# Back to Basics: How to Make Stakeholder Engagement Meaningful for Your Company

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# About this Report

This report was written by Jonathan Morris and Farid Baddache, with support from the following staff members from BSR's global team: Julia Nelson, Ayesha Barenblat, and Shivani Kannabhiran.

The report is based on literature review as well as interviews with BSR employees. The authors would like to thank the interviewees and editors for their review of this report for accuracy. Any errors that remain are those of the authors. Please direct comments or questions to Jonathan Morris at jmorris@bsr.org.

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# Introduction

When it comes to CSR practices, stakeholder engagement can seem about as cutting edge as bread and butter. True, some companies like Starbucks, which is crowdsourcing new product ideas through its "My Starbucks Idea" social media platform, are showing leadership in identifying and holding discussions with diverse stakeholder groups. But just as many companies are struggling to build the basics of engagement and appropriately respond to increasing pressure.



This is happening in part because stakeholder engagement *is* part of the CSR basics. It has become such a norm that companies complete it to tick a box rather than endeavoring to understand what engagement specifically means to them. Managers charged with stakeholder engagement are also feeling pressure created by social media. More voices clamoring in more outlets for more attention is changing the reasons companies engage, how they engage, and with whom they engage.

The resulting story is all too common: Companies feel the increasing external pressure and recognize that they must engage, but blindly sign on to an engagement method without questioning their understanding of it, or their intent in using it. They mistakenly place stakeholder engagement in the outreach buckets of public relations or communications. They struggle to relate engagement to their core business activities and have difficulty building internal awareness and interest. When the time comes to map stakeholders, they talk only to those they know or to those who speak loudest. And even if they succeed in gathering information from these stakeholders, they have difficulty transforming it into business intelligence.

*To help companies get back to the basics, we have published this report to guide internal discussions on tools and approaches to stakeholder engagement. Use this document as a starting point when approaching stakeholder engagement for the first time, or as a refresher when revising a current engagement strategy.*
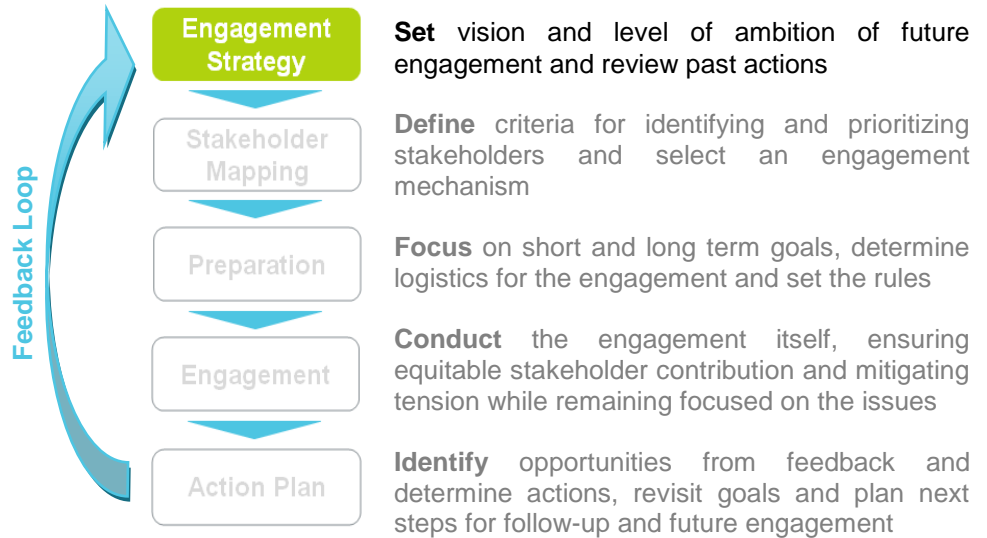
# 1. Stakeholder Engagement Strategy

Thought leaders and influencers from government, civil society, and the private sector play an important role in creating and maintaining business value. As their influence evolves, companies must take a strategic and structured approach to stakeholder relations. BSR has developed a five-step approach to show how corporations can initiate and sustain constructive relationships over time and throughout their organization, creating shared value by engaging early and often.

