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## Strategic Planning for Public Affairs

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# Strategic Planning for Public Affairs



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# Strategic Planning for Public Affairs

# Today's Agenda

- Importance & value of strategic planning for public affairs functions
- Planning and goal setting
- Informing the process
- Strategic planning steps
- Measurement
- Communicating Value
- Final Thoughts

# Public Affairs Planning and Management

**Strategic:** Define the role of Public Affairs within the business goals

**Tactical:** Determine how Public Affairs will do its job (issue prioritization, action planning, resource requirements/allocation, execution)

**Measurement:** Documents impacts, determine customer satisfaction, identify opportunities to improve performance

# Value of Strategic Planning

- Assist in goal achievement for organization
  - Identity, purpose, destination & direction
- Focuses on the future, long-term planning
- Provides a road map to destination
- Checkpoints & metrics
- Roles & responsibilities
- **Goal:** Evolve the function to the most proactive, forward-facing environmental scan and business resource it can be



# Strategic Planning Guardrails

- Be careful not to mix up strategic planning with other public affairs processes like issues management, stakeholder engagement and issue strategy development
- Plans are 3 years maximum
- Don't plan for every scenario
- Engage many stakeholders in the process

# Informing the Process

- Public Affairs SWOT Analysis
  - Strengths, weaknesses, opportunities and threats
- Internal stakeholder survey and listening sessions
- Solicit feedback
- Evaluate the resources, tools, processes, staff, and relationships that go into your public affairs efforts
- Gain a holistic view of the function
- Proactively determine ROI to showcase the value delivered by your team



# Ex: Internal Stakeholder Survey

Quality Indicator	Importance (1 to 5)	Performance (1 to 5)	Improvement over last year (1 to 5)	Does What Well?	Improve What?
Policy Knowledge	5	2	4	Outstanding command of corporate-level issues	Lack of familiarity with local <u>regs</u>
Responsiveness to business needs	3	5	3	Easily reached via phone, email, Web	Frequently takes 2 days to get response
Ability to communicate effectively to country general managers	5	5	3	Professional demeanor	Avoid “jargon” when discussing legislation

# Other Areas to Evaluate

- Reputational polling
- Employee engagement
- Employee/consultant core competencies
- Issues management process
- Internal communications
- Collaboration with other departments
- Benchmarking
  - Industry, peers, similarly-sized organizations by revenue or employees, leaders in the field, competitors or best in class

# Questions Underlying Strategic Planning

- State of the external environment?
- Business situation?
- Organizational strategy?
- Organizational goals & objectives?
- Public affairs role in organizational success?

# Strategic Planning: Steps

## Determine your “value proposition”

- What is public affairs' mission?
- What does public affairs do for the business?
- Why does your department/function exist?
- How does public affairs impact the organization's ability to compete & thrive?
  - Freedom to operate
  - Cost avoidance
  - Market opportunity/advantage
  - Brand image/reputation

# Strategic Planning: Steps

## Assess the overall business environment

- Identify political, economic, social and market trends
- What does the future look like for the macroeconomy, the industry and the company?
- **Macroeconomy:** What forces are shaping the marketplace?
- **Industry:** What is the competitive environment in this industry like?
- **Company:** What is our competitive position? What is the nature of our competitive advantage?

# Strategic Planning: Steps

## Assess the major types of risk

- Including financial risk, competitor risk, reputational risk and political risk
- What are the probabilities of various risk scenarios turning into major crises or controversies?
- How does one type of risk affect other types of risk?



# Strategic Planning: Goal Setting

**Goals are outcomes you are trying to achieve or directions the organization wants to go.**

Goal 1: Earn permission to operate

Goal 2: Improve cost/competitive position

Goal 3: Create business opportunities

Goal 4: Provide customer value

Goal 5: Integrate; commit to win; execute & operate as a team

# Strategic Planning: State Objectives

**State the major objectives of your public affairs function during the duration of the strategic plan**

- These objectives should be general statements focusing on what you want to achieve, not how you plan to get there.
- *Questions underlying objectives:* What will fulfill your mission? What creates value for the company in alignment with its broader goals?

# Strategic Planning: Objectives

## Sample objectives:

1. Achieve a demonstrably improved regulatory environment for domestic nuclear facilities that comports with NRC's Principles of Good Regulation and that avoids undue burden from new or revised regulations.
2. Transform the nuclear industry and ensure its future viability and profitability by making efficiency improvements, monetizing the value of the plants to the grid, and strengthening the industry's commitment to excellence in safety and reliability.
3. The Council will produce over 100 annual, high-value education and training programs that help members manage risk and take advantage of business opportunities.

# Strategic Planning: Identify Strategies

## Identify strategies to employ to accomplish each objective

- Strategies are general categories of approaches to take, not specific activities.
  - *Example:* Establish our public affairs team as thought leaders on healthcare technology is a strategy (not sponsor a forum on healthcare technology).
  - *Example:* Working with member companies and other industry organizations, define and advocate implementation of mechanisms at the federal, regional and state levels to value and monetize the attributes of U.S. nuclear power plants.

# Strategic Planning: Produce Tactics

## Produce a list of tactics for the strategies you identify

- Tactics are where you can start to get very specific. Tactics are specific activities that seek to advance your strategies and ultimately achieve your goals and objectives.
- *Example:*
  - **Tactic:** Form a coalition of energy transporters and small businesses to work together on revisions to the Pipeline Safety Improvement Act of 2019.
  - **Strategy:** Form broad-based issue coalitions.
  - **Objective:** Decrease regulatory burdens that restrict transportation of oil and gas.

# Strategic Planning Summary

- A Public Affairs strategic plan should make it as clear as possible that public affairs – as an important business function – helps the enterprise achieve its key goals.
- While some of your public affairs objectives will be public affairs-specific, you should try to connect them back to the corporate objectives whenever possible.

