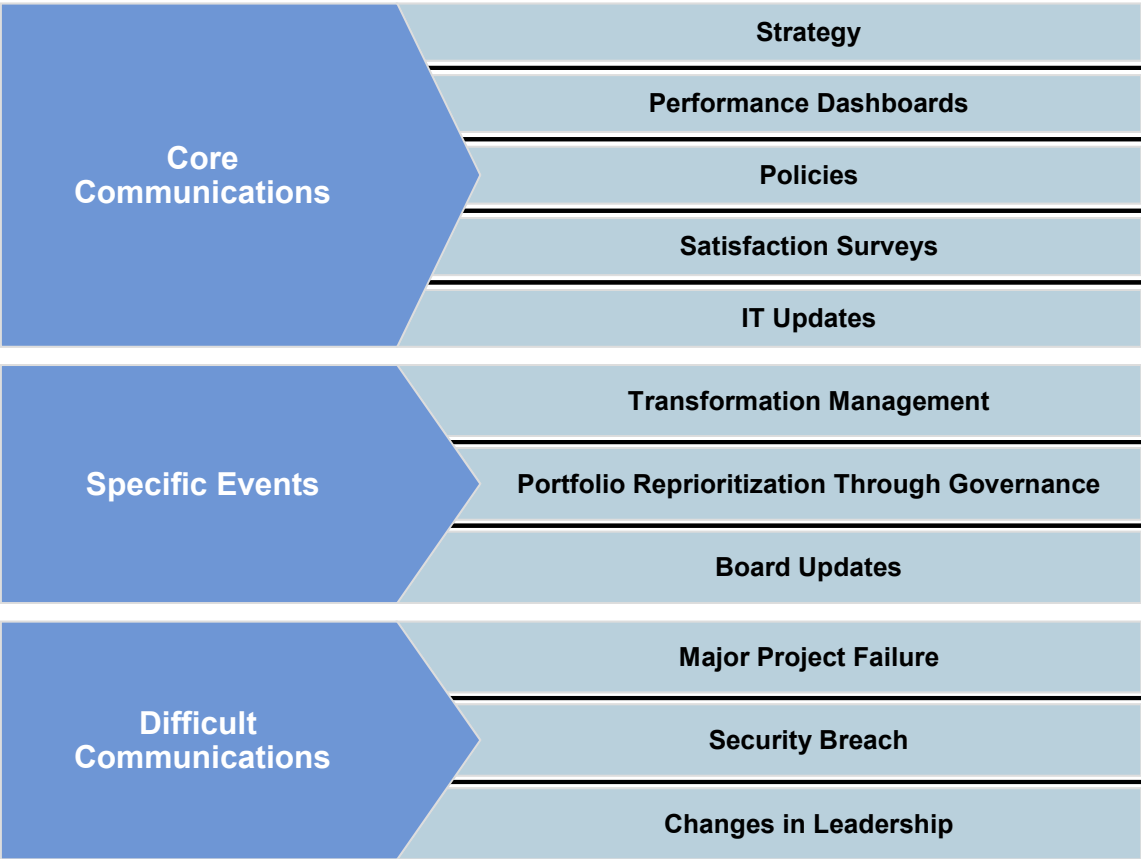
Questions for Stakeholder Groups (e.g. , the Board of Directors or Executive Team)		
1.	Why is this group a stakeholder in IT communications?	
2.	What is this group's role? For example, executive, customer, leader or staff.	
3.	What is its level of knowledge, as a group, about technology?	
4.	To what extent does this group have power or influence over technology decisions and actions?	
5.	What does this group need to know about IT to effectively perform its role within the enterprise?	
6.	What does this group say it wants to know about IT?	
7.	Where are the opportunities for technology to create advantage within its area of responsibility?	
8.	If this group was rating the IT organization today, would it be a supporter? An antagonist? Neutral? Why?	
9.	What will it take to make this group a supporter of IT?	
Questions for Individual Stakeholders		
1.	What is this person's perspective about technology?	
2.	If this person was rating the IT organization today, would he or she be a supporter? Antagonist? Why?	
3.	What is this person's role within the enterprise? What level of influence does he or she have over technology decisions and actions?	
4.	What is this person's communication style? How does he or she tend to like to see or hear information received?	
5.	Who in the IT organization has a relationship with this person?	
6.	Who in the IT organization should have primary responsibility for this relationship?	