## BSR's Five-Step Approach

**Feedback Loop**

**Engagement Strategy** — **Set** vision and level of ambition of future engagement and review past actions

**Stakeholder Mapping** — **Define** criteria for identifying and prioritizing stakeholders and select an engagement mechanism

**Preparation** — **Focus** on short and long term goals, determine logistics for the engagement and set the rules

**Engagement** — **Conduct** the engagement itself, ensuring equitable stakeholder contribution and mitigating tension while remaining focused on the issues

**Action Plan** — **Identify** opportunities from feedback and determine actions, revisit goals and plan next steps for follow-up and future engagement

## There is a Step Zero

Before developing an engagement strategy, you must first understand what stakeholder engagement means to your company. Although often used as a byword for public relations or reputation management, engagement is something else. It requires a shift in corporate mindset and a change from treating stakeholders' issues as outside concerns that need to be managed to serious topics that merit dialogue. The implication is that stakeholder perspectives should inform your company's strategy and operations if properly embraced. However, the level of knowledge about stakeholder engagement may vary among key individuals within your company, and there may be a need to develop internal capacity before launching engagement activities.

**Action:** Reach out internally and build a baseline understanding around stakeholder engagement—a prerequisite to developing an effective strategy. This helps avoid the risk of being unprepared to listen to stakeholder insight or guidance, and the risk of unintended greenwashing. It also helps identify internal champions and owners of future engagement activities. These individuals are your internal stakeholders; collaborate with them as you build your overall strategy.

## Building a Strategy

With internal alignment and a common understanding of stakeholder engagement, you can move on to building a strategy. The following steps allow you to:

➢ Focus on where stakeholder engagement can have the biggest impact on your strategy and operations

➢ Streamline processes to define and lead cost-effective stakeholder engagement activities

➢ Learn from past experiences to assess ambition and clarify objectives

➢ Measure the value of investing in engagement

➢ Understand and manage stakeholder expectations

## 1.1 HISTORY OF ENGAGEMENT

The first step is to look at your company's history, as lessons learned from the past efforts will help focus the current strategy.

**Action:** Look at your past engagements and answer the following questions:

❐ **What:** Were our previous attempts successful? Did they fulfill our objectives? What performance indicators support this assessment? What mistakes did we make during our past engagements? What did we miss?

❐ **How:** Were the formats appropriate? Did they address stakeholders' concerns? In what ways can we achieve the same objectives using resources more effectively?

❐ **Who:** What did we learn about stakeholder expectations? Did we address them? Have we provided feedback to our stakeholders? Is the feedback in an appropriate form? Which internal stakeholders need to be more involved? How?

## 1.2 LEVEL OF AMBITION

Nothing is worse than you and your stakeholders (both internal and external) misunderstanding expectations from the outset. As a second step, this ambition diagram helps you assess the level of expectation for a given engagement activity.

You can situate all future activities along this level of ambition. Eventually, the chosen level of ambition will inform on stakeholders requiring priority level of engagement during the stakeholder mapping process in **Step 2: Mapping**.

**Levels of Ambition**
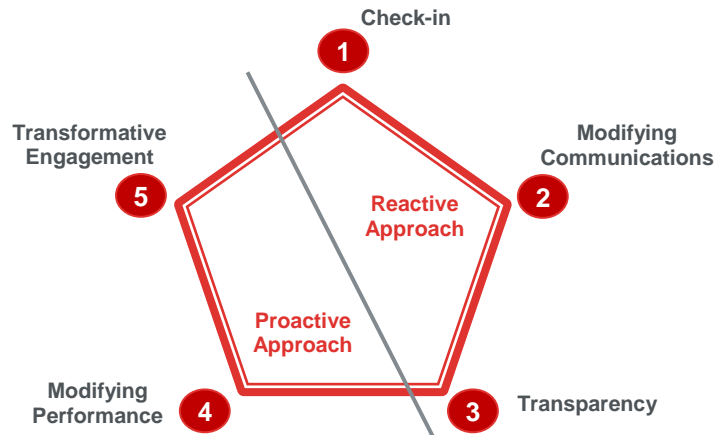
**Action:** Using the diagram, decide on your level of ambition for this engagement:

| | | |
|---|---|---|
| **Check-In** | Maintain current communications practices. | Engagement will help companies check in and refine level of disclosure on topics where there are already communication practices in place. |
| **Modifying Communications** | Adapt communications to meet stakeholder expectations. | For instance, identify new topic areas that require reporting. |
| **Transparency** | Provide assurance to satisfy stakeholder concerns. | For instance, identify ways to ensure levels of confidence and trust around information shared with stakeholders. |
| **Modifying Performance** | Change some business processes and practices in response to stakeholder feedback. | For instance, obtain new ideas to meet specific needs. |
| **Transformative Engagement** | Fundamentally change business strategies and models. | For instance, gather intelligence to operate major transformational changes in a business model. |

### 1.3 SET A VISION: WHY ENGAGE?

The third step is to understand the motivation behind engagement. Setting a vision clarifies the specific business and sustainability objectives you are trying to achieve.

