

3 Generic Stakeholder Management Strategies

Learning objectives

At the end of the chapter readers should be able to:

- Design the continuous planning process for stakeholder management: where to start with stakeholder theory
- Determine which questions to ask during the process about internal and external stakeholders
- Discuss how to do a SWOT analysis
- Perform stakeholder mapping
- Classify stakeholders according to legitimacy, power and urgency, and their interest and ability to influence or collaborate with the focal organization
- Formulate a stakeholder strategy
- Evaluate a blended strategy matrix
- Understand the purpose of stakeholder contracts

3.1 Introduction

A continuous planning process for stakeholder management is described. To get started, and even for organizations already engaged with stakeholders, a set of questions is provided concerning internal and external stakeholders. A SWOT analysis might help, looking at the strengths, weaknesses, opportunities and threats attached to each stakeholder or type of stakeholder. A third planning technique is stakeholder mapping, described for both internal and external use.

A number of generic approaches to formulating strategy are reviewed, and they each take a somewhat different approach to classifying stakeholders and identifying appropriate strategies for managing relationships. From these we have provided a blended strategy matrix, but users will have to settle on their own approach appropriate to their circumstances.

3.2 Key terms defined

Event portfolio

“A full portfolio will consist of various types of events, for different target markets, held in different places, and at different times of the year, in pursuit of multiple goals.” (Getz, 2013, p. 23).

“An event portfolio is the strategic patterning of disparate but interrelated events taking place during the course of a year in a host community that as a whole is intended to achieve multiple outcomes through the implementation of joint event strategies.” (Ziakas, 2013, p. 14).

Focal organization

“The focal organization, the focus of the study, is an organized group with specific production and strategic goals that are justified by its mission, or raison d’être.” West & Milio (2004).

KPIs

*“A **Key Performance Indicator (KPI)** is a measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use key performance indicators at multiple levels to evaluate their success at reaching targets. High-level KPIs may focus on the overall performance of the enterprise, while low-level KPIs may focus on processes or employees in departments such as sales, marketing or a call center.” Klipfolio Inc. (2018).*

Stakeholder mapping

“Stakeholder mapping is the visual representation of a stakeholder analysis, organizing those people according to the key criteria with which you will be managing them during the project.” Smartsheet Inc. (2018).

SWOT analysis

“SWOT (strengths, weaknesses, opportunities and threats) analysis is a framework for identifying and analyzing the internal and external factors that can have an impact on the viability of a project, product, place or person.” Tech Target (2018).

3.3 Case study – Aardklop National Arts Festival, Potchefstroom, South Africa

(<https://aardklop.co.za>)

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Aardklop (literally meaning something like ‘Pulse of the Earth’) National Arts Festival was established in 1998 to mainly serve the broader arts community in the northern half of South Africa and is hosted in Potchefstroom. The festival is one of the five big arts festivals in South Africa which offers a variety of Afrikaans productions in both performing and visual arts. The first festival started with just over 15,000 visitors, and this has steadily grown to over 150,000 per year.

Aardklop National Arts festival has however experienced significant changes which influenced the management of this festival. In 2016, after 18 years of existence, it was announced by the board of directors of Aardklop that the festival would be terminated with immediate effect in its current format. This was based on the question raised by the Chairperson of the Aardklop Foundation whether the festival is the best vehicle to support the arts in the current environment? It was time to rethink, be creative and innovative and remain focused on quality. But this was almost the end of the festival...

However, a number of influential people and groups in the Potchefstroom community, those with an interest in arts as well as previous sponsors of Aardklop convened in 2016 and decided to continue with the festival due to its economic and social contribution to arts and the community. At that time, it was labeled as the ‘Potchefstroom Arts Festival,’ and the new festival manager was appointed for the 2016 festival. It was thus back to the drawing board from 2016. This festival, although smaller, was a huge success and the enthusiasm of the organizing team made all the difference. The name of the festival was a sensitive matter but the board of directors negotiated for the continuous use of ‘Aardklop National Arts Festival,’ with the Aardklop Foundation and since 2017 it was promoted as such. The festival won the Fiesta-award for the Most Popular Arts Festival in 2017 and it is expected to grow significantly! The success of this festival is however dependent on stakeholders and their continued interest and support.



Photo 3.1: Aardklop National Arts Festival. Source: <http://arttimes.co.za/aardklop-takes-a-new-direction/>

Different stakeholders for the event

A number of stakeholders have an interest in this festival and these can be categorised as internal and external stakeholders.

Internal stakeholders

- ◆ **Board of Directors:** The purpose of the board of directors is to oversee the management of the Festival, to guide direction and ensure sound financial governance.
- ◆ **Permanent staff:** Aardklop hosts a festival office close to the location of the Festival, managed and organised by a festival manager, operational manager, a coordinator for sponsors, media and marketing, a coordinator for the festival terrain, a coordinator for the logistics and a program assistant.
- ◆ **Temporary staff:** Some temporary staff is hired during the festival to assist especially with servicing of venues, the festival terrain and overall administrative management.

External stakeholders

- ◆ **Sponsors:** The current sponsors are divided into nine categories with the companies ranging from local to national sponsors with an interest in arts. Besides sponsors that provide financial incentives, there are also organisations sponsoring specific products or services and projects. The festival has over 30 sponsors.
- ◆ **Local government:** The local government plays a crucial role in providing facilities and services during the time of the festival.
- ◆ **SAPS and Emergency Services:** The presence of the South African Police Service and Emergency Services is required by law.
- ◆ **Directors and producers from production companies:** the festival provides a platform to showcase productions of a certain standard and it is important to have these companies on board.
- ◆ **Artists, singers, musicians, dancers, performers, actors, visual artists:** Without these people, the festival is not possible and it is also important to have the more prominent and popular performers on board as they attract a higher number of visitors. The festival also creates platforms for young and upcoming artists.
- ◆ **Service providers:** They are essential stakeholders that provide key services to the festival including electricity distribution and cleaning services on the festival terrain, security at all the venues and technical production services (sound, lighting and staging) for all the productions in the different venues.
- ◆ **Stall holders/vendors/exhibitors:** A large number (± 500) of stall holders/vendors/exhibitors are allowed to showcase and sell their products and services at the festival, as this also attracts visitors.