Source: Gartner (August 2009)

Now that you have a better understanding of each stakeholder group and stakeholder individual within the enterprise, map each to the types of communications you plan to use within the enterprise. In the previous publication of this series (see "Effective Communications: How to Develop a Communications Plan"), you were encouraged to develop this list.

While the portfolio of items you develop for your organization may differ, Figure 3 presents common examples of IT communications that Gartner Executive Programs has found among its member CIOs.

Figure 3. Develop a Communications Portfolio



Source: Gartner (August 2009)

For each of the communications you identified for your enterprise, map the stakeholders to each type of communication in the portfolio (see the example in Figure 4).

Figure 4. Map Stakeholders to Communication Types in the Communications Plan

Communications Plan							
Communication Type	Purpose	Communicator	Stakeholders	Messages	Delivery Method	Feedback	Measures of Success
Strategy	The purpose of the IT strategy is to communicate the value of IT in business terms and to discuss the actions and plans of IT over the next XX months	CIO	Board of directors Executive leadership IT leadership IT staff				
Performance dashboards			Executive leadership IT leadership IT staff				
Policies			IT leadership IT staff				
Satisfaction surveys			Executive leadership End users				
Etc.							

Source: Gartner (August 2009)



## 2.0 Improve Effectiveness by Developing Meaningful Messages

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"Communicating is about getting agreement on what the direction and priorities for IS are, and ensuring that we understand what the key issues and needs in the business are. By accurately understanding these, we avoid confusion." — Owen McCall, CIO, The Warehouse Group

If there was a single way to impart a message, we would all be excellent communicators, yet the amorphous nature of communication makes developing a meaningful message such a challenge. What works one day with one person may not work another day with another person.

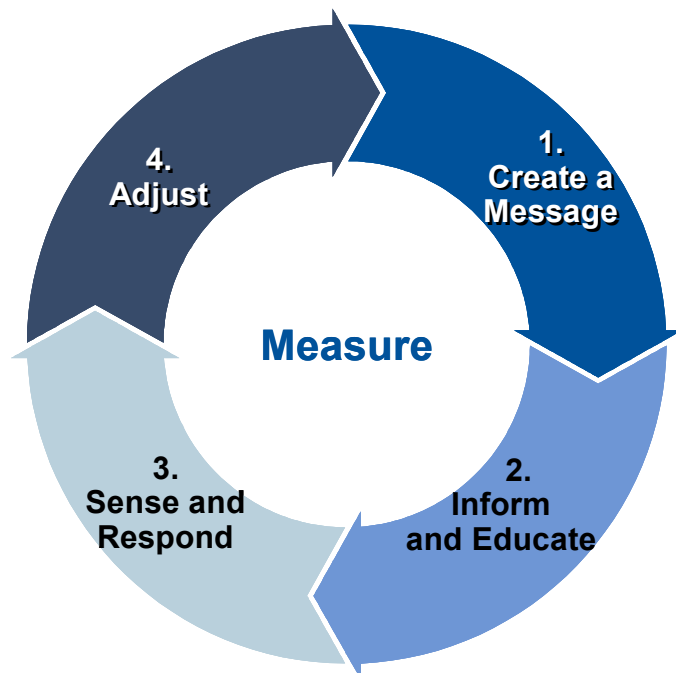
To improve your effectiveness, begin by understanding stakeholders and their concerns. Look at things from their perspective by using the work you did in Section 1.0 of this research.

Now, think about the message you want to convey, and weave a story, keeping these questions in mind:

- Why do they care?
- Why should they care if they don't care?
- What is the benefit to them?
- What is the challenge you need them to engage in?
- What is the expected outcome of the message?

