EVOLUTION OF STAKEHOLDER ISSUES ALONG THE LIFECYCLE IN HI-TECH MARKETS

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Abstract. Stakeholders can make or break a company. They serve as an important signalling device to the market, investors and the general public about the long term prospects of the firm. They can help chart the future, rescue the present or condemn the past. Stakeholders are part of the corporate family, but more as adoptive relatives than genetic relations.

As an asset not indicated on the balance sheet, stakeholder relationships need to be properly managed to provide the best outcome for the firm wherever it is in its market lifecycle. The interactions with, and between, stakeholders changes markedly depending on where the firm is in its market evolution or penetration. Young firms benefit from their stakeholders in a much different fashion than mature ones, and firms with dominant market share rely on their stakeholders for reasons far removed from fledgling firms trying to gain market traction. Thus, we can say that market environment dictates the profile of this stakeholder ecosystem, and the ecosystem dictates the profile of the marketplace. The relationship is mutually beneficial, or mutually destructive, and proper management is the only way to shift the latter to the former.

Globalisation has driven an increased complexity of stakeholder involvement and impacts, including an intensification of conflict, scrutiny, and regulation. In hi-tech firms, the nature of stakeholder relationships, their tenor and tone changes with the evolution of the firm.

The market environment &firm lifecycle

Decision making and strategy formulation mechanisms are populated with stakeholders with varying roles and descriptions. Stakeholders can have positive (support and sustain the firm), neutral (bring marginal advantages) or negative (actually interfere with operations or cause the demise of the firm)roles. The market environment dictates the profile of these stakeholders, their interestsand the means of interaction with the firm.

Start-ups find the stakeholder landscape to be fairly simple yet crucial to survival. As the early market unfolds and the young company begins to find traction with the innovators and early adopter stakeholders, the key to success is to find enough financing for short term survival and long term growth and to cross the chasm from technology-motivated to technology-leveraging and quality-conscious customers. And it is even more difficult to do all of this while initiating a changing of the guard at the top, from the entrepreneurship-driven CEO to the professional manager.

The young company must move fast and often to benefit from the windows that are opening and closing in early markets. Yet paradoxically, they cannot move too often so as not to exhaust their resources before significant payoffs can be had [Koplyay et al, Quo Vadis].

The simple stakeholder map facilitates this task of making decisions "on the go" as the stakeholders themselves come mostly from circumstances in which they are either familiar with, or actually immersed in, start-up situations and are amply familiar with the needs of the young company.

In the growth stage, once the bowling alley strategy is implemented and the market eventually sweeps the firm into the tornado of high growth [Moore], the decision-making requirements inevitably change. They move from decisions made on the margin as soon as an opportunity arrives, to a more deliberate mode - for both what the market seems to offer and which capacities the firm has in place to deal with them.

The information reliability and intensity changes dramatically from a minimalist mode in start-up, to a progressively more researched approach as the market evolves [Koplyay, Lloyd, Powers,Sanchez, Decision Making].

A classic situation of a major stakeholder-driven decision mode is the period when standards are set in an industry based on some successful emerging coalition of competitors whose primary aim is to prevent subsequent disruptive technology from surprising and supplanting the technology platform about to be set by the coalition. The stakeholder map suddenly becomes very complex, and can develop into a competitive device among different coalitions striving to impose a dominant standard. An example of this behaviour is the Betamax versus VHS standard battles in the early years of video cassette technology introduction.

The VHS group won eventually, even though the Betamax was acknowledged as superior to VHS, for the simple reason that the stakeholder group for VHS was far more populous and active in promoting its version. Sheer stakeholder weight carried the day for VHS.

Finally when the firm survives the market hurricane, called the shakeout, and proceeds to maturity, often referred to as 'main street' in technology, both decision making and strategy formulation - and especially strategy implementation - become much more deliberate and slower paced. The premium is on making the right decision and choosing the most appropriate strategy to match this decision.

Given that in mature mass markets the strategy most often becomes cost leadership, and is almost always imposed on the firm by the market, the obvious advantage is derived from putting the strategy in place or implementing it. This deliberateness is now further supported by the new stakeholder map realities, where we find most stakeholders outside the company often in conflict, with some supporting and others opposing the firm or the industry, and its policies or even raison d'être.

