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Stakeholder Assessment Toolkit

Fostering Successful Change Management through Tailored Communication and Engagement

District Technology Leadership Forum

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Introduction

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The Communication Imperative

Netflix's Meteoric Rise Derailed by Failed Communication...

Netflix was founded in 1997 as a mail-order DVD service. Through the early 2000s, the company hit several milestones as its membership grew: an IPO, a shift to online streaming, a Canadian launch. In June of 2011, Netflix announced a new service plan which would separate the streaming service from the mail-order business. However, the change was made with little warning or input from users. As a result, the public reaction was staggeringly negative, and Netflix lost some 800,000 subscribers the following quarter.
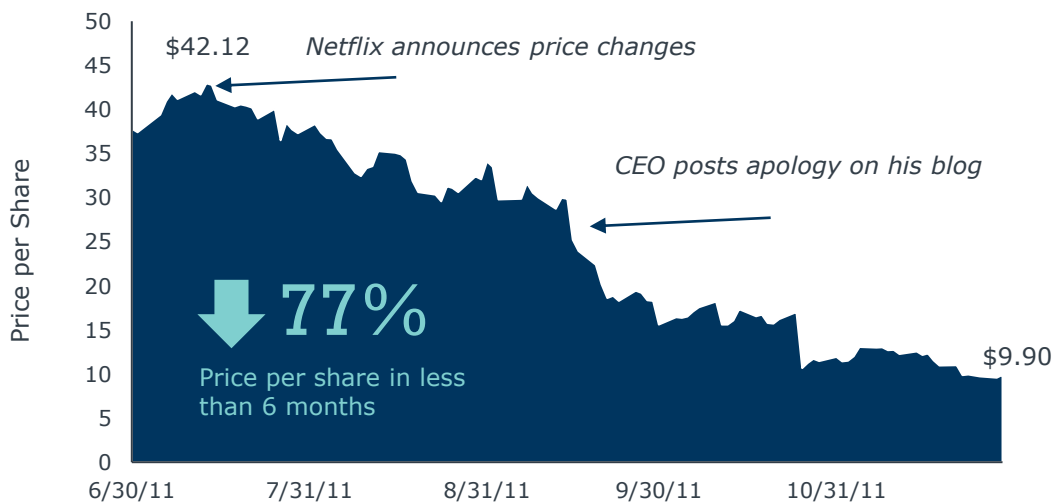
Netflix's Big Mishap

July 12, 2011

$9.99	$15.98	60%
Old price for both services	**New price** for combo plan	**Increase** in price

Netflix Members, Millions

- Canadian Launch, Mobile Streaming
- X-Box, Blu-Ray, TV Streaming Added
- Online Streaming
- Founded
- **IPO,** 5.5M shares at $15

(years: 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011)

NETFLIX
The Netflix Blog
Sunday, September 18, 2011
An Explanation and Some Reflections

24,567 angry and frustrated Netflix member comments
Anger about price increase without added service value

Inconvenience of managing two accounts

Poor communication from Netflix leadership

...with Real Consequences for the Organization

Moreover, the customer pushback was not without real consequences for the company. Less than six months after the pricing change, Netflix's share value had dropped almost 80 percent.

The Stock Price Plummets

Price per Share

$42.12 — *Netflix announces price changes*

CEO posts apology on his blog

⬇ **77%**
Price per share in less than 6 months

$9.90

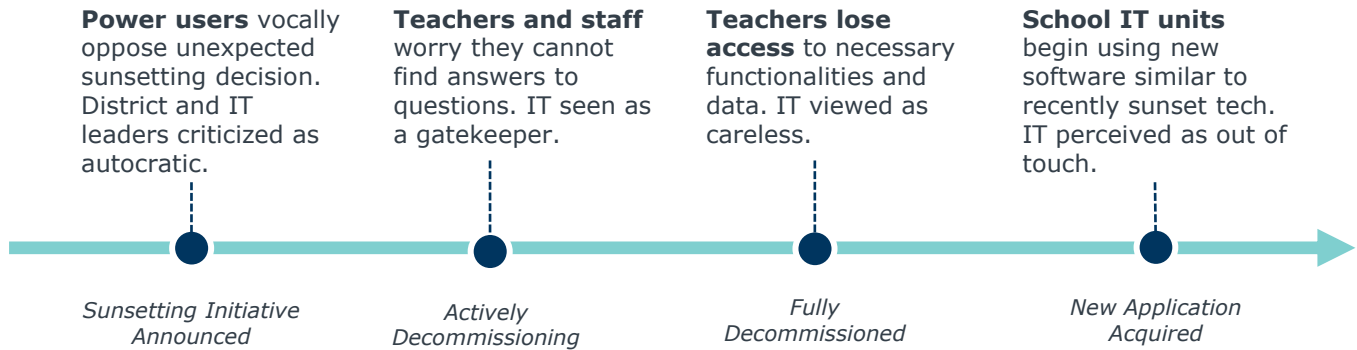*(dates: 6/30/11, 7/31/11, 8/31/11, 9/30/11, 10/31/11)*