As discussed in "Effective Communications: A Strategy," the framework for communications is an ongoing process of creating messages, informing and educating stakeholders, and sensing and responding to how the messages are being received in order to adjust those messages to achieve success (see Figure 5).

Figure 5. Framework of an Effective Communications Strategy



Source: Gartner (August 2009)

Effective messaging varies by industry, enterprise, stakeholder group and individual. What follows are best practices and key themes to keep in mind when constructing a message (for excerpts from case studies, see Section 4.0):

- Top IT leaders live and breathe the business and actually get to know critical customers or view IT through the eyes of the enterprise's customers.
- Rather than speaking in technology terms, talk in terms of business value and business benefits.
- Customize how messages are presented, based on the role and needs of the stakeholder group or individual. Work to ensure that the IT organization is delivering a consistent message. Update the messages being delivered as changes occur.
- Engage the enterprise in communications by staying engaged. Help stakeholders internalize key messages by working with them regularly to achieve the required level of internalization. While talking is one aspect of effective communications, listening is the second aspect. Use listening skills to sense and respond to changes and needs in the enterprise.
- Segment stakeholders into groups, and develop messages for each group.
- Develop the points that need to be made, and create a story that brings the points to life.

### 3.0 Communication Rules of Thumb

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"People understand you can't release certain types of information, but they also understand there is a lot of information you can share. If you never talk about it, it looks like you're operating in a vacuum and hiding — or, worse, that you don't even know about the issue. People won't have any confidence in your knowledge of problems and operational strategies if you don't communicate." — Thomas Birch, former Technical Assistant to the CIO, Intel

Communication is a two-way street, requiring the ability to deliver an effective message and to listen carefully to feedback from the recipient. Great communication involves delivering the right type of communication and right amount of information to the right people at the right time, using the right method. Communicating with stakeholders in their language enables CIOs to continually monitor their effectiveness so they can adjust the messages and refine their vision.

Determining when to communicate to an individual versus a group can be tricky. Some general rules can help:

- Deliver a sensitive message personally to engage the individual in a frank discussion about the issue.
- Communicate personally at the executive level. Even when preparing for an executive governance board meeting where all will be present, select a few key board members to whom you can present the ideas in advance.
- Communicate to groups when the message is a consistent communication that all in attendance need to hear. Questions raised and answered during the group meeting will help the entire group to understand and act on the message. Examples include policy or process changes and operational issues.
- Use enterprise supporters to influence other stakeholders to help engage more people across the enterprise in your purpose.

During the stakeholder analysis, you were asked to consider the influence that various stakeholders and stakeholder groups have on technology and technology decisions. The discussion topic in this publication will delve deeper into how to use influencers in the communications process.

The first step is to re-examine the purpose behind each of the communication types that have been identified for the enterprise. The second step is to align each of your stakeholders and stakeholder groups to common purposes. For example, the board of directors and executive management are likely to be aligned to a communication whose purpose is to discuss the direction of technology.

Next is to identify those supporters of the messages you want and need to communicate and the relationships your stakeholders have with one another. For example, the CEO and the leader of Business Unit (BU) A are both supporters of technology being used to grow the business. The CEO by his or her role has a natural ability to influence the other BU leaders, but the leader of BU A is also personal friends with the head of BU C. You will want to engage the CEO and the leader of BU A in the communications process of the IT strategy.

By leveraging the influence that various stakeholders have, you are:

- Further internalizing their appreciation of the messages you want to deliver
- Engaging more of the organization in your cause
- Building more support

People engage with people they know, people they like and people they respect. Get to know your peers in your organization and let them get to know you. Approach communication in a fact-based manner with the same integrity that you approach your life, and credibility will be established and improved with every interaction you have.

Our next series of communications will each be designed to explore a particular communication type. The first will discuss how to communicate an IT strategy.

## 4.0 Case Studies

Effective messaging varies by industry, enterprise, stakeholder group and individual. What follows are some examples from IT executives on how they apply the strategy of communications within their enterprises.