The power of stakeholders

In the province of Ontario, Canada, the government announced and funded a major new green technology initiative that included the extensive development of wind farms to generate electricity for the power grid. As the massive landscape-intrusive wind farms materialized, there appeared a strong political wedge between urban and rural communities in supporting and opposing, often very militantly, these farms. These "wedge politics" (Latham, Wedge politics and the culture war in Australia) forced rural communities to organiseand to demonstrate against the visual blight, impacts on personal health and the marginal economics of the wind farms,when the farms don't receive government subsidies. Heading into an election in the fall of 2011, the political opposition, sensing a major issue, have voiced doubts about this aspect of the green initiative, with the opposition promising to freeze further development.

This example illustrates two fundamental concerns with stakeholder dynamics:

1. A first mover supporter and subsidy provider for development of a technology can become a latter opponent: the Ontario government before and after the elections: the government can be seen as influenced by its own new stakeholder reality after the

election. The ecosystem of stakeholders needs to be understood beyond the immediate impact of proximity stakeholders of the firm. Also the "polarity" of a key stakeholder may reverse depending on the pressures being exercised by stakeholder groups in the entire ecosystem.

2. A small but vociferous stakeholder group, that opposes a market development, can capture the agenda through more dedicated and aggressive marketing of its concerns. The influence of a stakeholder group is its momentum, which is the size of the group multiplied by exposure, or the frequency of interactions, usually amplified through the media. Momentum generated by a small group can defeat a much larger but static group.

The above example also illustrates the inescapable observation that sometimes the real decisions are made outside the firm and even outside the industry.

In market decline, for sunset industries and legacy type products, Lucent being an example within Alcatel–Lucent, the key stakeholders outside the firm dictate the unfolding of critical decisions about market presence or exit. A firm can still grow, as competitors abandon the dying market and offer up their market share to the firm electing to stay, but it must make sure that its asset base is not exposed to a sudden market collapse, leaving this asset base stranded[a write off].However, a lucrative existence can be carved out for risk-takers who can read the market situation well.

Some public sector examples

This behaviour is not restricted to the private sector. It exists in the public sector and the not-for-profit sectors.

Often very large customers with huge investments in IT technology cannot afford to keep pace with every new technology introduction and will operate legacy systems beyond useful and even economical life spans. This is the case with the Canadian federal government and its IT systems overlapping of several generations of IT technology. Service companies specialize in servicing this legacy market with quasi guarantees of long term contract prospects coming from the government. Here the key stakeholder, the government, sets the parameters for the service providers' strategies and a long term symbiotic relationship develops between the technology suppliers and the one and only customer. This situation demonstrates two interesting aspects of stakeholder influence: Masking and dominance; masking by the monopsomycustomer, government, andother stakeholders in the supplier universe; anda dominant influence on all decisions of the suppliers by this entity.

Another example is the investments the public sector has made in Enterprise Resource Planning systems (ERPs). A small number of expensive ERPs implemented in the public sector, are not well funded, and as a consequence, the ERP vendors can pursue their primary stakeholders in a number of ways:

1. Providing expensive specialised resources to maintain older out-of-sale software
2. Requesting and getting expensive software maintenance contracts
3. Selling differing versions to differing areas of the public sector ensuring constant sales and upgrade dollars

By knowing their stakeholders, the ERP vendors have set up comfortable, profitable revenue streams for decades.

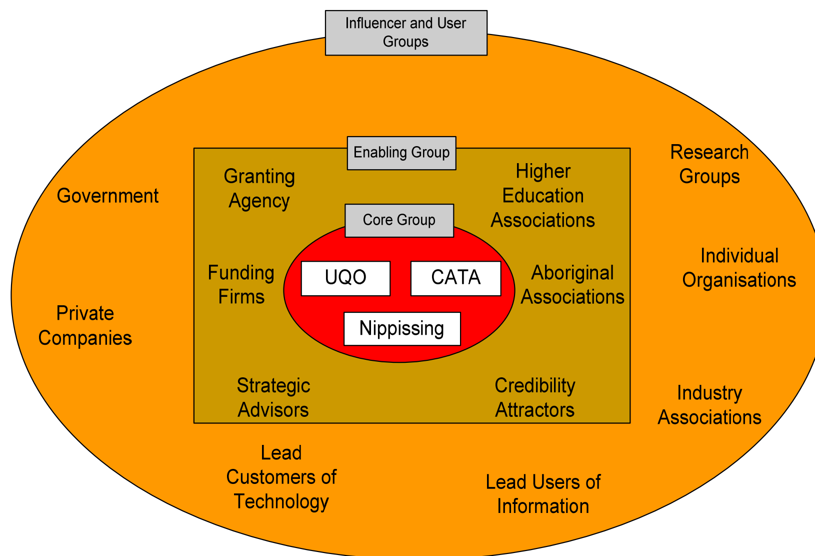
Although the stakeholder map for IT is very complex, in the legacy market the decisions of the government supersede and mask all others. Service companies can plan their future reliance on the official purchasing policies of their key client. In contrast, the provision of isotopes for medical purposes by a Canadian government-directed, semi-private firm, Nordion [a crown corporation] has aspects of dominance but not masking. The government decision to operate or shut down the reactor that supplies the

isotopes is dominant but many other stakeholders, such as hospitals, both on shore and off shore, have major influence and access to media and so cannot be masked.