**Action:** Answer the following questions to understand your objectives:

> ❑ What is our **priority** in engaging stakeholders at this phase? Reacting to external pressures? Developing strategic insights? Protecting our reputation? Seeking innovation? Building relationships?
> ❑ What is the **scope**? Consider issues and geography as boundaries. Perhaps the engagement needs to be granular.
> ❑ **Where** does engagement fit in our organization? Who *could* be a natural owner? Who *should* be an owner? (CEO: Finance: Business units: etc.)

### 1.4 WHO HAS A STAKE?

Your strategy should define filters for your choice of stakeholders. In a broad stakeholder engagement process, a full stakeholder mapping may be required which **Step 2** in this series will address. However, some engagement activities can guide the focus of your stakeholder group selection such as community engagement, which might focus primarily on local actors rather than international organizations.

**Action**: As you define objectives, note the broad stakeholder groups you might be addressing during engagement.

### 1.5 HOW: WHAT TACTICS TO USE?

Finally, how you engage depends upon a number of factors including how ambitious you are, whether the engagement is self-initiated or a response to outside events, and what resources are available. Engagement could either be a single event or take place within a standing dialogue mechanism such as a stakeholder advisory board. Both approaches have value but they respond to different needs further discussed in **Step 2**.

**Action:** Consider the impetus for this engagement process: If this is an inside initiative and you are looking to fundamentally change your business model, you might consider developing an ongoing, company-wide engagement strategy. If an outside event triggered the response, one meeting may be a fitting engagement strategy.

Further, the resources at your disposal also shape your engagement strategy. For example, a more ambitious strategy costs more.

**Action:** Use this table to visualize cost intensity for each level of ambition.

| Level of Ambition | Assigned Staff | Required Time | Internal Alignment | Format | Moderation | Feedback | Average Cost |
|---|---|---|---|---|---|---|---|
| **Check-In** | $ | $ | $ | $ | $ | $ | $ |
| **Modifying Communications** | $$ | $ | $$ | $$$ | $$$ | $ | $$ |
| **Transparency** | $$ | $$$ | $$ | $$$ | $$$ | $ | $$$ |
| **Modifying Performance** | $$$ | $$$$ | $$$$ | $$$ | $$$ | $$$$ | $$$$ |
| **Transformative Engagement** | $$$$$ | $$$$$ | $$$$$ | $$$ | $$$$ | $$$$ | $$$$$ |

*Note: This tool provides only a rough estimate. Costs depend on a wide range of variables and can only be developed within the context of a particular industry, company, or issue.*

## Have You Developed a Sound Strategy?

At this point, certain questions in your strategy, such as how to finally choose stakeholders and an engagement format remain unanswered. These questions will be addressed in **Steps 2 and 3.**

**Action:** Check that you have reviewed your engagement history, decided on a level of ambition, and clarified business objectives for the engagement. If you have, you can move on to **Step 2** of the BSR Five-Step Approach: Stakeholder Mapping.

**Top Three DOs and DON'Ts**

**DO:**
- ❑ Link engagement strategy to business strategy.
- ❑ Focus internally before externally (find champions).
- ❑ Learn from past experience. Consider what has proven successful and why it has.

**DON'T:**
- ❑ Decide on stakeholders before deciding on your objectives.
- ❑ Jump directly to choosing an engagement format.
- ❑ Ignore internal concerns.

# 2. Stakeholder Mapping

Stakeholder mapping is **Step 2** in the BSR 5-Step Approach to Stakeholder Engagement. Mapping is an important step to understanding who your key stakeholders are, where they come from, and what they are looking for in relationship to your business. To be most effective, this process should be driven by an engagement strategy developed in **Step 1: Engagement Strategy**.

## What Is Stakeholder Mapping?

Stakeholder mapping is a collaborative process of research, debate, and discussion that draws from multiple perspectives to determine a key list of stakeholders across the entire stakeholder spectrum. Mapping can be broken down into four phases:

1. **Identifying:** listing relevant groups, organizations, and people
2. **Analyzing:** understanding stakeholder perspectives and relevance
3. **Mapping:** visualizing relationships to objectives and other stakeholders
4. **Prioritizing:** ranking stakeholder relevance and identifying issues

The process of stakeholder mapping is as important as the result, and the quality of the process depends heavily on the knowledge of the people participating.