2011

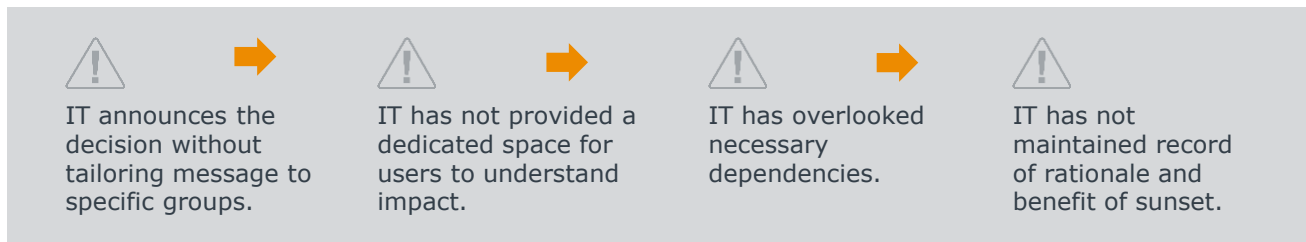# Poor User Communication Risks Derailing Change

Why the Netflix Example Matters for School Districts

As CTOs pursue small- and large-scale transformations in their school districts, the Netflix example highlights how poor stakeholder communication can risk derailing good faith efforts to implement, update, or decommission technology.

Example: Decommissioning Hazard Points

Power users vocally oppose unexpected sunsetting decision. District and IT leaders criticized as autocratic.

Teachers and staff worry they cannot find answers to questions. IT seen as a gatekeeper.

Teachers lose access to necessary functionalities and data. IT viewed as careless.

School IT units begin using new software similar to recently sunset tech. IT perceived as out of touch.

Sunsetting Initiative Announced

Actively Decommissioning

Fully Decommissioned

New Application Acquired

What's Not Working?

⚠ IT announces the decision without tailoring message to specific groups. ➡

⚠ IT has not provided a dedicated space for users to understand impact. ➡

⚠ IT has overlooked necessary dependencies. ➡

⚠ IT has not maintained record of rationale and benefit of sunset.

Stakeholder Assessment Addresses Root Causes of Failed Communication

School districts can better set themselves up for success by addressing two common change management pitfalls. Firstly, by assessing stakeholders across the district and tailoring communication efforts; and secondly, recognizing those stakeholders who may lack perceived power but may hold sufficient power to veto change.

Common Pitfalls of Change Management Communication

Failure to ID All Stakeholders
Proceeding with Change Before Considering Parties Affected Across School District

Ignore Stakeholders Who Lack Perceived Power
Focusing Solely on Those in School District with Capital to Prevent Change

Conducting a Stakeholder Assessment

Getting the Right People On Board

The Degrees of Stakeholder Variance

In any change process, project leaders must assess stakeholders along three dimensions of variation.

Source of stake refers primarily to the formal powers of those individuals in the school district. For example, the Superintendent will hold "power" in the process; he/she may veto a decision or allow it to proceed. Students, however, will likely hold "constituency" as they are impacted by a given change but likely hold no formal veto.

Stakeholder stance simply refers to how favorable those different groups are to a proposed change (either perceived or actual). Supporters are those who will back the initiative, while dissenters are those who are likely to push back.

Finally, *factors of urgency* account for how sensitive the different groups across the district will be to change. Where these changes are implemented on groups quickly, or where they impact technologies that are of personal importance to people in those groups, the sensitivity is likely to be higher.

1 Source of Stake

Power
Stakeholders holding the authority and ability to prevent or allow a change to take place

Agency
Stakeholders responsible for designing and carrying out the change effort

Constituency
Stakeholders impacted by a change or concerned about the results of a change

2 Stakeholder Stance

Supporter
Can be counted on to support and promote the initiative, even if problems arise

Undecided
Uncertain of position; could be swayed to take action in spite of indecision

Dissenter
Actively opposed to the initiative; not expected to switch allegiance

3 Factors of Urgency

Time Sensitivity
The immediacy with which the change is needed by the person or group in question

Personal Importance
The importance of the claim to the person or group in question

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Stakeholder Communication Map

Visualizing the Degrees of Variance in Change Management Processes

The stakeholder communication map is a useful tool to help CTOs and their project leaders visualize and account for the different groups affected by a given change. Project leaders should begin by brainstorming the different groups across the district affected by the proposed change – from IT staff to teachers and staff to students. Once listed, these groups should be assigned sources of stake, stance, and sense of urgency.

