

Pathways to Management and Leadership

Level 3: First Line Management

Unit 3003V1

Meeting Stakeholder Needs

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Unit 3003V1: Meeting Stakeholder Needs

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About this workbook

The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 3 – First Line Management, so it specifically focuses on the content of the syllabus for Unit 3003V1, *Meeting Stakeholder Needs*.

This workbook provides underpinning knowledge and develops understanding to improve your skills as well as to prepare for future assessment. If you are studying towards the Level 3, then you will be assessed by your approved centre on 'your knowledge and understanding of' the following learning outcomes:

1. be able to identify stakeholders and plan to meet their needs
2. understand the process required to continually improve meeting stakeholder needs
3. be able to prepare a case to support a change in meeting stakeholder needs.

The aims of this workbook

This workbook aims to help you learn how to:

- plan and organise activities to meet stakeholder and stakeholder needs
- identify and implement change to achieve continuous improvement.

This workbook, then, is about how you plan, organise and monitor your work activities so that stakeholders and stakeholders are satisfied and performance is improved. It is also about devising and putting into practice ways of working to continuously improve performance within your job role.

Syllabus coverage

The table below shows which sections of the workbook address each 'Understanding' and 'How to' section of the qualification syllabus.

Unit 3003V1: Meeting Stakeholder Needs Syllabus coverage	Addressed within section
1.1 Identify stakeholders in relation to the team's objectives	1
1.2 Describe how the team's objectives meets stakeholder requirements	1, 2, 3
1.3 Identify work plans with the team, gaining commitment to meet stakeholder needs	1, 2, 4, 5
1.4 Evaluate and modify the work plans to meet the stakeholder needs	3, 4, 5
2.1 Identify improvements to meet stakeholder needs	2, 3, 4, 5
2.2 Identify resources and costs to support improvements	3
2.3 Identify benefits obtained from improvements	2, 3, 4, 5
3.1 Identify the individuals to whom a case for change is to be made	4
3.2 Describe the components of a case for change	4
3.3 Identify how a case for change supports the team's objectives	3, 5
3.4 Describe how to monitor and review the effect of the change	3, 5

Getting started

Meeting stakeholder needs means running an effective operation. Operations are nothing more than activities – the activities every manager oversees in order to help the organisation achieve its aims. Stakeholders are at the heart of this. The basic building block of any operation is the process that is used, and so the process needs to have a stakeholder focus and be constantly reviewed for improvements and enhancements.

A process is defined as the conversion of inputs into outputs, using the right resources in order to add value. Not everything adds value though, and part of the manager's role is to cut out as much as possible of the activity that wastes scarce resources. Managers should therefore always be on the lookout for techniques that have a stakeholder focus and an emphasis on

adding value, to change the way the organisation manages its operations.

In this workbook you will explore some of the techniques that will help you to develop and maintain effective operations to meet stakeholder needs.

How to use the workbook

The workbooks provide ideas from writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job-role.

Structure

Each workbook is divided into sections that together cover the knowledge and understanding required for that unit of the Level 3 in First Line Management. Each section starts with a clear set of objectives that identify the background knowledge to be covered, and the management skills in the workplace that enable you to demonstrate this knowledge. You do not have to complete the sections in the order they appear in the workbook, but you should try to cover them all to make sure that your work on the unit is complete. There are self-assessment questions at the end of each section that allow you to check your progress. You may want to discuss your answers to the self-assessment questions with your line manager or a colleague.

Activities

Throughout the workbooks there are activities for you to complete. These activities are designed to help you to develop yourself as a manager. Space is provided within the activities for you to enter your own thoughts or findings. Feedback is then provided to confirm your input or to offer more ideas for you to consider.

To get the best from the workbooks, you should try to complete each activity fully before moving on. However, if the answer is obvious to you because the issue is one you have encountered previously, then you might just note some bullet points that you can then compare quickly against the feedback. You may sometimes find it difficult to write your complete response to an activity in the space provided. Don't worry about this – just keep a separate notebook handy, which you can use and refer to as needed.

Try not to look at the feedback section before completing an activity. You might like to try covering up the feedback with a postcard or piece of paper while you are working through an activity.

Timings

Timings are suggested for each section and activity, although it is important that you decide how much time to spend on an

activity. Some activities may occupy only a few moments' thought, while others may be of particular interest and so you might decide to spend half an hour or more exploring the issues. This is fine – the purpose of the activities is to help you reflect on what you are doing, and to help you identify ways of enhancing your effectiveness. It is always worth writing something though, even if it's brief – the act of writing will reinforce your learning much more effectively than just referring to the feedback.

Scenarios

There are scenarios and examples throughout each workbook to illustrate key points in real workplace settings. The scenarios cover a wide range of employment sectors. As you work through, you might like to think of similar examples from your own experience.