**Action:** Gather a cross-functional group of internal participants to engage in this process. Identify sources external to the company who may have important knowledge about or perspective on the issues, and reach out to these sources for input and participation. Finally, identify a resource who can facilitate your work through the following activities. Capture all your work in writing to help with future steps.

### 2.1 IDENTIFYING

The first step in the mapping process is to understand that there is no magic list of stakeholders. The final list will depend on your business, its impacts, and your current engagement objectives—as a result it should not remain static. This list will change as the environment around you evolves and as stakeholders themselves make decisions or change their opinions.

**Action:** Brainstorm a list of stakeholders without screening, including everyone who has an interest in your objectives today and who may have one tomorrow. Where possible, identify individuals.

Use the following list to help you brainstorm:

❑ Owners (e.g., investors, shareholders, agents, analysts, and ratings agencies)
❑ Customers (e.g., direct customers, indirect customers, and advocates)
❑ Employees (e.g., current employees, potential employees, retirees, representatives, and dependents)
❑ Industry (e.g., suppliers, competitors, industry associations, industry opinion leaders, and media)
❑ Community (e.g., residents near company facilities, chambers of commerce, resident associations, schools, community organizations, and special interest groups)
❑ Environment (e.g., nature, nonhuman species, future generations, scientists, ecologists, spiritual communities, advocates, and NGOs)
❑ Government (e.g., public authorities, and local policymakers; regulators; and opinion leaders)
❑ Civil society organizations (e.g., NGOs, faith-based organizations, and labor unions)

Here are some additional considerations to help you brainstorm:

- **Learn from past and ongoing engagement:** Look at your organization's existing engagement activities. What are the objectives of these activities? What stakeholders communicate regularly with your company? What groups do they cover well? Where can you reach beyond this existing comfort zone to engage with lesser-known stakeholders?
- **Be forward thinking:** Consider potential stakeholders from new markets, new technologies, new customers, and new impending regulations. Depending on your objectives, the relevant stakeholders you need to engage with may not play the usual sustainability roles but may instead serve other functions relevant to your business.
- **Be diverse:** Make sure to include a rich diversity of stakeholder expertise, geography, and tactics from across the spectrum. This is an opportunity to reach out and mix the old with the new, including individuals from each of the following stakeholder categories: influencers, collaborators, advocators, and implementation partners.
- **Be social:** Social media provides an unparalleled opportunity to identify and reach lesser-known stakeholder groups. Canvas blogs, forums, networking, reviews, and news sites to discover stakeholders relevant to your business and to learn about their interest in your activities.
- **Be aware:** People have a tendency to focus on formal authorities in the mapping process, but the loudest voices or heaviest campaigners are not necessarily your key stakeholders. Step back and add silent members to your list because they may have a hidden wealth of expertise.

## 2.2 ANALYZING

Once you have identified a list of stakeholders, it is useful to do further analysis to better understand their relevance and the perspective they offer, to understand their relationship to the issue(s) and each other, and to prioritize based on their relative usefulness for this engagement. BSR has developed a list of criteria to help you analyze each identified stakeholder:

- » **Contribution:** Does the stakeholder have information, counsel, or expertise on the issue that could be helpful to the company?
- » **Legitimacy:** How legitimate is the stakeholder's claim for engagement?
- » **Willingness to engage:** How willing is the stakeholder to engage?
- » **Influence:** How much influence does the stakeholder have? (You will need to clarify "who" they influence, e.g., other companies, NGOs, consumers, investors, etc.)
- » **Necessity of involvement:** Is this someone who could derail or delegitimize the process if they were not included in the engagement?

**Action:** Use these five criteria to create and populate a chart with short descriptions of how stakeholders fulfill them. Assign values (low, medium, or high) to these stakeholders. This first data set will help you later decide which stakeholders to engage. See example that follows.

| | Expertise | | Willingness | Value | |
| Stakeholder | Contribution | Legitimacy | Willingness to Engage | Influence | Necessity of Involvement |
|---|---|---|---|---|---|
| SH1 | **High:** Knowledge in X issue is of value to the company | **High:** Directly affected by our company's activity | **High:** Proactive group that is already engaging | **Low:** Relatively unknown group | **Low:** Not an outspoken stakeholder |
| SH2 | **Medium** | **Medium** | **High** | **Medium** | **Medium** |
| SH3 | **Low** | **Low** | **Medium** | **Low** | **Medium** |
| SH4 | **Low** | **Medium** | **Low** | **Medium** | **Medium** |
| SH5 | **High** | **Medium** | **Low** | **High** | **High** |

### 2.3 MAPPING

Mapping stakeholders is a visual exercise and analysis tool that you can use to further determine which stakeholders are most useful to engage with. Mapping allows you to see where stakeholders stand when evaluated by the same key criteria and compared to each other and helps you visualize the often complex interplay of issues and relationships created in the criteria chart above.

