Managing Public Affairs in an Era of Networked Constituencies

Zanku Armenian, Director, Public Affairs, Southern California Edison
: @SCE_ZankuA

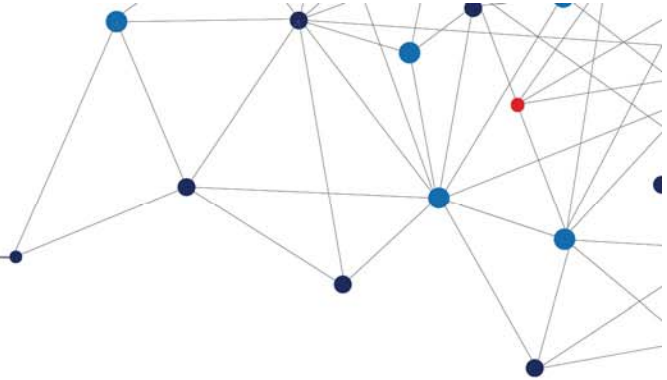
Jerry M. Ray, CEO, Synchrony
: @JerryMRay

Managing Public Affairs in an Era of Networked Constituencies

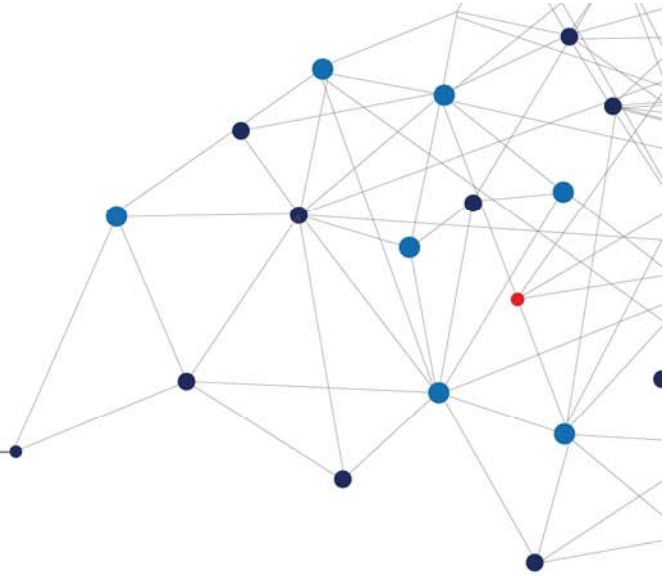
Zanku Armenian, Director, Public Affairs, Southern California Edison
: @SCE_ZankuA

Jerry M. Ray, CEO, Synchrony
: @JerryMRay

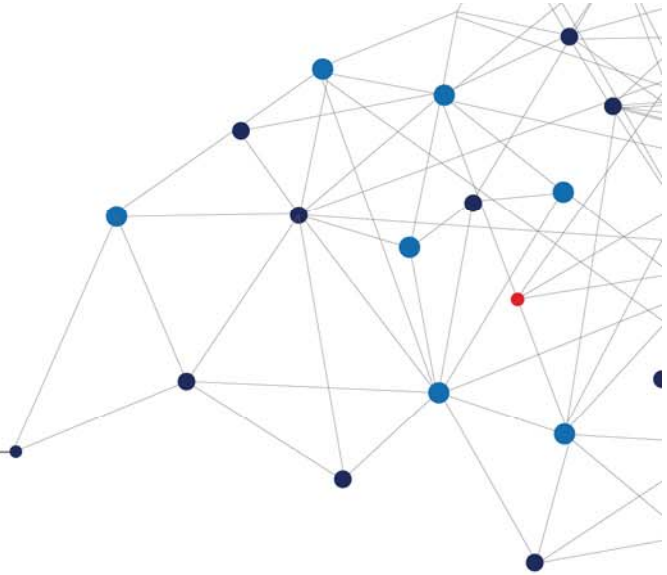
Our presentation today:



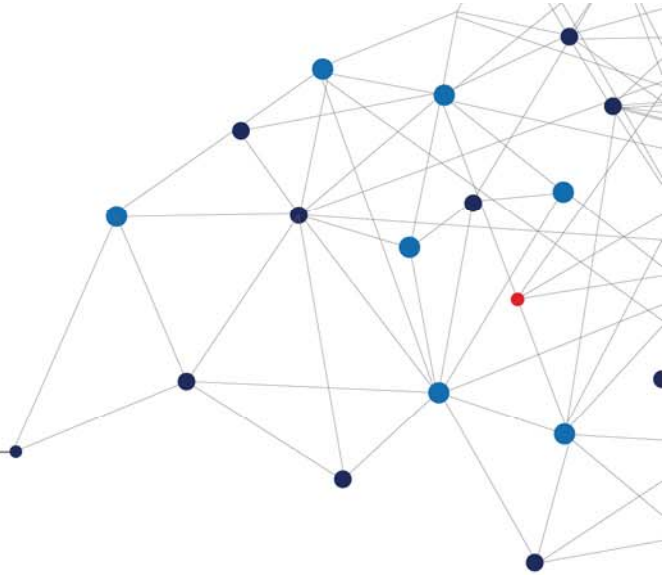
1. What is happening to our world?
2. How then must we reorganize ourselves?
3. What strategies and skills must we master?



