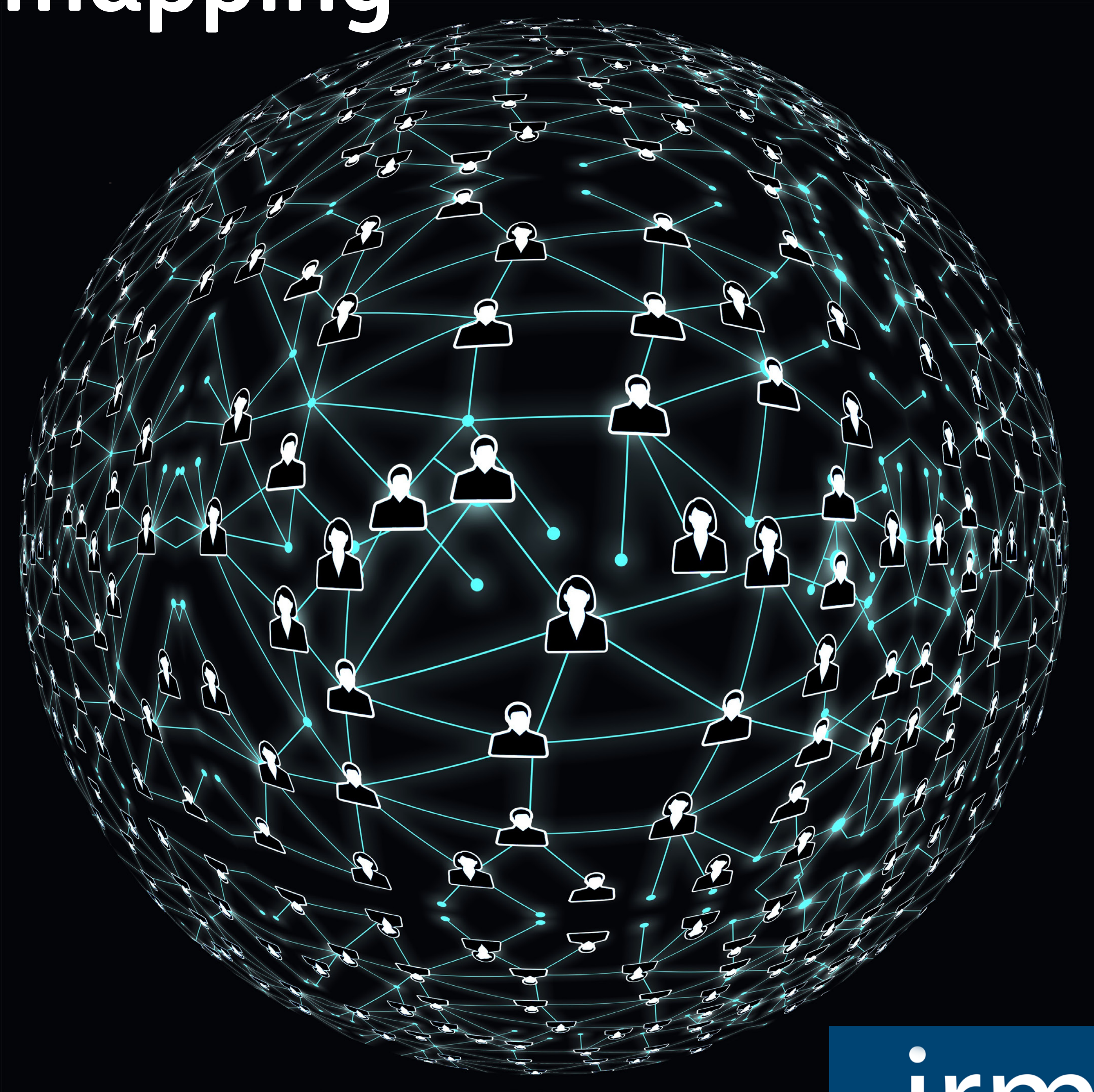
Institute of Risk Management

IRM Charities Special Interest Group

Tools for stakeholder mapping



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Developing risk professionals

About the Institute of Risk Management (IRM)

The IRM is the leading professional body for Enterprise Risk Management (ERM). We drive excellence in managing risk to ensure organisations are ready for the opportunities and threats of the future. We do this by providing internationally recognised qualifications and training, publishing research and guidance, and setting professional standards.