Please see **page 13** for a completable template.

Change Initiative: _Sunsetting Legacy Application_____

Stakeholder Name	Source of "Stake"			Stance			Sense of Urgency		
	Power	Agency	Constituency	Supporter	Undecided	Dissenter	Low	Medium	High
School Board	☒	☒	☒	☐	☒	☐	☒	☐	☐
Superintendent	☒	☒	☒	☐	☒	☐	☐	☒	☐
IT Staff	☐	☒	☒	☒	☐	☐	☐	☐	☒
External IT Leaders	☒	☒	☒	☒	☐	☐	☐	☐	☒
External IT Staff	☐	☒	☒	☐	☐	☒	☒	☐	☐
Teachers	☒	☐	☒	☐	☐	☒	☐	☒	☐
Staff	☐	☐	☒	☐	☐	☒	☒	☐	☐
Students	☐	☐	☒	☐	☒	☐	☒	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐

Three Things to Keep in Mind for Stakeholder Assessment

List Initiative Stakeholders
Include external and internal stakeholders, covering groups and individuals.

Account for All Sources of Stake
Stakeholders may be any combination of "power," "agency," and "constituency."

Go with Your Gut
Complete efficiently and don't overthink assessments.

Maximizing the Potential for Action

Avoiding Two Common Misconceptions of "Maximized Support"

Misconception #1: Aiming for 100 Percent

Once stakeholders have been identified and evaluated, change leaders must determine the appropriate engagement strategy to drive support for the initiative and maximize the potential for stakeholder action. One common pitfall is attempting to achieve 100 percent support for the the decision to change. Focusing on getting total buy in typically results in wasted time and effort.

Continual Focus on Dissenters

1 **2** **3**

Inflames Dissenters

Additional time spent discussing with dissenters may hurt the initiative further as they may solidify their dissent.

Creates Delay

Trying to convince everyone in a school district will likely lead to prolonged meetings and discussion, creating additional delay.

Loses Undecideds

Time spent with dissenters is time that could be spent speaking with undecideds about the initiative and winning their support.

Misconception #2: Preaching to the Choir

Similarly, some project leaders may be inclined to over-invest in building excitement and enthusiasm amongst those who already support the change. This, unfortunately, also results in wasted time and may erode supporters' willingness to act.

Repeated Efforts to Increase Enthusiasm

1 **2** **3**

Adds Little Benefit

Continuing to convince those who are already in favor does little to help the change effort.

Exhausts Supporters

Supporters may grow tired of hearing why something needs to change. They have already indicated support.

Frustrates Stakeholders

This exhaustion may push stakeholders to take no action at all, rather than act as ambassadors for change.

Messaging Varies Based on Stake

Getting the Right Reaction from the Right People

To maximize the potential for change, and to avoid the outlined pitfalls, project leaders should deploy three different strategies based on stakeholder stance, with an understanding that additional time should be spent on undecideds.

Three Strategies Based on Stance

Supporter	Undecided	Dissenter
Supporter Inflate urgency to inspire continued action of supporters.	**Undecided** Craft "what's in it for me" for undecideds to gain buy-in.	**Dissenter** Deflate urgency of dissenters to minimize pushback.

Developing an Engagement Strategy Across Stakeholders

However, before deploying any of these strategies, project leaders should also recognize that engagement tactics must account for the stakeholder's source of stake. The messaging for those with power will differ from those with constituency. With multiple sources of stake, project leaders should address each one.

Your Guide to Tailoring Messaging

Source of Stake

Stance		Power	Agency	Constituency	
? **Undecided**		**Obtain Acceptance** Gain firm commitment to change initiative	**Tap Into Knowledge** Employ information to design or refine change	**Gain Compliance** Convince to participate in change	Generate Action
+ **Supporter**		**Leverage Power** Utilize support to obtain resources and influence stakeholders	**Delegate Ownership** Designate responsibility for process components	**Build Momentum** Use support to withhold or exert pressure to change	Generate Action
— **Dissenter**		**Overcome Dissent** Use variety of methods to offset influence	**Work Around** Find supporter with knowledge to counter negative messages	**Negate Urgency** Block any effort to unite in opposition	Guarantee Inaction

Inciting Action from Undecideds

Crafting a Compelling Offer for Change

Undecideds represent a group that can make or break any change management process. However, they also represent a group where project leaders can have outsized influence on their perceptions and degree of support for a change effort.