The importance of stakeholders in decision making and strategy formulation for the firm

Stakeholders as we have outlined play different roles at different times in the market. The stakeholder ecosystem can be illustrated by the National Institute on Biomass, Renewable and Clean Technologies (BRACT).

Exhibit 1 – Stakeholder Ecosystem



BRACT Stakeholder Ecosystem [Lloyd, et al]

This stakeholder ecosystem is of a new start-up, not-for-profit organisation called the Institute for Biomass, Renewable and Clean Technologies (BRACT), whose basic mandate is to capture the state of the art and essential information for decision makers in green technology. The stakeholder ecosystem for this organisation demonstrates many interesting features of stakeholder dynamics:

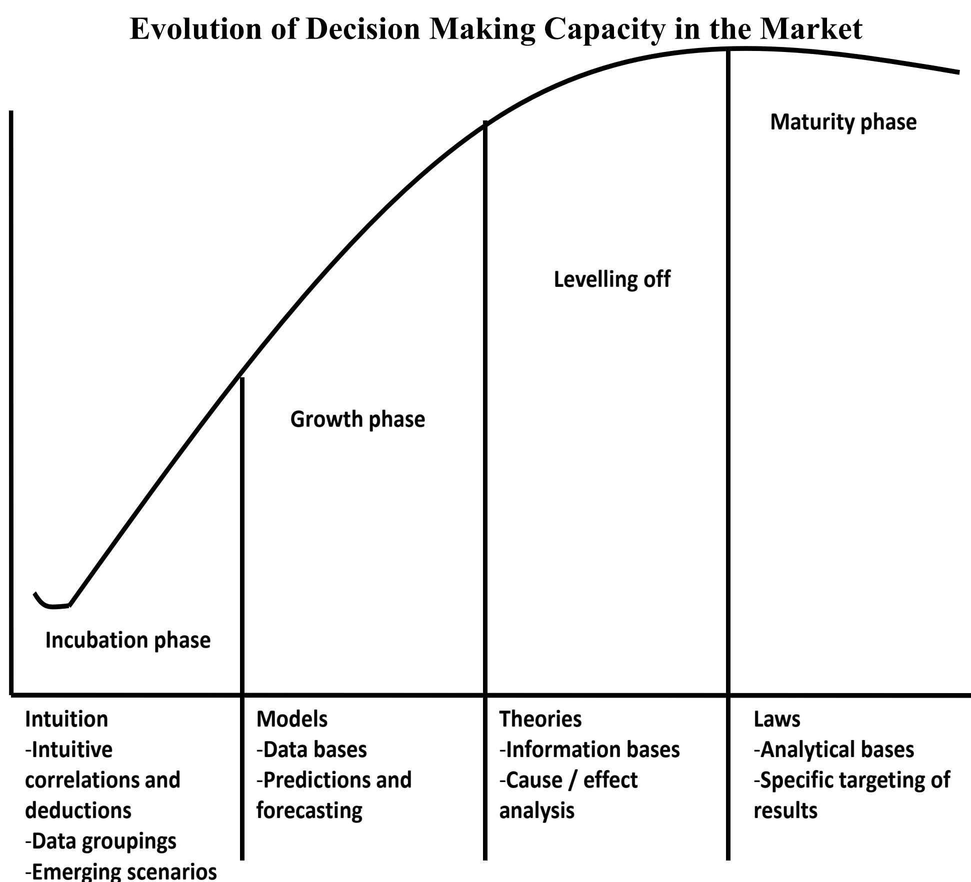
- The more stakeholders are recruited, the higher the immediate credibility of the host organisation but slower the decision making process as the key consultations outside BRACT take much longer. In fact, there is an economic network effect here. With every additional stakeholder [an arithmetic process] the consultation and decision making slows down [a geometric process] as every new stakeholder interacts with every other already in the network.
- The more numerous the stakeholder ecosystem for the organisation, the more likely the rise of internal dissent and conflict as subgroups can position for influence and supremacy. Again the size of a group may not be the determinant factor but rather its momentum[intensity of activity*relative importance].
- Once a decision is reached, it becomes more stable as it is anchored to the consensus of many stakeholders, unless the decision is a marginal majority case where the defeated coalition will try to reverse the decision through manipulating the future agenda.