For over 30 years our qualifications have been the global choice of qualification for risk professionals and their employers. We are a not-for-profit body, with members working in all industries, in all risk disciplines and in all sectors around the world.

About the Charities Special Interest Group

The IRM Charities Special Interest Group was established over 10 years ago to provide practical guidance for charities about managing risk and opportunities for sharing knowledge, tips and best practice amongst sector professionals.

Our overall aim is to increase the sector's knowledge of risk management best practice, explore practical solutions for managing sector challenges (such as new regulation requirements), and provide a forum where risk professionals can meet to learn from one another and share up to date risk management practice.

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Developing risk professionals

About this guide

Effective communication is crucial in managing the risks to a charity's key asset, stakeholder trust. In a complex, uncertain context, whether a small, medium or large charity, we need to provide assurance to a range of stakeholders that their interests - and the interests they represent - are protected. Once lost, trust may not be easily recovered.

The purpose of this tool is to share best practice in stakeholder engagement across charities by providing a basis for organisations to map their key stakeholders and consider different communication strategies when interfacing with them.

An example of a stakeholder map is provided to illustrate a charity's typical stakeholders, as identified by representatives from several charities at a recent IRM Charities Special Interest Group workshop on the topic.

The importance of any stakeholder will vary according to the nature of the charity and its context. Examples provided within this document are for illustrative purposes, and it will be necessary to tailor any mapping for your charity. Stakeholder maps should be regularly reviewed to ensure that they remain aligned to a charity's evolving priorities and the changing internal and external environment.

Our authors and editors

This guidance has been produced through the input of those members of the IRM Charities Special Interest Group (SIG) that attended the April 2018 event.

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Introduction

As well as providing assurance to the governing body, statutory authorities, donors and partners that a charity is operating according to its legal and financial obligations and on target to achieve its objectives, the interests of other stakeholders are also key.

External stakeholders such as beneficiaries, the media and members of the public have high expectations of charities. As the result of several high-profile cases in the media where charities behaved inappropriately, there is now more awareness and scrutiny of the charity sector and how we manage our operations.

New ways of communicating - including the instant nature of feedback, notably from social media - means that understanding and managing stakeholder relationships is an important activity for any charity. The impact of getting this wrong can result in a charity's reputation or brand being damaged, but getting this right can result in significant opportunities for the charity including more donations, increased support and better public awareness of the issues the charity is tackling.

What is stakeholder mapping?

In the context of a charity, the following definitions are considered useful for stakeholder mapping:

Definitions	
Who is a stakeholder	A person, group or organisation with an interest in the charity.
Who are 'ongoing' stakeholders?	Stakeholders who show an interest on a 'business as usual' basis
Who are 'emerging' stakeholders?	Stakeholders whose interest emerges at a particular time, notably during a crises
What is a stakeholder map?	An illustration of an organisation's key stakeholders, both 'ongoing' as well as 'emerging'.
What is stakeholder trust?	A stakeholder's expectations of the charity in relation to its behaviour, competence and performance.

All types and sizes of organisations may want to develop a 'Stakeholder Map' to capture the key stakeholders in the context in which it operates.

This map will:

- support people across the organisation to understand who the key stakeholders are,
- provide a basis for identifying and assessing the type of influence each may have on the organisation,
- enable strategies to be developed for managing engagement with each stakeholder.

It is important to note that the interest a stakeholder may have in the organisation will vary over time, including during a crisis. A crisis being a situation which poses a significant risk to the operations, financial position, reputation or key stakeholders of the charity.

Why conduct stakeholder mapping?

There are a number of benefits to stakeholder mapping:

- Understanding who our stakeholders are - and which have the most influence or will add the most value to our work - allows us to prioritise communication activities;
- Understanding this enables us to allocate resources towards the stakeholders who are critical to our work, whilst taking an overview of everyone that needs to be kept informed;
- Mapping out stakeholders enables us to consider whether we want to engage a stakeholder more or less actively at any point in time and consider ways to achieve this;
- Providing the opportunity to think about different ways we may want to tailor our communications for different stakeholders as one size won't fit all;
- Understanding who our key stakeholders are and how we will engage with them enables us to manage specific risks relating to the 'people' aspect of running a charity, in terms of handling communications, relationships, perceptions and checking satisfaction.