CTOs and project leaders should be sure to explain to those undecided stakeholders their "what's in it for me?" (WIFM) to garner their support. WIFM can be crafted in many ways, but leaders should consider what type of consequence (reward or penalty) and value (intrinsic or extrinsic) would most compel an undecided.

Please see **page 15** for a completable template.

Compelling Offers Guided by Consequences and "What's In It For Me"

	Incentive	Intrinsic
+	**Extrinsic Reward** Offer incentive to entice action	**Intrinsic Reward** Connect WIFM to value derived from the change itself
−	***Avoidance of Extrinsic Penalty*** Enforce tangible consequence for failure to participate	***Avoidance of Intrinsic Penalty*** Limit access to something of intrinsic value

Consequence (vertical axis)

Source of WIFM
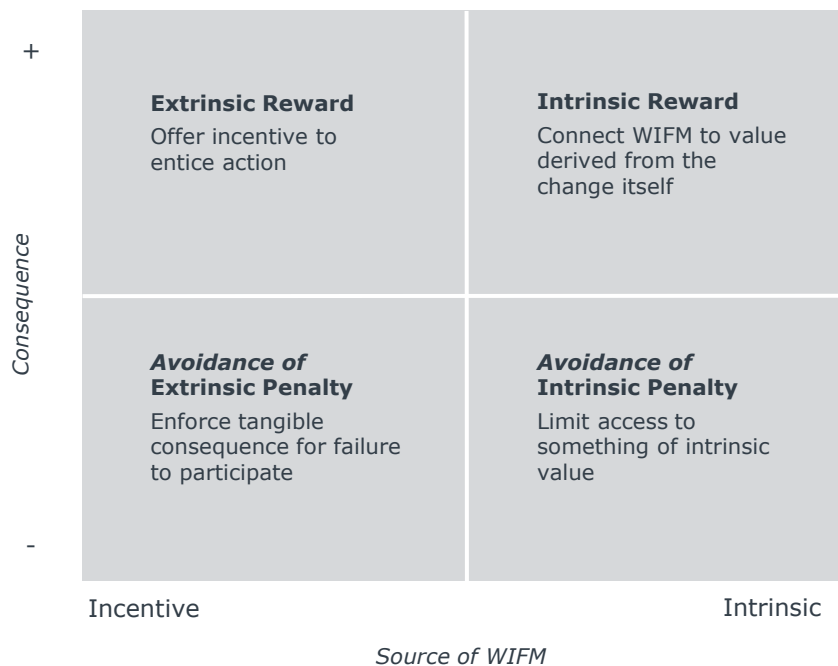
Your WIFM Offer Should Be…

Sufficient
Provide enough benefit to offset the cost of change

Accurate
Aligned with stakeholder's actual WIFM, not what the leader thinks it should be

Controllable
Within your direct control

Appendix: Templates

- Stakeholder Communication Map
- Stake-Based Messaging
- Crafting a Compelling Offer

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Stakeholder Communication Map

Instructions: Brainstorm different groups across the <mark>school district</mark> who will be affected by the proposed change – from IT staff <mark>to teachers and staff to students</mark>. List these groups under the first column titled "Stakeholder name" and then check the appropriate boxes that best describe the groups' source of stake, stance, and sense of urgency.

Change Initiative: _____

Stakeholder Name	Source of "Stake"			Stance			Sense of Urgency		
	Power	Agency	Constituency	Supporter	Undecided	Dissenter	Low	Medium	High
	☐	☐	☐	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐	☐	☐	☐
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	☐	☐	☐	☐	☐	☐	☐	☐	☐

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Varying Messaging Based on Stake

Instructions: Based on the Stakeholder Communication Map, plot each stakeholder within the appropriate section based on the assigned source of stake and stance. Once completed, use the table to identify the appropriate messages and engagement goal for the stakeholder groups.

Source of Stake

	Power	Agency	Constituency
? Undecided	Obtain Acceptance	Tap Into Knowledge	Gain Compliance
+ Supporter	Leverage Power	Delegate Ownership	Build Momentum
— Dissenter	Overcome Dissent	Work Around	Negate Urgency

Stance

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Crafting a Compelling Offer

Instructions: Use the below template to brainstorm engagement mechanisms and messages that communicate a compelling "what's in it for me" (WIFM) rationale for undecided stakeholders. The framework accounts for the types of consequence (reward or penalty) and value (intrinsic or extrinsic) that drive decision-making.

Extrinsic Reward	**Intrinsic Reward**
Avoidance of **Extrinsic Penalty**	*Avoidance of* **Intrinsic Penalty**

+

Consequence

−

Incentive   *Source of WIFM*   Intrinsic