As BRACT is an umbrella group trying to satisfy many clients and stakeholders, it encloses within its mandate and ecosystem a basic instability due to the different

expectations of its stakeholders [and clientele]. Entrepreneurs would be looking for very different information than managers and administrators. Entrepreneurs embrace opportunities, even those based on dubious data bases, whereas managers and late market stage administrators demand progressively more reliability in the way that decisions are made. It will be throughfocuseddata bases and access technology that this conundrum will be solved, of course at increased costsof customization.

There is an economic trade off operating here between completeness, reliability and relevance of the data base supporting the decision, and the need to proceed real time with market opportunities, which open and close with alarming frequency in early markets. Administrators usually run very stable organisations in predicable market environments. A good example is government policy makers who seek out the most complete information bases and analyses to arrive at new policy recommendations. They are operating in the late stages of the mature market and the quality of their decisions is far more important than the timeliness.

Exhibit 2 - Evolution of Decision Making Capacity



There are a number of key points as the market develops:

1. Risks associated with misjudging the market decrease;
2. Risks associated with misjudging competitors increase;
3. Risks associated with relying on the decision support mechanisms decrease;
4. Data intensity and complexity of mechanism use increase;
5. Prediction time horizons increase;
6. Time required to reach a decision and number of decision stakeholders increase; and
7. The number of external stakeholders increase (thereby further slowing decision making). [Koplyay, Lloyd, Powers, Sanchez, Decision Making]

Normally decision making evolves in a predictable evolutionary fashion within markets: as the market develops, decision making gets more rigorous, structured and is supported by progressively more formal data bases and frameworks of analysis. There is a lot more discipline in late market decisions than the intuitive guesswork in early markets. And of course BRACT has to accommodate the full spectrum of expectations. This implies ample scope for conflict within the stakeholder ecosystem.

Furthermore, among the stakeholders we may discover certain concerns such as:

1. Parallelism: stakeholder subgroups may have the same information needs and expected behaviours, and hence one representative is enough, otherwise the map is biased towards an undesirable direction.
2. Antagonism: some stakeholders are natural competitors and are often at loggerheads on many issues. Administrators and entrepreneurs, for example: "Let's make the right decision as opposed to make the decision right now".
3. Posturing: occasionally, stakeholder interventions and positions are for political show. They are not interested in advancing the cause but rather to score debating points and garner media attention.
4. Predation: there may be natural, competitive reasons for one stakeholder to deny another's position for the sake of "sandbagging" the competitor's logic. It is strategically wise to refute a competitor's arguments and create the impression of an inferior management skill set on the competitor's premises.
5. Layering: some stakeholders are closer to the action than others. The relative distance from the core group determines the amount of influence a stakeholder has in shaping the agenda. The enabling group plays a more powerful role than the influencers [we have three layers of stakeholders for BRACT].

And now we can add another dimension to stakeholder momentum, the one of distance. So the complete momentum for a stakeholder would be the product of the size[relative importance] of the stakeholder group, the inverse of the distance from the core, and the frequency of the interventions[activity]. Hence the influencer group would have to make many frequent representations to compensate for the lack of proximity, but it can be done. Witness the profile and relative credibility of medical research professionals sounding the alarm on the use of cell phones and its impacts on health.

The early market period of survival and traction is premised on four key players:

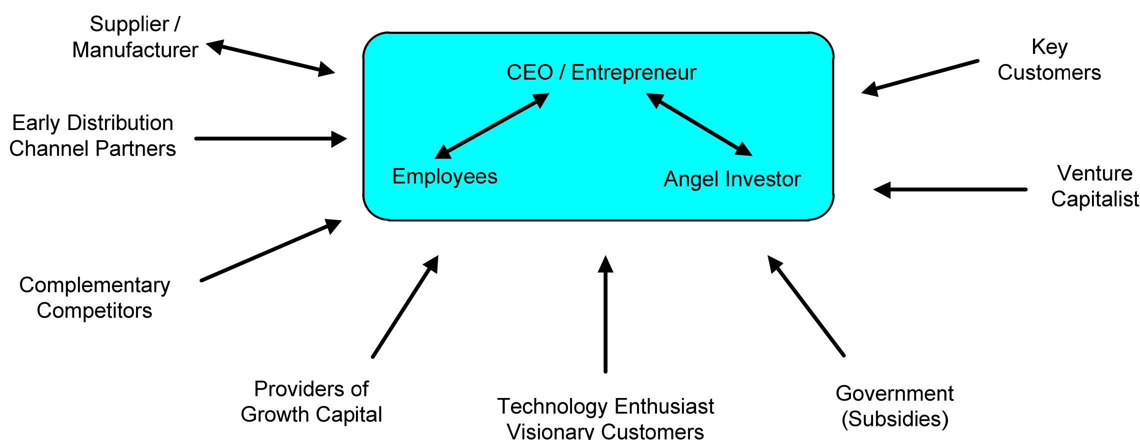
1. The visionary entrepreneur/owner who provides the breakthrough concept for the market conditions.
2. The angel funds provider who guarantees short term survival by covering the burn rate long enough for the complete market appealing product/service to emerge.
3. The venture capitalist (VC) who finances the growth phase of the firm culminating in either an exit strategy for the VC of an initial public offering or a sale of the firm, usually within 3 to 4 years. The same VC will impose the transition from entrepreneurial type to well-structured management.
4. Occasionally the key, large customer drags the young firm in its wake to market success, although this customer can be a mixed blessing. When Cross Keys, a small company in the Newbridge [later bought by Alcatel] orbit found shelter from market forces by relying on privileged Newbridge support, it found out later that many potential customers desisted from purchasing its products because they saw Newbridge as a competitor.

This point also illustrates an aspect of stakeholders we refer to as polarisation; the initial positive role [pole] can reverse and become negative, depending on the prevailing market dynamics. So the managed exit of stakeholders is as important as their managed entrance.

In contrast to BRACT, the stakeholder map for an early stage firm is rather simple, but is exposed to different risks. The risks of business failure due to an inappropriate market focus, inadequate cash flows, or overly ambitious leadership within the firm, can drive the nascent enterprise into terminal failure.

Exhibit 3: Early Stage Stakeholder Map

The key observation here is that although many stakeholders of consequence are outside the firm, except for the product developers and the CEO/entrepreneur,they are mostly passive participants in the firm's future with no serious agenda trying to influence the firm's outcomes. In this situation, one may say that the firm is a price taker with respect to its stakeholders: it's a take it or leave it proposition with interactions sought out by the firm, but not offered by the passive stakeholders.



One essential stakeholder group that is not passive, but neither is it very interventionist,unless tied to the firm with stock options, is the board of directors. At the early stage, the board's primary function is one of signalling legitimacy for the firm to the potential customers, creditors and investors. It is a calling card that tells the firm's suppliers of goods or funds [VC], customers and its "working capital" [internal product design talent] that "we have arrived". The role of the board then is essentially marketing and advertising of the new brand.

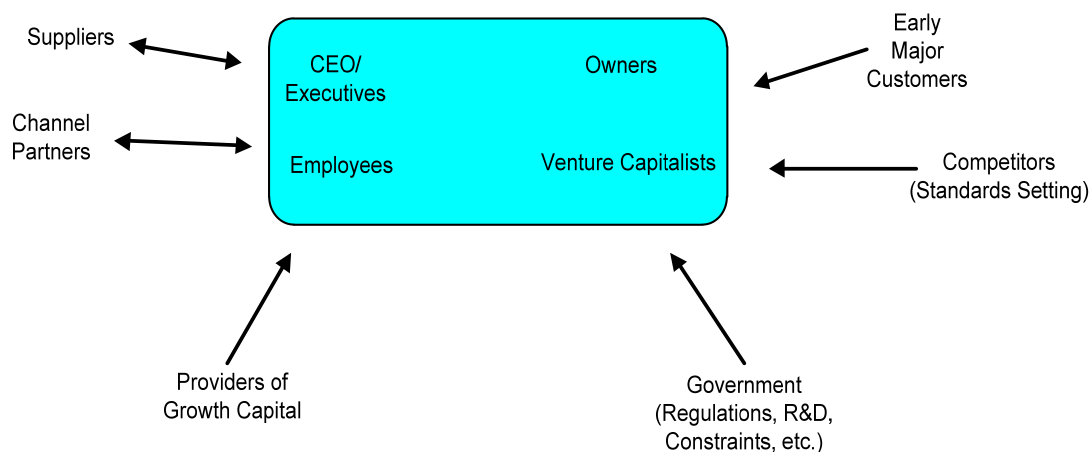
In mid stage, three major developments are worth noting:

1. The advent of standards setting that creates a second layer of competition among the existing competitors in the form of alliances to promote one technology configuration over others as the modus operandi for the industry. Some competitive pressures lessen here if the firms are in the same alliance or markedly intensify if in opposing camps. So stakeholder relations sharpen and intensify as the competing groups lobby government and the public for their standard. It is not unusual at this stage for the firms to develop an internal group [or contract with specialists] that is tasked with government lobbying and legal situation management.
2. There is often cross boundary migration of stakeholders. Venture capitalists may have ambitions to take over the firm and oust the founder. The motive of the VC is not necessarily dubious but could be due to a perceived inadequacy by the VC in the firm's management and plans or execution of

these plans. Conversely a major customer of the firm's product, an important stakeholder, may revert to buying the company especially if the firm's product brings significant value added to the customer. This is very likely to happen if the firm's offerings are imbedded in the customer's products or services. IBM bought Cognos for this reason: to capture the value generated by Cognos' business application software and of course to deny these to IBM's competitors.

3. Finally, the internal stakeholder situation becomes more complex and fragments as functional groups arise: they become competitive and try to exert pressure on each other to advance their own needs. The first such conflict arises when the firm crosses the chasm and establishes its bowling alley strategy by focusing on different customer groups and serving each with a dedicated channel of distribution. The marketing and finance groups' goals are to fill these channels and provide superior returns on channel investments within the context of an early majority customer base that demands quality at a good price and product functionality. Production rides shotgun on the quality issue by demanding easier to manufacture products. All of this bears down hard on the product development group whose blue sky, disruptive thinking is now 'channelled' and curtailed.

Exhibit 4: Mid Stage Stakeholder Map



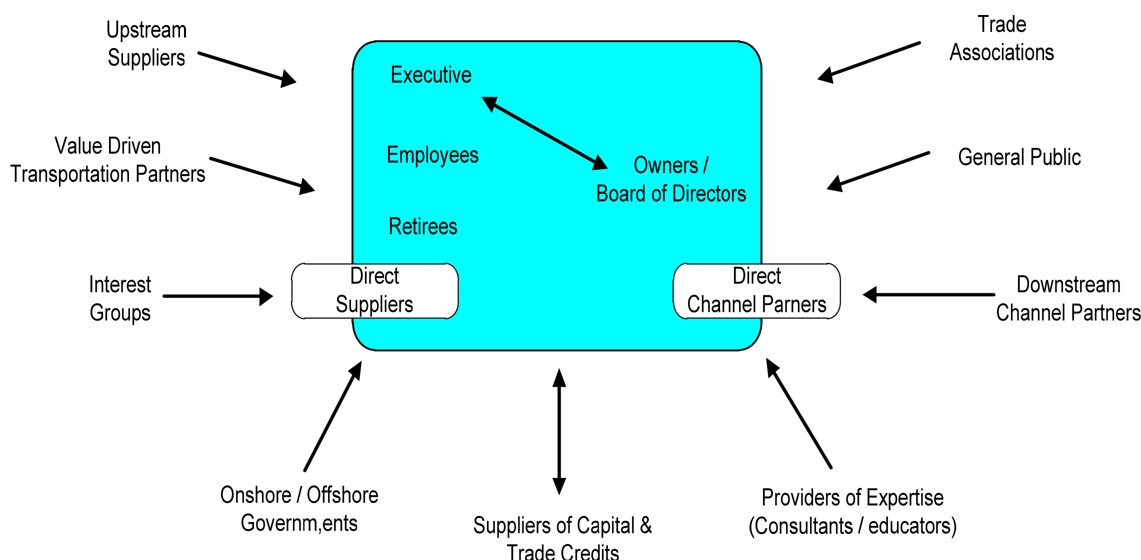
In the late stage, the parts of the external stakeholder ecosystem - suppliers, manufacturer, and channel partners - coalesce into a value chain that is either directly owned by a key member, or controlled by the same. Several such value chains can emerge: Intel, Texas Instruments, Hitachi, AMD, etc. These chains begin competing against each other and each chain moves in tandem with its strategies which subsume the individual members' freedom to set their own independent course. There is safety and profits in such tight partnerships, but strategic options get limited and internal stakeholder maps get heavy and cumbersome. Usually the value chain member that dominates has the highest margins and greatest profits: this can make life difficult for the other members.