Stakeholder engagement

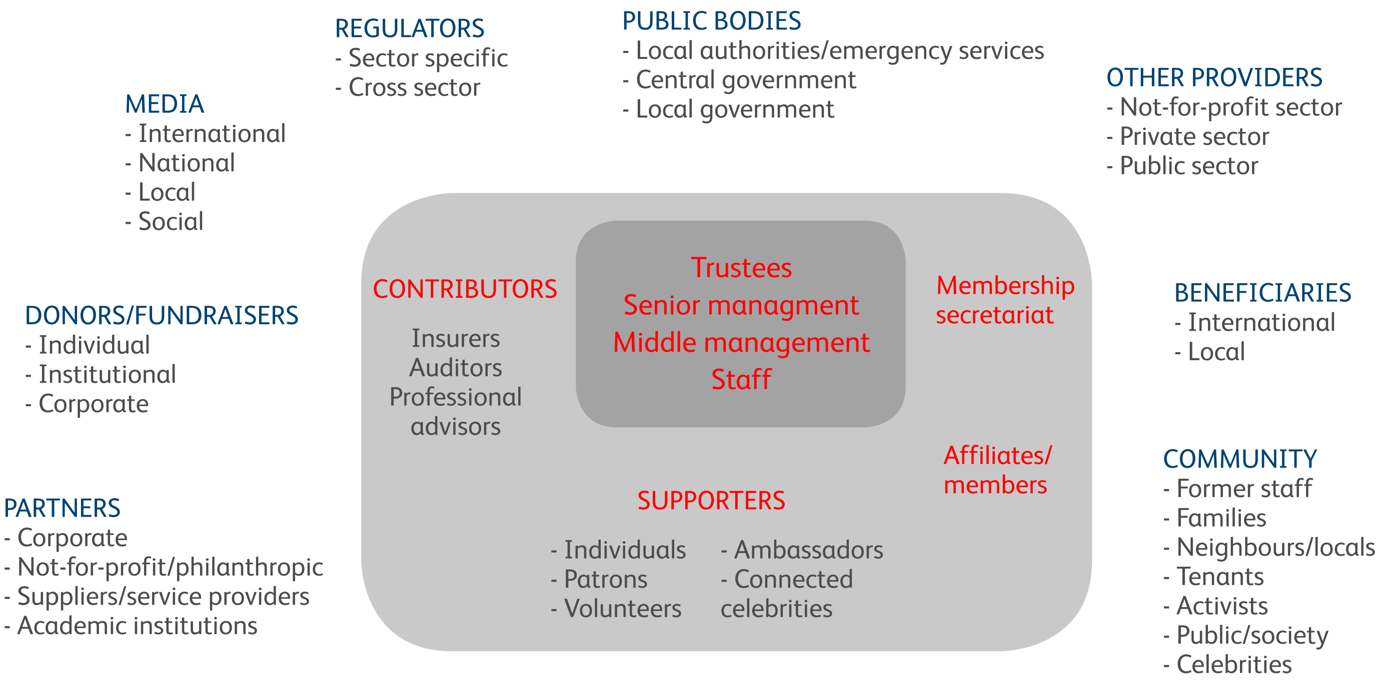
How to develop a stakeholder map

Organisations of varying size and in different sectors use stakeholder mapping to identify stakeholders. This exercise may be undertaken as a workshop, using flipcharts (or big piece of paper) and post-it notes to generate a long list of individual stakeholders (one stakeholder per post-it note).

The key questions to pose are ‘Who are our stakeholders?’ and ‘How important are each of these to our work?’

Stakeholders can be categorised, with an example of categories as they relate to charities provided in the diagram.

Stakeholder Map - Example



The diagram illustrates the stakeholders generated from a long list of stakeholders as identified by the representatives of several charities at an IRM Charities SIG workshop on 26th April 2018. It sets out the categories and types of stakeholders with whom a typical charity might interface. It includes both ongoing and emerging stakeholders.