Planning your work

The reading and reflection, scenarios and activities in each section of the workbooks are designed to take around two hours to complete (although some may take longer). This is a useful indicator of the minimum length of time that you should aim to set aside for a study session. Try to find a quiet place where you will not be interrupted and where you can keep your workbooks, notes and papers reasonably tidy. You may also like to think about the time of day when you work best – are you a 'morning person' who likes to get things done at the start of the day, or do you work better in the evening when there may be fewer disturbances?

Preparing for assessment

Further information on assessment is available in the Student Guide produced as part of the *Pathways to Management and Leadership* series. If you have any further questions about assessment procedures, it is important that you resolve these with your tutor or centre co-ordinator as soon as possible.

Further reading

Suggestions for further reading and links to management information are available via ManagementDirect through the Study Support section of the Institute's website at <http://mde.managers.org.uk/members>. Alternatively, email ask@managers.org.uk or telephone 01536 207400. You will also find titles for further reading in the Bibliography at the end of this workbook.

The CMI Management Library holds an extensive range of books and pamphlets for loan to members. A postal loan service is offered to members in the UK only. You will only pay your return postal charges. Go to www.managers.org.uk/library to review the collection and to place your requests.

Section 1 Stakeholder focus

Learning outcomes (about 2 hours)

By the end of this section you should be able to:

- 1.1 identify stakeholders in relation to the team's objectives
- 1.2 describe how the team's objectives meets stakeholder requirements
- 1.3 identify work plans with the team, gaining commitment to meet stakeholder needs.

What is a Stakeholder?

The word stakeholder has been around for some considerable time, but has only recently been used significantly as a way of describing all those who have an interest in the activities of an individual, team or organisation and their activities. Almost anyone can be a stakeholder, but those that are considered here are the key people that are influenced by, or who influence your work. These can be anyone for whom you provide goods or services, anyone who provides you with goods or services, and anyone that directly affects or who is affected by the operation of your team, section, department, or organisation. The most important stakeholders to many organisations are the people that they would usually refer to as their customers or clients. Stakeholders, like customers and clients, can be internal to the organisation as well as external to the organisation.

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Activity

Activity 1.1 (about 15 minutes)

Write down as many external stakeholders of your organisation as you can. Who are they and what do they want?

External stakeholders	What they want from us

Feedback

You probably listed several types of individuals and organisations that use your services, buy what you produce, or influence or are influenced by your organisation. Examples might be:

- *customers and clients*
- *suppliers (of raw materials, goods and services)*
- *regulatory bodies (that set the regulations for your industry or profession)*
- *Institutes and Trade Associations (who perhaps have professional standards or codes of practice that you should adhere to)*
- *shareholders or trustees.*

It may be that you never meet your external stakeholders. This is common for managers who work inside an organisation, especially in sections that provide services in support of others.

All organisations have external stakeholders, and these usually include a wide range of individuals and other organisations.

Scenario

Everyone needs it

The stakeholders of a major tissue manufacturer include:

- individual customers buying toilet rolls for their own use
- large contract buyers – hospitals buying toilet rolls in bulk for patient, staff and public use
- wholesalers or distributors buying at bulk discounts and then supplying smaller outlets – local industrial and catering establishments, who sell packs of toilet rolls to guest-houses, restaurants and small firms
- shops and store chains, buying in bulk and reselling toilet rolls in individual packs in their shops
- shareholders of the manufacturing company
- suppliers of the raw materials from which the tissue rolls are made

- suppliers of the plastic covering that wraps the bulk rolls
- suppliers of the tissue manufacturing and rolling machines
- maintenance firms that service the machines
- the logistics company managing the distribution fleet that delivers the products to outlets
- the individual van drivers that deliver the product to the outlets
- and so on

So, the external stakeholder is any individual external to the organisation that is in some way involved with the organisation and its activities.

Notice how a stakeholder may not have direct contact with the company themselves, but may be affected by the company's activities indirectly. Notice also that each stakeholder is likely to want something that is in some way different from the others.

The next scenario takes a simple example of the different perspectives that different stakeholder groups of customers might want.

Scenario

'Is that trade?'

The tissue manufacturer carried out a survey of its sales, and of why different groups of customer stakeholder bought its products. It identified three main stakeholder groups or segments: retail outlets, industrial firms buying for its staff use and individual members of the public.

The retailers and wholesalers wanted:

discounts that gave them enough margin for profit
 advertising run by the manufacturer that created demand that led to sales in their outlets
 regular and guaranteed deliveries.

The industrial users wanted:

one supplier giving a reliable and prompt supply at competitive prices that beat the opposition
 products and ancillaries – roll holders, for instance – that cut down on theft and waste.

The general public wanted:

consistent quality
 the benefits they identified from the advertising
 value for money.

They all bought toilet rolls, but for very different reasons.

In other words, the product remained the same, but the stakeholder requirements were different in each case.