# Strategic Planning Review

**Objective:** Reduce both direct and indirect costs to the company

- **Strategy:** Make effective use of outsourcing
  - **Tactic:** Outsource lobbying in 6-10 second-tier states
- **Strategy:** Reduce the amount of time it takes for local permitting to build new retail stores.
  - **Tactic:** Meet with county land-use officials to address permitting issues

# Measurement

- **Objectives achieved**
  - Establish performance standards
  - Prioritize issues and projects
  - Provide for periodic review
  
- **Internal customer satisfaction**
  - Internal surveys
  - Executive interviews
  - Key performance indicators



# Measurement

- **Quantitative impact**

- Bottom line financial impact on key projects/issues
- Increased revenues
- Reduced costs
- $ROI = \text{value created}/\text{cost}$

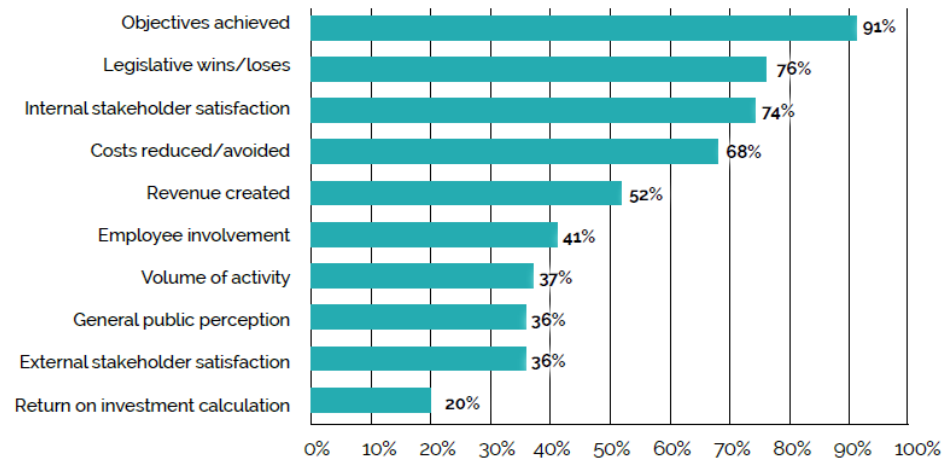
- **Legislative Wins and Losses**

- Pass/increase benefit of helpful legislation
- Defeat/decrease impact of harmful legislation
- Define “success”
- Articulate your role and manage expectations

# Measurement Resources



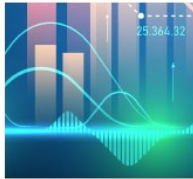
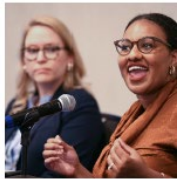
Measurement Tool	How To Use It	When To Use It	Advantages
<b>Objectives Achieved</b>	Establish and rank public affairs goals tied to the company's strategic plan; produce report evaluating success at the end of the year.	Most companies use this tool in conjunction with other approaches.	Objectives can support company priorities such as easier market access or improved reputation.
<b>Internal Stakeholder Satisfaction</b>	Conduct annual surveys and interviews with business unit heads and other senior executives; produce report cards showing results.	Companies with cultures that emphasize internal customer service, or in which business units contract with public affairs, often use this tool.	Interaction creates opportunities for buy-in, feedback and collaboration with senior management.
<b>External Stakeholder Satisfaction</b>	Commission surveys of stakeholders to measure attitudes about the company's overall reputation and public affairs efforts.	Major brands frequently conduct external polls. Some firms survey thought leaders to see if their voices are being heard on public policy matters.	Data are useful for benchmarking perceptions about the company's influence and reputation with specific audiences.
<b>Legislative Wins/Losses</b>	Set legislative priorities with top management at the beginning of the session and issue a report annually.	This method is often used to evaluate GR staff, but political gridlock can make it problematic.	Clear legislative goals provide clarity about success or failure of advocacy efforts.
<b>Costs Reduced/Avoided</b>	Document cases (with hard numbers) in which public affairs saved the company money through effective advocacy and stakeholder management.	Firms use this to tally saving with action: legislation, inefficient b	
<b>Revenue Created</b>	Document cases (with hard numbers) in which public affairs earned the company money through effective advocacy.	Firms use this to track new associated improve m: directly sup: function.	
<b>Return on Investment</b>	Compute total gain (costs savings plus revenue created), subtract the fully loaded cost of public affairs and divide the total by the cost.	If accurate: support co: avoided an: created, th: can be extr	


## Metrics Used to Track Success



## Measuring and Communicating the Value of Public Affairs

# 2023


Foundation for Public Affairs

# Communicating Value and Strategy

- Educate stakeholders constantly
- Relate measures to organizational strategy
- Use quantitative and qualitative terms
- Track performance over time
- Relativity (peers, past...)
- Speak the language of management and other departments – “bottom line impact and ROI”
- Overshare updates and successes so that you become part of your organization’s fabric

# Communicating Value in Non-Public Affairs Culture

- Create an education campaign (long-view)
- Competitor/industry performance = motivational
- Get a senior management champion
- Create cross-function issues management teams: goals relate directly to business objectives
- Serve as business function, “partner” & “solution center”
  - We’re either maintaining, creating or defending a market
- Share successes loudly and often!

# Final Thoughts

## Was strategic planning worth it?

- Is there a better understanding of PA's role in the organization's success?
- Are PA managers better able to prioritize issues, plan and allocate resources?
- Are PA managers better able to document bottom-line impacts?
- Are PA managers better able to identify opportunities to improve performance?

# Contact Me

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