**Action:** Draw a mapping as follows to identify key stakeholders.

1. Draw a quadrant using two axes labeled "Low" to "High."
2. Add "Expertise", "Willingness" and "Value" to the criteria chart as above.
3. Assign "Expertise" to the Y-axis and "Willingness" to the X-axis.
4. Discuss and debate within your group where each stakeholder falls.
5. Plot the stakeholders on the grid.
6. Use small, medium, and large circle sizes to denote their "Value."
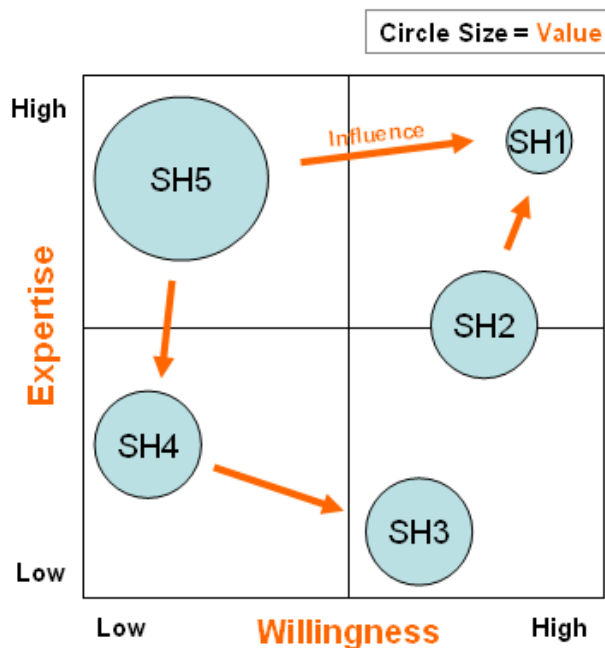7. To illustrate relationships, use arrows to depict "Influence."
***Note***: *You will later use quadrants, circle size, and influence arrows when building a prioritized stakeholder list.*

***Sample Mapping***

**Quadrant Tactics**



(tactics discussed further in **Step 3: Preparation**)

*Note: This is just an illustrative mapping example and your approach may vary depending on your needs: you may need to use more or less criteria in Analysis depending on the mix of your stakeholder list; more ambitious objectives may require a more strategic, detailed Mapping; and your process may be influenced by outside variables such as tools and frameworks already in place at your company. Look closely at your needs and decide whether this example will work for you as-is.*

## 2.4 PRIORITIZING STAKEHOLDERS AND IDENTIFYING ISSUES

It is not practical and usually not necessary to engage with all stakeholder groups with the same level of intensity all of the time. Being strategic and clear about whom you are engaging with and why, before jumping in, can help save both time and money.

*Action: Look closely at stakeholder issues and decide whether they are material to your engagement objectives, asking yourself the following questions:*

> ❏ What are the issues for these priority stakeholders?
> ❏ Which issues do all stakeholders most frequently express?
> ❏ Are the real issues apparent and relevant to our engagement objectives?

Combined with your criteria chart and mapping, use issue materiality to rank your stakeholders into a prioritized engagement list. You should now have captured the most relevant issues and the most relevant stakeholders.

## Have You Developed the "Right" List?

The key is not to agonize over whether your stakeholder list is "right." By working through the four steps in the mapping process you will have created a robust, relevant, prioritized stakeholder list—but it will change over time. Instead, focus on whether your list will help you further prepare for your engagement activities.

**Action:** Answer the following questions to see if you are ready to move on:

> ❏ Is our list focused on relevant stakeholders who are important to our current and future efforts?
> ❏ Do we have a good understanding of where stakeholders are coming from, what they may want, whether they would be interested in engaging with our organization, and why?
> ❏ How can we further understand and qualify these stakeholders? Through discussions with internal colleagues? Reading reference reports? Finding specific blogs or Twitter accounts to follow?
> ❏ Based on our prioritized stakeholders, can we define a granular level of engagement? Will this list inform tactics, formats, and investment considerations?
> ❏ Have we given thought to what type of resources (expertise, people, and budget) we need to support our engagement strategy and follow-up activities?