Internal stakeholders

As well as external stakeholders, there are of course internal stakeholders too. An internal stakeholder is defined as anyone within the organisation who receives information, goods, or services from you or from your department, influences your department, or in some way is affected by the activities in your department. So effectively everyone you work with, and many other people in the organisation could all be considered your internal stakeholders.

An organisation with a stakeholder-focused approach (whether they are internal or external stakeholders) is much more likely to succeed, since everyone in the organisation keeps an eye on what others need from them, and as a result information processes, and departmental and personal relationships are strong and supportive of the activities required. Where stakeholder focus is not present in an organisation, the organisation is less likely to be successful, since activities may not be fully developed to identify and provide the services required.

Activity

Activity 1.2 (about 15 minutes)

Who are your key internal stakeholders, and what do you provide for them?

My internal stakeholders	What my section provides for them

Feedback

You may have quite a long list. A sound approach is to work on the principle that 'everyone is a stakeholder' and treat them appropriately.

A chain of stakeholders and suppliers

If your organisation is like most organisations, then one department supplies another, and so on. So a chain of activities extends right through the organisation, with each department, section and function affecting every other as they play their own parts in the overall work.

You are in a supply chain that should add value (in his book *Competitive advantage, creating and sustaining superior performance*, Michael Porter calls this a 'value chain'). Information is one of the products or services that you receive from colleagues and pass on to others, as well as (for example):

part-finished goods

a service that is one stage in a complex service provision.

If any department or section supplying you with services, goods or information fails to get it completely right, it means that whatever you do is based on sub-standard inputs, and your outputs may then not be as good as they could be.

Similarly, whatever you pass on to someone else (goods, services or information) has to be exactly right, or it affects their ability to complete their work perfectly.

Activity

Activity 1.3

(about 10 minutes)

In activity 1.2, you stated who your main internal stakeholders were, and what you provide for them. How do you know what they need from you? Make some notes here.

Feedback

Do you know what they require of you in terms of:

- *quantity?*
- *quality?*
- *frequency?*
- *timeliness?*
- *cost?*

If you aren't sure, you are making assumptions. Your assumptions may be right, but it's a dangerous habit to get into. Eventually, it will go wrong.

You may have said that there is a clear and precise design specification that you work to. This is often the case in manufacturing and scientific processes. However, the other issues (how many, when, how much) are not always specified so clearly. This is likely to be true of public sector or service organisations where products are not being turned out.

Identifying requirements

Managing your operations effectively means providing your stakeholders – internal or external – with what they require.

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Activity

Activity 1.4 (about 10 minutes)

How do you find out what your stakeholders need?
 List your main stakeholders and summarise how you find out what they need in each case.

Stakeholder	Ways of finding out their needs

Feedback

You probably found that you use different methods for different stakeholders. However, you may have found that for some stakeholders you don't use any clear or structured ways of finding out exactly what they need. Although their needs might be 'obvious', if you don't check, then how do you know that what you are providing is really what they want?

Scenario

Right service – wrong delivery!

Jet was responsible for checking outputs from the section. He kept a record of what services were delivered to which clients, the time involved, and the costs involved. He also had to check with individual colleagues who provided the service that each job was completed, so the company could invoice the client for the work. Jet's main stakeholder was a group of people in the accounts department. They needed to have all the information Jet recorded, so they could create the invoice to be sent to the client for payment.

This went on satisfactorily for years without complaint, so Jet was sure that the accounts department's needs were being met. However, when Jet's friend Jem joined the accounts department, Jet heard that while the *information* was what was needed by accounts, the *format* of the information was not convenient for them. It turned out that it took several hours a week to reformat the information so that it could be fed into the systems that produced the invoices. Jem told Jet that if he could produce the information in a different format, it would speed things up significantly. They found that Jet's system could deliver a convenient format by just printing out the information in a different way. Jet received a special note of thanks from the Head of Accounts.

Although you may think you know what your stakeholders need, and how they need it, can you be sure? What you are providing might have been good some time ago, but if they have made changes, perhaps you need to as well?

Activity

Activity 1.5

(about 10 minutes)

When did you last ask your stakeholders what their requirements were – and what did you find out? Make some notes here:

Feedback

You should be able to remember when you last did this. Generally, external stakeholders get asked far more frequently and regularly than their internal counterparts – the requirements of external stakeholders are often monitored through formal methods of research – a term that simply means finding out what they want.

Internal stakeholders, though, often miss out on this sort of activity in many organisations.

Finding out how your work objectives might meet the needs of stakeholders

The first step is to research into what stakeholders need, and what you are currently supplying to them. There are two broad areas of research – desk research and field research (sometimes called secondary and primary, because desk research is second-hand, while primary research goes direct to the stakeholder for a response).

Desk research

Desk research looks at existing information from a variety of sources, including:

- the organisation's own records
- published data on national and regional trends – for example, trends in purchasing habits, social change and economic activity.

Activity

Activity 1.6

(about 10 minutes)

What different types of information might be available from using desk research? List some here