

# BUSINESS VITAMINS

## Understanding the Influence/Impact Grid

### Introduction

The Influence/Impact grid, which is also known as the Influence/Impact matrix, is a tool that helps you understand which stakeholders have the most influence and the impact they can make on project success. By focusing on the key set of project stakeholders, you can prioritize stakeholders' requests, spend time as per influence and impact stakeholders have, and lead your project to a success without stakeholder conflicts. By definition, Influence is the level of involvement the person has, and impact is the ability of the stakeholder to bring out a desired change. This could be during project planning or project execution. For example, a stakeholder that has the ability to set deadlines and hence the project schedule would be classified as high impact. This stakeholder would also have the ability to dictate the length of the critical path.

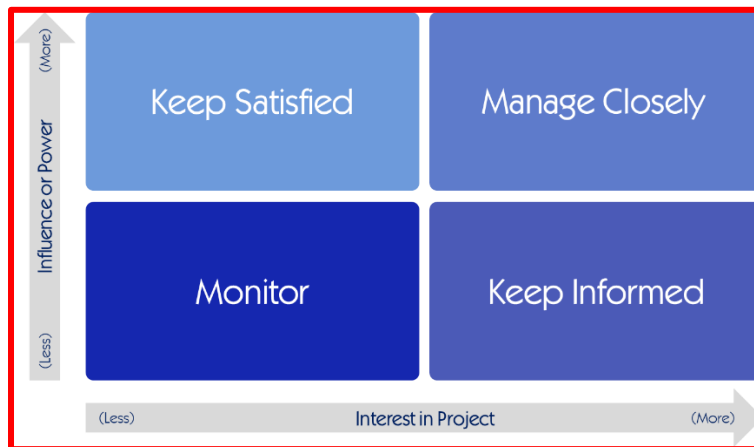
### Influence / Impact Grid

The Influence/Impact grid in stakeholder management pertains to the level of influence stakeholders have on the project. By using this matrix, you can determine which stakeholders to manage closely and which stakeholders to put minimum effort in. This helps you channel your time and energy on the stakeholders that can make-or-break your project. In addition, it helps you create a communication and stakeholder strategy.

During the Stakeholder Analysis of a project, you:

- Document the interests and motivations of stakeholders in the project
- Which stakeholder has influence over project resources?
- Identify the stakeholders that can make the project unsuccessful
- Identify conflicting interests and relationships between stakeholders
- Identify stakeholders whose influence evolves during the project
- Determine communication media and style is best suited for each stakeholder

The Influence/Impact grid contains four quadrants. Each quadrant gives you an indication of the level of stakeholder management that you'll have to employ. The four quadrants of the Influence/Impact Grid are shown below.



The position that you allocate to a stakeholder on the grid shows you the actions you need to take with them:

- **High power, highly interested people (Manage Closely):**  
You must fully engage these people, and make the greatest efforts to satisfy them.
- **High power, less interested people (Keep Satisfied):**  
Put enough work in with these people to keep them satisfied, but not so much that they become bored with your message.
- **Low power, highly interested people (Keep Informed):**  
Adequately inform these people, and talk to them to ensure that no major issues are arising. People in this category can often be very helpful with the detail of your project.

- **Low power, less interested people (Monitor):**

again, monitor these people, but don't bore them with excessive communication.

Your boss, for example, likely has high power and influence over your projects and high interest in them. Your family, however, may have high interest in them, but won't have power over them.

Stakeholders that lie in the Manage Closely quadrant can easily ensure project failure, if you don't manage them properly. For example, suppose you the project manager of a software product development project. The sign-off authority on the deliverables is someone who'll fall in the Manage Closely quadrant in the Influence/Impact Grid.

As you might have already deduced, influence is very subjective and can be error prone. You might think a certain stakeholder has high level of influence in project success, but in relative terms, may actually not. Hence, identifying and gaging the interest levels of stakeholders is critical when using the Influence/Impact grid for stakeholder management.

## Questions to Determine Stakeholder Influence and Impact

The following questions can help you gage the level of influence and impact of stakeholders have on the outcome of your project:

- What are the responsibilities of the stakeholders?
- What do stakeholders expect from the project and how to they benefit?
- Are there any conflicting interests that the stakeholder may have with the project?
- How committed is the stakeholder to the project? Is he/she willing to commit tangible resources?
- What are the consequences of the not managing this stakeholder?
- Can stakeholders influence others, who are the dominant stakeholders?
- Are there any threats posed by stakeholders?

By getting answers to these questions, you'll be able to determine the actual influence of stakeholders and manage them appropriately by using the Influence/Impact grid for stakeholder management.