## Next Step: Think Tactics

You are ready to move on to *preparing engagement goals, tactics, and format.* In **Steps 3 and 4: Preparation and Engagement** you will better prepare for the engagement by more deeply examining your stakeholders to understand their interests, concerns, and positions. With this knowledge you can frame the process of engagement to anticipate their needs. **Step 3 and 4** will also show you how to match the method of engagement to the issue and to the specific stakeholder, considering the level of formality, ease, and risk associated with certain engagement formats.

# 3 & 4. Preparation and Engagement

The first two steps of BSR's five-step approach to stakeholder engagement have helped you to build a base of knowledge by developing your perspective, scope, and understanding of who you are engaging with and why you are engaging them. You are now ready to move on to **Steps 3 and 4: Preparation and Engagement**. Preparation will bring your knowledge to fruition. It will help ensure that your engagement is not an end in itself but a means to a process of continued dialogue with those most important to your business—your stakeholders.

**Action**: Before diving in, gather your internal stakeholder engagement team and reach out to the stakeholders you identified in **Step 2** to develop and communicate short-term and long-term goals for the engagement. These goals will help guide the rest of your preparation process.

## Getting Started

Your actions in prior steps have all been designed to inform and improve the preparation process. You have defined strategic objectives and prioritized your stakeholders. The intersection of these two key aspects will define your choice of engagement tactics, which will lead you to a format that matches your level of ambition.

**Action**: Depending on the scope of your engagement strategy, consider using multiple tactics to address different stakeholder groups simultaneously.
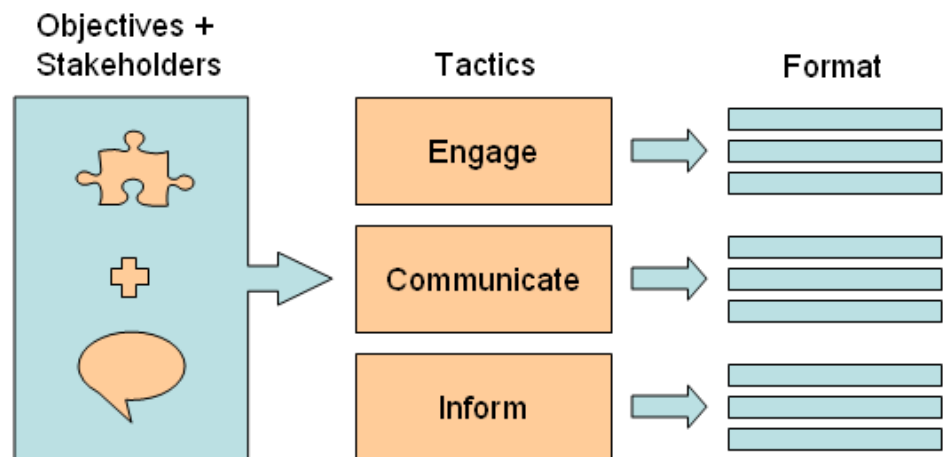


## Tactics and Format

Tactics are high-level descriptions of how you approach stakeholders. We have simplified the spectrum into three categories: engage, communicate, and inform:

- *Engage* describes stakeholders with whom engagement is necessary.
- *Communicate* describes stakeholders with a high willingness to engage or a high level of expertise but who have not yet participated in dialogue with your company. Communicating more with these stakeholders will help them value engagement.
- *Inform* describes stakeholders who seek information only instead of a conversation.

**Mapping**
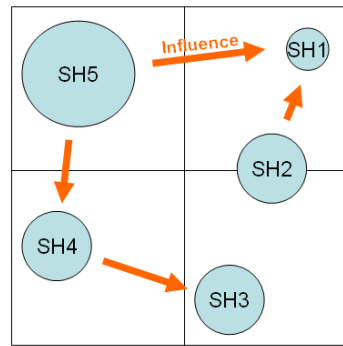
**Tactics Quadrants**
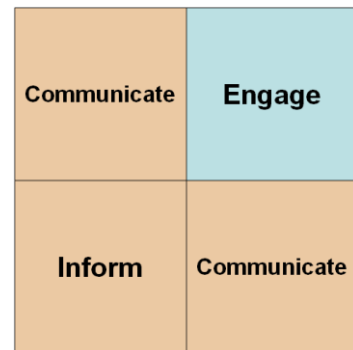


## CHOOSING YOUR FORMAT

Revisit your mapping to identify which quadrants stakeholders fall into. Rerank your stakeholder list using the engage, communicate, and inform tactics quadrant. Once you have determined which tactic is appropriate for your current engagement strategy, consider the formats from the following list, or develop a format that is appropriate for the tactic. Remember that you can simultaneously engage different stakeholders using a range of formats—you are not limited to one engagement format at a time.

