**CORPORATE FINANCE**

**Learning Outcome 1: ACTIVITY 5**

## **Stakeholder theory and Mendelow’s Power-Interest grid**

Freeman and Reed (1983) define stakeholders as persons, groups or organisations that have an interest in a business, that can affect a business or that are affected by a business. Stakeholders can be internal or external to the business.

Mendelow’s (1991) power-Interest grid seeks to map stakeholders in a way that reflects the emphasis that needs to be applied to their needs.

#### Required: In small groups

Using your chosen business from previous Activities and looking back to the results of your research in Activity 3:

1. Identify key stakeholder groups for your chosen business.
2. Outline the nature of Mendelow’s power-interest grid.
3. Apply Mendelow’s power-interest grid to the stakeholders that you identified in (1).
4. Compare your results in (3) to those in Activity 4. Do the models tell you different things?
5. Discuss which of the two models appear to be most useful in stakeholder identification and analysis.
6. Prepare a short presentation on your findings.