### **IT Director, Auto Company**

"CIOs often have difficulty communicating. Many started as engineers and worked their way up to 'head geek' — a role that, combined with the introverted tendencies of such people, often hinders rather than helps communications with the business and customers. As the role of CIO has transitioned from a technical to a business focus, learning to communicate well from a business value perspective has become essential. To be a CIO these days requires learning how to talk to people about business benefits, coordinate with multiple constituencies, become a solid negotiator and communicate at a different level. Clearly, communication is a survival skill. Without it, a CIO at a major corporation will not stay in the job."

### **Jim Burns, CIO, State of Alabama, U.S.**

"Each of the groups to whom we communicate has a different view of IT and what it does. Whether they are our citizens, the governor, other government leaders or IT leaders, and state employees, they each have different vocabularies and tolerances for technical dialogue. I find myself in the role of a translator — translating 'technotalk' into plain English. It is critical to know your audience in order to do this well, because audiences will not accept, or even receive, your message if they don't understand it."

### **Michael Miller, CIO, Missouri Department of Transportation**

"Communicating IT's value is a challenge for every CIO. The business has other investments it can make if it doesn't see the value from IT. We work in a department of transportation, and our end product is a well-run transportation system that delights our customers and provides economic value for Missouri. If we don't prove the value of IT investments, then we won't be here long."

Communicating IT's value requires a communications strategy and plan aimed at helping diverse audiences understand IT's accomplishments and its plans for furthering the business goals as well as pre-empting any negative reactions when things go awry.

Effectively communicating the value of IT to leadership entails using not only common business terms but also the vernacular and analogies/metaphors used by the enterprise. To convey IT's value to our board, the Missouri Department of Transportation commission and our leadership, I find it very helpful to use a transportation analogy to articulate why the issues they face are the same kinds of issues we face. If they can see the need to invest in a transportation system because the ultimate customer will receive a benefit in terms of safety or economies, then I can make that same argument in regards to IT investment."

**Tim Newing, IT Director, easyJet**

"CIOs need to appreciate how important communications are for them. [Communications] keep people informed, while simultaneously shaping people's opinion about IT. As CIOs, we have to communicate in the right way to different groups of people. The messages may be the same, but the language needs to be different for different groups. We created a communications plan that focuses on a small set of internal and external messages to improve the perception of IT and to help ensure that my managers and I are all saying: (a) the same thing; and (b) the topmost important things. The messages get delivered anytime we are talking to our stakeholders."

Newing uses four messages to communicate within his enterprise: IT delivers; IT provides good value; IT helps differentiate in a downturn; and IT focuses on service. As conditions change, especially when opinions have been successfully altered, the set of key messages needs to be updated. "As part of my quarterly management team meeting, we look at the key message set and decide as a team what messages are most pertinent for the next quarter." He and his team craft communications carefully. "What I talk to my CEO about is very different from what I talk about to somebody on my team, for example. The CEO is concerned about share price, return on investment, and the smooth running and future of the organization, so I deliver messages in those terms. The people on my team are more concerned about how they're going to use future technologies and the nature of the future strategy. The two conversations may lead to the same endpoint but the starting point, conversation and especially the language are quite different."

**Ronald Bonig, Vice President and CIO, The George Washington University**

"The No. 1 reason for a CIO to communicate is to keep the enterprise engaged with the CIO and the IT department. The enterprise needs to understand the IT factors that affect it and the business daily. The more we communicate our plans and actions, the more likely people will become engaged in the process and begin to think of it as a partnership. There are operational limitations to what IT can do, and we need to talk with our constituents about these competing priorities and needs.

A couple of years ago, my young daughter came to work with me for the Take Your Daughter to Work Day. When we got home that night, she reported: 'All he does is talk. There were people lined up and down the hall to talk to Dad. He doesn't work; he just talks.' It might sound funny, but it's

true — I am talking all the time. I spend about two-thirds of my time communicating both externally and internally. That is as it should be, though. CIOs are leaders, not technicians. I have a CTO and a CSO. I have people who can make barbed wire talk to wet string — I do not need to be a technician. As a leader, a CIO needs to be in front of people telling them the value IT provides to the organization — thanking, challenging, working them up and telling them where IT is headed.

