

What are stakeholders and why are they important?

In simple terms, your stakeholders are the people or organisations that matter to your social enterprise. A more precise and commonly agreed definition is:

“The people and/or the groups affected by, or affecting, your social enterprise’s work.”

In order to meet your organisation’s objectives, you need to clearly identify who your stakeholders are. Knowing who your stakeholders are will help you to:

- Understand the true effects of your activities, whether they are positive or negative, anticipated or unexpected.
- Give your stakeholders a chance to be heard.
- Identify, and then respond to, their concerns and the issues they raise. This makes your organisation more accountable.

With this information, you are better placed to improve your organisation and inform its improvement through the people that matter.

How do you identify stakeholders?

There are many ways in which you can identify your stakeholders, from a simple list or chart to a “mind map”, or more complex ways of mapping them according to set criteria.

Social enterprises will have many stakeholders, often with distinct types and levels of involvement in the organisation and often with diverse and even conflicting interests and concerns.

When defining who your stakeholders are you should think about particular groups that will be affected by your organisation, such as:

- staff
- customers
- beneficiaries
- local community groups
- funders
- local authorities
- suppliers
- trade union representatives
- those who can legitimately claim to represent a constituency such as community groups representing people or things that are unable to represent themselves. This includes the environment or future generations.

As well as identifying your stakeholders for your whole organisation, you can also do so for a particular initiative or project. For instance, if you want to open a second community shop in the high street of a town, you can immediately start to think of specific people who will be affected by this. Consider who may have negative and positive responses or reactions as well as those who will affect the process.

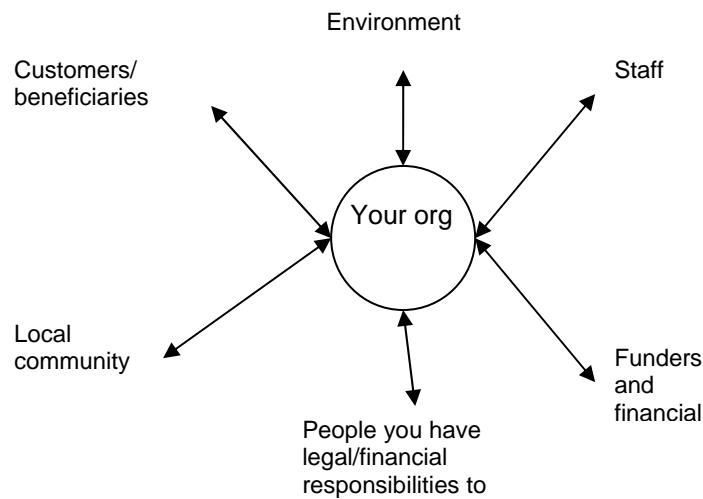
Things to look out for when identifying stakeholders

The stakeholder definition above does not include all those who may have knowledge of or views about your social enterprise. The key issue when defining stakeholders is to consider how they are *affected by* or *affect* your work.

Once identified, you will need to communicate with your stakeholders, respond to their concerns and manage their expectations in ways that strengthen your organisation. This is called stakeholder engagement. Engaging with your stakeholders is important and can help your organisation to be accountable and improve its performance.

Further guidance on identifying stakeholders

Try brainstorming by listing your stakeholders under each of the headings below – or use others that you think are more relevant.



Further information

Visit the AccountAbility website to read their guide to stakeholder engagement:
<http://www.accountability21.net/default.aspx?id=256>