To note, the darker shading indicates key stakeholders internal to the organisation, namely trustees, management, current staff, and the lighter shading references the wider organisation to include stakeholders who also have an ongoing interest, for example the secretariat or overseas members of an international charity, volunteers and ambassadors as well as insurers and auditors.

‘Regulators’ could be viewed as sector specific, such as the Charity Commission or the Care Quality Commission, or more cross sector, such as the Information Commissioner’s Office.

‘Public bodies’ could emerge when a particular situation draws their interest or involvement in the charity, for example the emergency services, the tax office (e.g. HMRC), politicians, MPs or Local Councillors.

A more advanced workshop can be structured to consider:

- Who are our stakeholders?
- What are their needs?
- What are their areas of interest in the charity?
- How much influence do they have over what we do?
- Which of these stakeholders are key to our work?

There are stakeholders that will have significant influence, such as decision makers, those directly affected by operations, or those that have a strong customer voice. Clear and accurate communications will be required to maintain their buy-in; ultimately, they can make or break an organisation and we need to engage them closely. Face-to-face communications may be required to maintain their interest and support.

In terms of influence, it should be noted that stakeholders may be further categorised as being largely supportive or a risk to an organisation; this is of importance during a fast-developing scenario such as a crisis. As an example, the emergency services responding to a fire are supportive while another service provider seeking to secure funding from a key donor poses a risk if the organisation is busy responding to the crisis and forgets to keep them in the loop.

Once the stakeholder map has been developed, it can be used for several purposes including communications for day-to-day operations as well as crisis communications as part of crisis management planning.

In developing a crisis management plan, you will need to consider a number of potential scenarios and the map will assist in setting out which stakeholders may be supportive, and which may pose a risk, depending upon the nature of the particular scenario and how it may unfold.

The map will also be useful as part of ‘Horizon Scanning’ in providing a view of the context in which the charity operates as a basis for considering how stakeholders’ interest or influence may change over, say, a 2-5 year timeframe and then a 6-10 year timeframe. Key changes should be considered as part of business planning.

Types of 'stakeholder communications'

In relation to communications planning, key questions to consider are:

- who are our key stakeholders? see 'Stakeholder Map' above
- what are their communication needs (what is/are the best mode(s) of communication)? see 'Stakeholder Communications Grid' below
- how can we monitor whether their needs are being met or whether they change over time? It is recommended that the stakeholders themselves, as well as communication experts, are consulted in this and (ii) above.

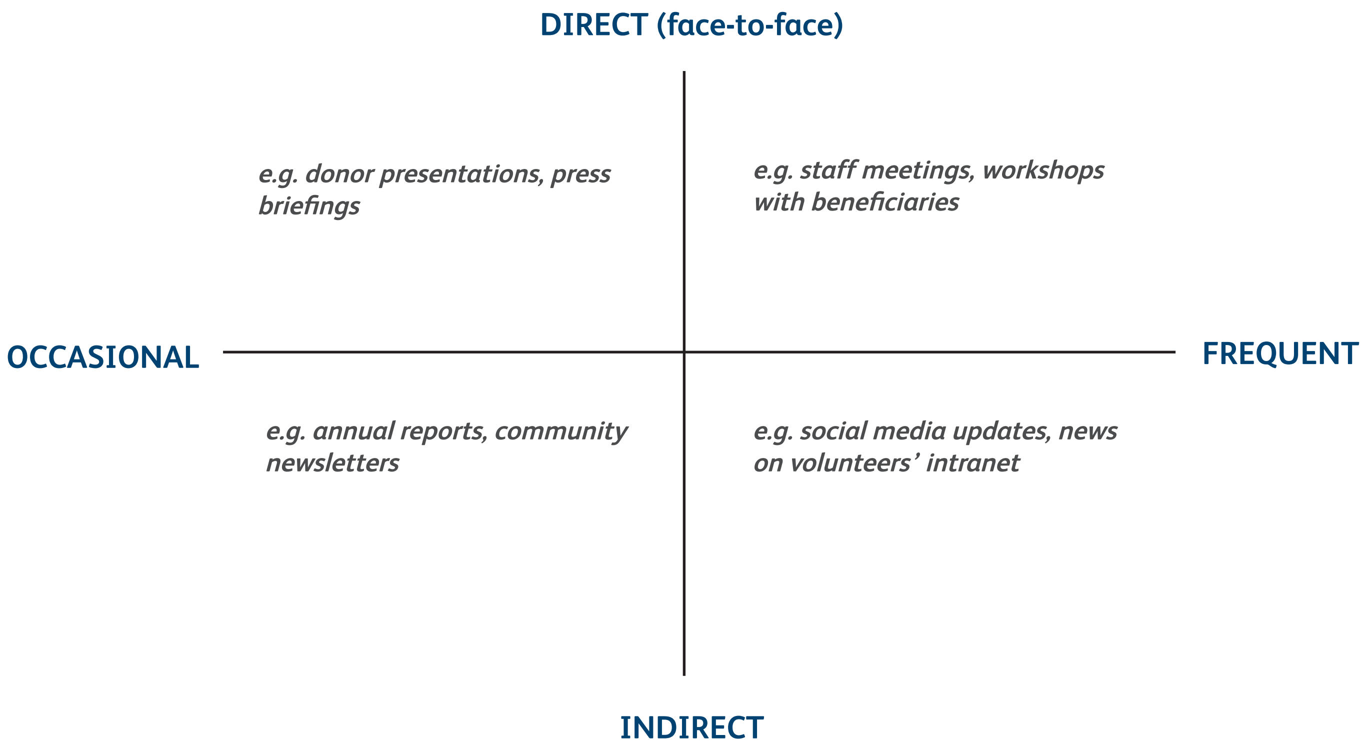
When engaging with stakeholders, for example new supporters, the frequency of communications (or even greater involvement such as programme visits) are ways of keeping them informed about progress. You may wish to consult them on areas of interest, and ultimately, they could become goodwill supporters who become more actively involved.