| Tactics | Format |
|---|---|
| **Engage** (high priority) | Joint venture |
| | Partnership |
| | Research collaboration |
| | Summit |
| **Communicate** (medium priority) | Sponsorship |
| | Survey |
| | Mass email or newsletter |
| | Social media |
| | Conference |
| **Inform** (low priority) | Marketing campaign |
| | Sustainability report |
| | Publication |
| | News coverage |

## DEFINING THE EXCHANGE

If your chosen format is a verbal exchange with stakeholders, consider the pros and cons of different types of conversations and decide which approach best matches your objectives, including blog posts with moderation, teleconferences, webinars, one-on-one meetings, or group meetings, forums or events.

## Knowing the Other

The subtlest (and perhaps most important) part of preparing for engagement is understanding that you are a *subjective* party in the process. No matter how open and objective your company intends the engagement to be, each

stakeholder will always have certain perceptions of you and the other stakeholders involved.

**Action**: Consider how certain elements influence your intended engagement and may change the conversation. Think about your selected stakeholder groups to anticipate their perceptions of the following criteria, and make adjustments to your plans where necessary. Most of these considerations apply to in-person meetings, but the general idea can be applied to communications efforts as well.

- **Authority:** In-house versus third-party hosting; placement and number of company representatives versus stakeholders; stakeholders' familiarity with subject
- **Formality:** Dress code; look of the presenter; marketing and display materials; the tone used to address the topic (passive, direct, apologetic, etc.)
- **Atmosphere:** Effect of the venue's atmosphere, e.g., warm, cold, welcoming, stuffy, or dark; "branding" of the event with company logos
- **Facilitation:** Type of facilitation necessary for your intended audience, e.g., engaged, hands-off, leading, listening, interactive, or professorial
- **Participation:** Dynamic of the stakeholders in the room; approach to fielding remarks and managing disputes; logistics affecting participants (distance traveled, etc.)

## The Raw Logistics

Logistics are an unavoidable part of designing your engagement. Review the following list of illustrative points to cover:

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**Logistics that will help prepare for engagement:**
- ❑ Determine if facilitation is needed and select a facilitator.
- ❑ Secure an appropriate facility (if necessary).

**Logistics that will help during engagement:**
- ❑ Assign participants roles and responsibilities.
- ❑ Develop an agenda focused on objectives and outcomes.
- ❑ Develop rules of engagement, confidentiality and a decision-making process.
- ❑ Create engagement materials.
- ❑ Distribute invitations with practical information to participants.
- ❑ Communicate clear objectives, scope, and roles for participants.
- ❑ Set up channels of ongoing communication (Twitter feed, voting platform, white boards)
- ❑ Plan for catering, paying attention to special needs or diets.

**Logistics that will help post-engagement:**
- ❑ Create evaluation criteria and measures for success.
- ❑ Develop a feedback plan and mechanism.

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## The Engagement

After working through the necessary planning steps, you are on track for a successful engagement with your stakeholders. This is the moment when facilitation truly counts. Coach your facilitator to deliver on the following five points during engagement. If you are planning to facilitate the event, be sure to focus on the following points yourself. Once again, many of these criteria apply primarily to in-person meetings, but the general ideas can be applied to communications efforts as well:

- » **Share stakeholder expectations:** Share feedback from your earlier goal-setting consultation process, or open the floor to stakeholders to share their expectations for the engagement.
- » **Allow for equal contribution:** Encourage less verbal stakeholders to participate in the conversation; create a space where this is possible and comfortable; respect each party's right to pass.
- » **Focus the discussion:** Dialogues can veer off-topic if not properly focused. Stick to your agenda and remain within the scope of the issue. Table any out-of-scope issues for future engagements, and be sure to address these in the future if you commit to doing so.
- » **Manage cultural dynamics:** Your earlier activities should have prepared you for any tricky dynamics. But be wary of possible cultural misunderstandings during engagement, and manage them as they arise.
- » **Mitigate tension:** Certain topics can be controversial or provocative, and there may be unexpected dynamics or rivalries between participants. Have security on-site to address elevated situations, but pre-empt difficulties by maintaining a calm atmosphere in the room.

**DOCUMENT THE ENGAGEMENT**

In order to measure success and build on your efforts for future activities, make sure to capture the following in writing during the engagement: the original purpose and aims of the engagement, the methods used, the participants, a summary of noted stakeholder concerns, expectations and perceptions, a summary of discussions, and a robust list of outputs (decisions, actions, proposals, and recommendations).

