

Student's Name  
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## Stakeholder's Analysis

### Introduction

A stakeholder is any individual or group that holds certain interest in a project. They may be included or excluded in the decision-making process. This is the reason why their influence on the project varies. Stakeholder analysis basically refers to the identification of the key stakeholders in a project and creating an assessment of their interest in a project and how the interests affect the implementation of the project.

In this case, there is a wind energy project that has to be implemented by building a 4 Windmill that can produce 2.5 MW at a cost of 12 Mio pounds. The cost is shared 1:4 between investors and external capital providers. Even though landowners are positive towards the project, they are concerned by the fact that they will carry the burden of transition to renewable energy without directly benefiting through jobs and income. This stakeholder analysis paper looks at the list of stakeholders, the influence in terms of their interest, and their influence in terms of approval. It also looks at the Stakeholder Management strategy by the project manager.

### Tasks

#### List of Stakeholders

The stakeholders include individuals as well as groups that have interest in the wind energy project of creating a small wind park (4 by Windmill of 2.5 MW Power)

1. Project Manager
2. Investors
3. External Capital Providers
4. The Rural Communities
5. Land Owners
6. Tourist Sector Representatives
7. Environmental Groups

#### Influence-Interest Matrix and Influence-Approval Matrix

Stakeholder analysis can be created through the stakeholder's Matrix. A stakeholder's Matrix can be divided into the interest matrix as well as the approval matrix. This is due to the fact that there are those people who can have a high stake in the project but their influence could be low in terms of making critical decisions related to the project. In the stakeholder analysis matrix, the stake of an individual is plotted against the different variables that are related to the project. The table below provides an analysis of the stakeholders listed above in relation to the various variables related to the project (Wind Park, 4 by Windmill of 2.5 MW Power)

Stakeholder Group	Kind of Interest	Interest Rating	Kind of Influence	Rating of Influence	Approval Description	Approval Rating	Stakeholder Management Strategy
Land Owners	Loss of Income, loss of land	++ (high)	Lobbying, Protest	0 (Medium)	Likely Opposition due to negative impacts	-- (low)	Mediating economic losses: search for new sources of income (e.g. tourism), Cooperation with tourism sector, income compensations, New Farm Land
Investors	25% of the entire 12 Mio. €.	++ (high)	Provision of Capital	High	Assured support due to expected positive returns	++ (High)	Discussing the potential financial returns and long term economic benefits of the project. Constant communication and updates
External Capital Providers	75% of the entire 12 Mio. €.	+++ (Very High)	Provision of Capital	Very High	Assured Support due to the expected positive returns	++ (High)	Discussing the potential financial returns and long term economic benefits of the project. Constant

							communication and updates
Environmental Groups	Protection of environment (The Bird Population)	++ (High)	Lobbying through negotiation	Medium	Likely Opposition due to negative impact.	-- (Low)	Mediating measures through which the birds can be protected e.g. provision of capital for creation of bird sanctuary
Tourism Sector Representatives	Concerns over declining tourism attractiveness	++ (High)	Lobbying through negotiation	Medium	Likely opposition due to reduced income from tourism	-- (Low)	The economic losses can be mitigated through creation of local parks for the tourist attractions destroyed, promoting local tourism through empowering the locals
Rural Communities	Benefits from the power generated	++ (High)	Lobbying through Protest	Medium	Opposition due to belief that the benefit through income and jobs is not felt	-- (Low)	Mediating economic losses: search for new sources of income (e.g. tourism), Cooperation with tourism sector, income compensations, New Farm Land

Project Manager	Stakeholder Management	+++ (Very High)	Strategic Negotiation with stakeholder	Very High	Support the project due to benefits	Very High	Constant Communication with all stakeholders in order to reach an agreement in relation to areas of contention
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From the stakeholder matrix above it can be seen that landowners have a high interest in the project due to the potential loss of income due to the construction of the windmill. The kind of influence that is expected from them is lobbying which will be conducted through protest, it is expected that such lobbying will have a medium influence on the project even though the project will have a low approval of the project due to its negative impact on their direct source of income.

Investors have a kind of interest that is based on their 25% contribution to the entire cost of the project. Their interest in the project is high considering the fact that they have to contribute capital towards the establishment of the project. Investors provide assured support if they can be convinced that the project has positive net returns.

The external capital contributor interest is created through the 75% portion of the entire cost of the project. Their interest in the project is very high considering the amount of capital that they have to contribute. They are expected to provide assured support once it can be proven that the project has positive net income in future.

The environmental groups have an interest in the project considering the fact that the project will negatively impact the environment through the reduction of the bird population. They are afraid that birds of prey such as red kites and eagles are declining in numbers. They have a high interest in the project and they can take part in the negotiation through lobbying. They provide a source of likely opposition unless the project manager does assure them of an alternative means through which their concerns can be addressed.

The tourism sector representatives are concerned with the declining tourism position through declining tourism attraction. Part of this can be attributed to the declining bird population. They have the ability to negotiate through negotiation though their influence remains medium. They need to be assured that the project has measures in plan to deal with the declining tourism. The local community also represents a part of the stakeholders even though much of their interests are represented by the landowners who are the farmers. They are concerned by the fact that they have to forego their comfort and not benefit in terms of jobs and income.

## Stakeholder Management Strategy

Stakeholder management is known to be critical when it comes to having successful projects. By engaging the right people through the right methods and ways, the project manager does make a huge difference in relation to its success. When dealing with a project that has a wider scope, there are higher chances that it will be influenced by more people. Such people could be for the project or against the project.

As the project manager, it is important to ensure that landowners are convinced to support the project. The strategy that should be used involves mediation of the economic losses. This can be done by assuring them of alternative sources of income by providing them with new farmland and offering them high cooperation with the tourism industry.

The internal and external capital providers have similar interests in the project hence the project can make use of a single strategy when dealing with their interests. The first strategy that is applicable is to provide constant communication which updates the financiers of the project with information on the state of the project, the expected returns through capital budgeting techniques, and the cost-benefit analysis. Through this, the internal and external capital providers will offer assured support for the project.

Environmental groups also have an interest in the project in terms of its negative impact on the bird population. They are worried about the reducing numbers of birds of prey such as eagles and red kites. The project manager can mediate and ensure their support by coming up with means through which the birds can be protected. This can be done through the creation of the bird sanctuary. This can be an assured measure that the project will not only come with negative effects but also certain positive elements. Once this is the case, the environment protection groups will have no reason to lobby against the project.

Tourism representative groups have legitimate concerns which have to be dealt with even though they have a medium influence on the decision that has to be made on the project. Their concerns are legitimate and the project manager has to assure them that the project will promote tourism through measures such as empowering locals and making sure that they provide a source of local tourism and creation of bird sanctuaries.

The project manager is a stakeholder who is responsible for management of the project. He is expected to come up with the above strategies that will ensure that the interest of each stakeholder is catered for through the best measures. Without proper management of different interests the project is likely to fail.

## Conclusion

The above project has got seven different stakeholders who have varying interests in the project. The interests have varying levels of influence on the project in terms of decision-making. Of the seven groups, it has been determined that only three have very influence on the decision as to whether the project can be implemented. Even though the success of the project does rely on all the stakeholders, the three are the most influential in terms of decision making (The internal and external capital providers as well as the project manager). The project manager is responsible for making sure that the project is implemented effectively by coming up with strategies that are in line with each stakeholder's interest. Each of the seven stakeholders has been analyzed based on strategies that will meet their needs and ensure that they fully support the project.

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