In the Wintel scenario, both Intel and Microsoft dominate excessively the chain landscape and dynamics, thereby sometimes forcing chain members to migrate away

from the chain, such as Compaq. Compaq ventured into corporate consulting from its position of a PC provider in Wintel, by acquiring DEC and later itself being acquired by HP. Compaq's stakeholder position within the Wintel chain eroded to the point of forcing the firm to seek its fortunes elsewhere. The Wintel coalition essentially forced Compaq into a high volume, low margins strategy to the exclusion of all other strategic choices. In the long term this would have become a "slave" strategy with Intel and MS being the masters.

Infrequently, an industry player gets so big and important that the whole chain feels the consequences. Such was the case for JDS Uniphase that, for a while,held an industry in bondage.

Exhibit 5: Late Stage Stakeholder Map



Involvement of major functional groups in stakeholder interactions

As the company develops organically from within, different functional groups begin to emerge well into maturity. At the early stage, the first group to come into existence is product development - catering to the breakthrough needs of the innovator and early adopter community that seek out disruptive technologies. The only limit is the imagination and the firm's resources to underwrite commercialisation. In parallel with product design we see the first prototype of logistics emerge that deals with rudimentary supplier relations.

Once the chasm is crossed, marketing then finance and finally production claim their territories and start imposing their own imprint on the firm's priorities, which by now has left behind disruptive product thinking. Also the first overhead function emerges – Human Resources (HR), because by now it's worthwhile investing in your people who you can actually retain. This retention is accomplished through career planning, training, lock-in mechanisms such as pensions, education funds, and compensation devices such as long term stock options and stock purchasing plans.

Once market maturity is in sight, logistics experiences a real growth spurt and assumes a much larger role in running both supplier and channel partner relations. Finally heading into standards setting and beyond, corporate interface groups including a legal department, lobbying group and corporate relations, dealing with general public image issues, assume their roles.

It is worth noting the primary tasks for each functional group change throughout the market cycle and their stakeholder functions as a result, change. Finance, for example, goes from focusing on operating funds at early stages to capital structure acquisition for financing growth, and finally in late stages managing cash flows.

Marketing concentrates early on finding clients and moving product though the channels to analyzing the client base and bringing critical information back in late stages. Production first imposes discipline on product design and later on marketing to make sure the level of [repeat] sales match production rated capacities. It sees marketing as a natural stakeholder ally at early stages and then as a competitor at later stages. So stakeholder polarity reversal plays out internally in the firm as well as externally.

Logistics first identifies with the firm, but if incentives are not properly designed then logistics can be captured later by the outside supplier or channel partners. Working closely with suppliers can engender too much sympathy for their situation at the expense of the firm's interests. Legal departments often pay attention to make sure that the deals signed by logistics are not excessively favourable for the suppliers. This is also true for marketing. A strictly volume based sales incentive can seriously erode margins and hence total profits. This is where smart HR design of appropriate incentives comes into play, and HR proceeds in its own cycle of first and foremost hiring and retaining talent, to later nurturing, remunerating and developing this talent[Koplyay, Lloyd & Sanchez, HR Issues Evolution along the Market lifecycle].

Globalisation impact on stakeholder relationships: where you stand depends on where you sit.

With increasing globalisation, the external stakeholder landscape is becoming more complex and contentious. Corporations which operate in multiple countries and cultures can magnify this complexity exponentially [Werther, Chandler]. The range of stakeholders to whom these companies are held accountable is significant, and the likelihood of conflict is increased among competing demands within the stakeholder community. Further, these companies have an increased potential for its stakeholder's actions, good - or more likely bad - to be exposed to a global audience. As public scrutiny increases, government and regulatory supervisors start probing, however they tend to be more interested in the activities of affluent and high impact organisations which seem to have a stronger responsibility to demonstrate integrity and transparency, both through, and to, its stakeholder base.

Stakeholder engagement is a necessary requirement for the corporation along its lifecycle. The economics of stakeholder supply and demand will eventually shift out: there will be more demand for stakeholders, but within the same supply pool, therefore the recruiting costs for stakeholders will go up. These stakeholders must therefore be first considered and examined as an investment, and stakeholders need to be better aligned through the use of proper incentives with the long term interests of the company.

Stakeholders will of course become more selective and pick their interventions more carefully, yet there can be a tendency for stakeholders to have multiple positions. For example, board of director members are key stakeholders who will often reciprocate: "I sit on your board and you sit on mine", which has the potential to lead to collusion and self-serving stakeholder positioning. This can also lead to agenda overflow: given the rising in-basket, activities to prioritize and manage, and decisions to make, what are the stakeholder's priorities given their limited - and now diluted - time availability?