## Next Step: Time for Action

Your tactical engagement may have come to a conclusion, but your work is not over yet. In **Step 5: Action Plan**, you will draw upon the outcomes of your engagement to respond to stakeholder needs and further develop lasting relationships. If this particular engagement is part of a larger engagement strategy, you will also use what you learn to improve the process for future activities.

# 5. Action Plan

Companies often conduct engagements but fail to document the results and act on information gained through the exchange. **Step 5** of BSR's five-step approach helps you avoid this pitfall. In this step you develop an action plan whose key aim is to translate the findings, insights, and agreements from the engagement into action and to communicate these actions to your stakeholders.

## A Dual Action Plan

Begin by creating a dual action plan, dividing content between external and internal stakeholders. This approach helps hone your message for the appropriate audience and avoid unnecessary clutter in the final document. External actions will focus on communication, relationship building, and future engagement, and internal actions will range from improving processes and revising strategy to building further internal engagement capacity.

### CREATE A LANDSCAPE

Refer back to your written engagement notes, and consider the landscape of issues that came up during engagement. Identify every output you captured, and meet it with a response that explains the rationale behind your decisions or actions—especially if your response is inaction. Your credibility and reliability rely on tackling the full landscape since participants will have inevitably focused on different outputs as priorities.

### BUILD A PLAN

Build your action plan around this landscape. Develop an action for each output, making sure that it takes into account the concerns and perceptions stakeholders expressed during the engagement as well as key discussion points. Each action should define roles and responsibilities for implementation, milestones, and a realistic timeline for completion. Before issuing the plan, be sure to consult with those responsible for implementing each action.

## Send It Out and Follow Up

Your action plan should also be used as a progress report for goals and objectives, informing your engagement strategy. Think back to your original objectives and ambition, and use what you learned from engagement to address the short- or long-term goals you previously set. Incorporate successes into your action plan, and analyze your unmet goals to help set realistic goals in the future. Weave this information into your plans for future engagement activities to improve the overall process.

Ultimately, communicate with your stakeholders. Build a public reporting document from your action plan that tells the whole story including prior engagement activities and noting future plans. Use this chance to demonstrate how your engagement activities and stakeholders affect your business strategy or operations. Finally, be sure to invite stakeholder feedback to further improve your engagement strategy as you loop back to **Step 1** and plan future activities.

Feedback Loop

Engagement Strategy

Stakeholder Mapping

Preparation

Engagement

Action Plan

# 6. Closing the Feedback Loop

BSR's five-step approach to stakeholder engagement will help your company build a successful engagement strategy and develop a set of activities that match your key stakeholders' expectations. But keeping your stakeholders informed and engaged takes work.

Engagement is ultimately about building ongoing communication with those most valuable to your company. Even after you have finished a set of engagement activities, you should continue your communication with your stakeholders as part of your long-term strategy.

Try to avoid these typical pitfalls when wrapping up your engagement activities:

1. *Inconsistency in communication*: If you say you are going to keep your stakeholders updated, do so. Go one step further and agree with them upfront how often they will be updated, and through what channels. This will help mitigate misunderstandings and build co-ownership for future engagements.

2. *Pretending feedback is important:* This happens when updates are treated as checking a box rather than fielding real feedback or engaging stakeholders in ongoing conversations. Always keep the lines of communication open for feedback, and do not place the engagement activities so late in a timeline that stakeholders have no opportunity to contribute in a real way. Do not pretend to want feedback and then do nothing with it. And most importantly, let your stakeholders know how their feedback is used. Close that feedback loop, and include the resulting value in future engagement plans.

Once you have completed your engagement activities and developed a robust feedback mechanism, it is time to take your lessons learned and start over with **Step 1** to begin planning for your next engagement.

# 7. Engagement is Ever-Changing

As you master the basics of stakeholder engagement, it's important to appreciate the ever-changing nature of this practice. What follows are questions we are currently tackling—and on which we welcome your thoughts:

1. If your company interacts with a large number of other entities—say, in the range of 10,000-plus—how do you incorporate competing requests into a cohesive overall strategy?
2. How do you capture all the information streaming into your company? And how do you distill the information to note trends and develop strategies around them?
3. You can build and publish a strategy at any time, but stakeholders now have the means to challenge it almost instantaneously. How can you manage a strategy in this dynamic environment?

## Contact

**Interested in Learning More?**

Learn more about BSR stakeholder engagement consulting services.

Explore case studies covering our range of consulting services, including stakeholder engagement.

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