Others, for example certain partners, may not require frequent communications and providing detailed updates about every aspect of the charity's activities may be unwanted; communications need to be tailored to suit stakeholders' levels and areas of interest.

There will be stakeholders that an organisation may need to interface with on a frequent basis through direct communications while others may only require indirect, occasional communications.

Some forms of communication such as annual reports will form a means of communication with all stakeholders, while internal meetings will be more effective for engaging with staff located at an office. The intranet/extranet may be the most effective mode of communicating with volunteers across the country.

Stakeholder Communications Grid



A 'Stakeholder Communications Grid' plots each stakeholder and considers the best way(s) of communicating with them. Communications with key stakeholders may differ during a crisis. It may be direct, e.g. through Trustees making statements at a staff meeting, or indirect via the media. In this case, staff will be receiving messages from both sources.

There are various forms of media to consider, local, national, international as well social media. In using this means of communication, it is important to assume responsibility, be transparent and set out the actions that are being taken to handle the situation.

Certain types of communications - such as websites, newsletters and social media – may be monitored in relation to their usage by stakeholder and changes in levels of interest over time.

A key consideration in communicating to all stakeholders is that it is a means of providing assurance that their interests are taken seriously and protected.

Key messages

A 'Stakeholder Map' is a useful tool in setting out a charity's key stakeholders and providing a basis for understanding their interests (and influence) as part of the context in which a charity operates.

There are many tools available for stakeholder mapping which can be accessed with some research online. The tool presented here is an example – its use has been tested by the IRM Charities SIG and is shared to help charities gain insight in the topic.

A 'Stakeholder Communications Grid' is a useful tool in setting out how to support stakeholder engagement. Again, this is an example; the type of communication needs to be developed for the particular organisation, its culture and stakeholder needs. Mapping stakeholders will only be useful when supported by a communications plan addressing how and when to engage with stakeholders (drawing on the advice of communication experts as required).

These tools seek to aid the charity to manage the risks around a crisis and to support strong stakeholder engagement. The trustees representing the governing body of the charity should be accountable for, and transparent in, communications with internal as well as external stakeholders. Clear, open, honest communications will enable a charity to meet or exceed stakeholders' high expectations of its behaviour, competence and performance.

We hope you find this of interest and other publications available on our web page **https://www.theirm.org/events/special-interest-groups/charities/** includes:

- Getting Started with Risk Management
- Risk Management for Charities: Getting Better
- Risk Maturity Framework
- Setting Risk Appetite
- Risk Governance for Charities: Risk Management Structures and Accountabilities