There is also the possibility of coalition formation among stakeholders, and an alignment based on the dynamics of certain members of the stakeholder ecosystem. One example is the Sierra Club, a not-for-profit health and environmental protectionist

organisation, coming out and supporting wind farms as alternate energy, even though the environment is negatively impacted by wind farms. Sierra Club then becomes a partner of opportunity with the Ontario government.

Conclusion

Stakeholders can hugely influence any organisation, in any sector; public private and not for profit. The community of stakeholders in these sectors represents an ecosystem of competing needs and expectations. As such, there can be as much conflict as there is progress amongst a group where real decisions can be made inside or outside of the organisation – and even outside of the industry.

Nevertheless, as a valuable asset, stakeholder relationships need to be properly managed to provide the best outcomes for the firm in a given stage of its market development. Risks, pressures and influence are always prevalent within stakeholder dynamics – examples include those who are partners on one occasion, opponents or competitors the next. Likewise entrepreneurs, managers and administrators as primary leaders in a firm could not be more different as stakeholders within an organisation. Managing the successful transition of such stakeholders within the firm is a very important task throughout the organisation's lifecycle.

Stakeholders undertake essential activities for an organisation and are critical to its development. They are required to initiate, to fund, to provide credibility, to manage and to regulate. And fundamentally, stakeholders are necessary to make decisions along the lifecycle that impact the organisation's ability to ultimately succeed.

Future Research

Stakeholder relationships along the lifecycle, whether in the hi-tech industry or other sectors, are a rich subject that can yield much benefit to business communities through further research.

The opportunity exists to further explore the supply and demand for stakeholders along the lifecycle. Within this framework, there are two types of stakeholders: i) one who imposes its presence whether you like it or not: environmental activists, stock holders who are the core stakeholder group, financial intermediaries, VC, bankers, and creditors. ii) The second type is the one you recruit: board members, advisors, standards coalitions, key customers, etc. These stakeholders can be in short supply when you go global and there are not enough high profile stakeholders to go around.

Another area rich for ideas mining would be the development of methodologies and tools to identify, manage and harvest benefits from stakeholders.

Shock loading the value chain in the stakeholder ecosystem can create major turmoil. An example is British Petroleum's stakeholder ecosystemreversal of polarity[your allies become your critics], closing of stakeholder distance [every negative voice amplified by the media], masking, etc.

A former prime minister of Canada once sat on 200 boards, obviously completely negating his ability to even follow events let alone offer valuable advice: the issue here to explore is the information loading capacity for a stakeholder. Future research could also focus on stakeholder relationships and the dimension of stakeholder distance, its impact on dilution of influence(e.g. the venture capital stakeholders who stay very close to the organisation in the growth stage vs. the increased distance of creditors in the maturity stage) and the effects on the organisation throughout the lifecycle.

And finally, there is the dynamics of stakeholder pressures to be explored: how it arises,is exercised and dissipates.

The concept of Pareto efficiencyor optimality, can be used to forecast adjustments to the stakeholder positions and demands upon the firm and the subsequent

reaction of other stakeholders. Pareto allows for redistribution of goods [stakeholder influence] as long as one party is better off and no one else is worse off.

Of course, in this process of reallocation, the relative gaps in being "well off" is not considered so if a new reallocation substantially opens the gap between haves and have nots: it is allowed as long as the bottom feeders improve their position.

So therefore an anticipative exercise can be devised where the firm calculates the probabilities of success for each move proposed by a stakeholder.If a coalition of the willing is not found by the stakeholder proposing the adjustment,then the firm can count on opposition developing from other stakeholder groups that will create a headwind to the course sailed by the proponent[s].

The lesson in this approach is that it may not be necessary for the firm to oppose every move that it perceives as deleterious to its future,but rather perform an analysis that points out one of two facts: the proposed move is not pareto optimal and some stakeholders may be worse off (this will create instant headwinds from those who stand to lose), orthe potential for a pareto externality and the opening of the gap between relative influence by stakeholder groups,which can accentuate the relative importance of various stakeholders in future situations.

Stakeholders are not altruistic; sometimes they will oppose moves that confer higher advantage on other [and competing] stakeholders for the selfish reason of avoiding marginalization of their domain of leverage.

And the analysis that seeks such facts can be directed to uncover non pareto conditions and externalities, such as relative distribution of stakeholder influence.New research could uncover how and to what extent firms and organizations are using this concept to manage stakeholder relationships.

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