You lead by communicating and getting your message conveyed in everything you do. You are always communicating in one way or another, and it goes beyond just talking and body language. Communication is the most important part of the CIO job. You can have the greatest vision in the world, but if you do not share it, or people do not understand it, then everyone will be going off in different directions. Effective communications also need to be open and honest. If you are caught in a falsehood, you have shot all your credibility."

### **Thomas Halbouty, Vice President and CIO, Pioneer Natural Resources**

"Tiered communications are an important part of building support and being an effective and relevant leader: Any leader by definition has followers, but no one is going to follow someone who doesn't communicate effectively. Communication is essential for anyone in a leadership position, and it must be relevant to a particular listener — one size does not fit all. But, in addition to communicating vision and direction to your team, you have to communicate to your executive team for financing and support. And there are horizontal communications to your peer group. Without the support of your peers, the company may feel you are irrelevant and lose emotional commitment to what you do.

Effective communications are also instrumental in helping people through a decision process, especially one that is emotion-laden. A number of years ago, during an oil and gas price collapse, we were faced with having to consolidate many of the tools used by the scientists to reduce costs. Even though standardization would help keep the company viable, asking the scientists to choose just one [scientific processing] environment generated a lot of emotion. I used anecdotes and analogies to walk them through the process of deciding on a single choice. At one point, I said, 'You can fight a war with F-16s or stealth fighters. But their costs are radically different, and they have different strengths and weaknesses, depending on the type of warfare. We have to figure out which war we are fighting with our science and which is the better system for that.' You help people through their decision process by communicating in a way that takes them out of their current context and creates an analogy to another situation. Helping people get beyond the emotion, understand the decision to be made and work through the decision process is an important role of the CIO.

Sometimes, people mistake communication for talking. Much of the time, a CIO should not talk, but listen. For example, when you are analyzing the stakeholders in a project, listen for what is not said. If you are not hearing any sense of excitement or commitment to a project, you should ask probing and personal questions and listen to the responses for any relevance to what you're trying to do. Strategic communications to the board and senior leadership depend on achieving and communicating operational success. How you work as a CIO is a little like Maslow's hierarchy of basic needs: At the bottom of the pyramid are operations and support and a lot of other little things that people rely on. But if you don't get that right, then you're not going to be allowed to work your way up the pyramid to the higher levels and reach the self-actualized work. Communications are

crucial to making this happen. Like a lot of CIOs, I was hired because things were not good with IT — the basics were not working. On the operations side, we implemented a series of standard communications. Having institutionalized the basics, I don't worry about tactical events anymore."

### **Woody Stoeger, CIO, Rand Corporation**

"The communications team takes care to tell our IT story in a nontechnical way. Segmenting stakeholders also leads to better communications. By surveying our stakeholders, we were able to identify 14 distinct groups and document their preferred method of communication. The survey showed that almost everybody preferred e-mail. We have since focused more on push communications, although we are very careful to send only important items. Focusing on the essential message and crafting it into an effective communication are team efforts. We bring in the players involved and someone from the communications team, and we talk about it. When we have focused in on the essential message or messages, we create a draft."

Stoeger says that the approach he and his communications team use boils down to a few simple rules: Be responsive to complaints, and provide immediate acknowledgment; get right to the point; be concise, direct and straightforward; and secure executive sponsorship at the right level.

## Recommended Reading

"Toolkit: How to Create a One-Page IT Strategy"

"Effective Communications: A Strategy"

"A Practical Guide to Stakeholder Management"

"Effective Communications: How to Develop a Communications Plan"

"Effective Communications: IT Strategy"

"Effective Communications: Lead Through Storytelling"

"Effective Communications: Performance Dashboards"

"Effective Communications: Policies"

"Effective Communications: IT Satisfaction Surveys"

"Effective Communications: IT Updates"

"Effective Communications: Difficult Communications"

"Creating the Communications Core: The CIO's Guide to Effective Communications"

"Stakeholder Analysis Drives IT Communication Excellence"

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