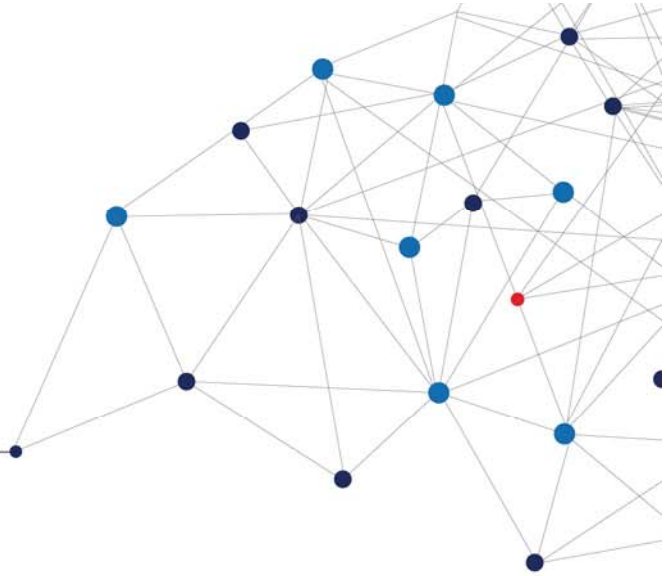
We are in the midst of a revolution in how people and things communicate with each other.



It may be the most transforming event since the capture of fire.

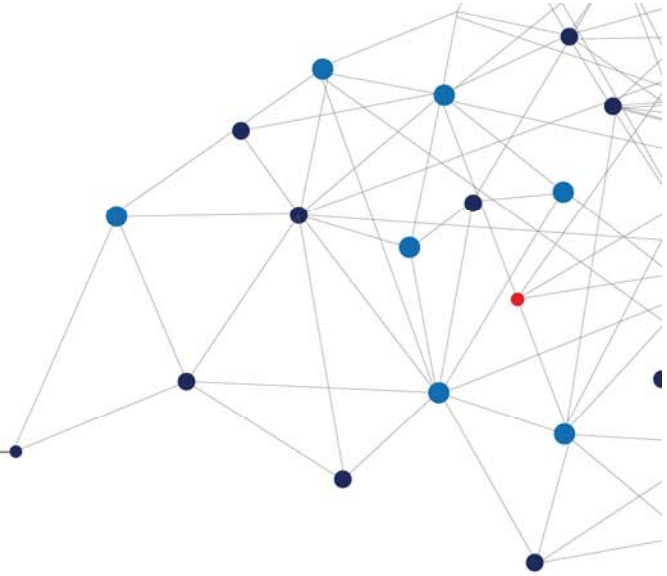


And it will change how we do everything else….



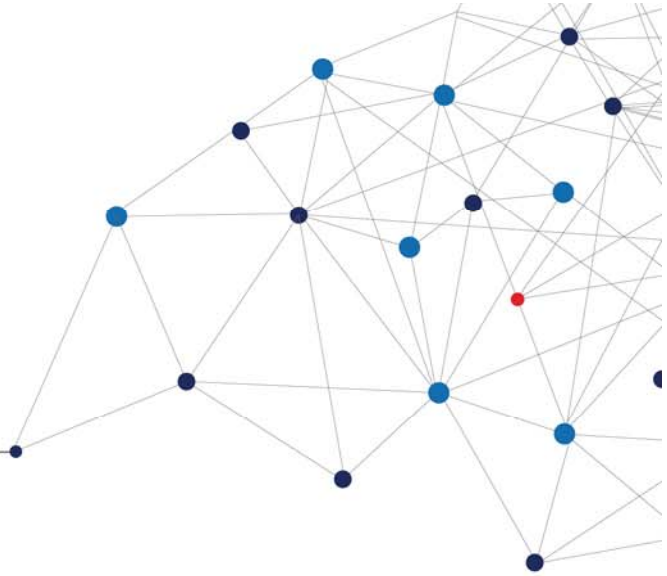
The largest media company in the world produces no content.

Facebook



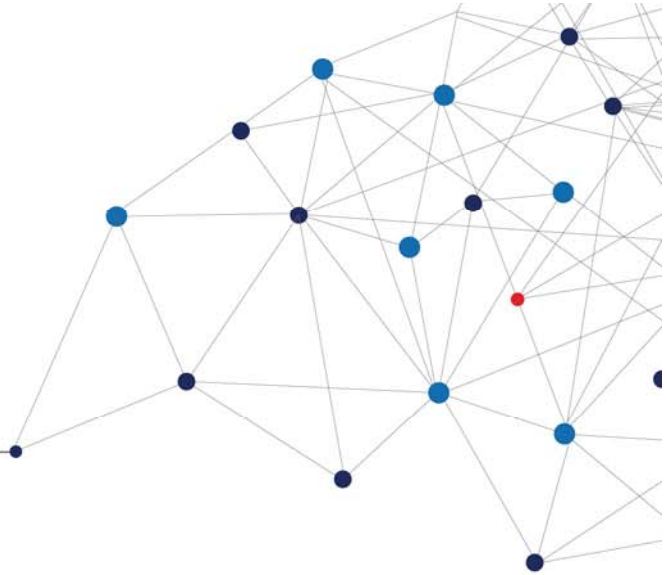
The largest cab company has no cars.

Uber



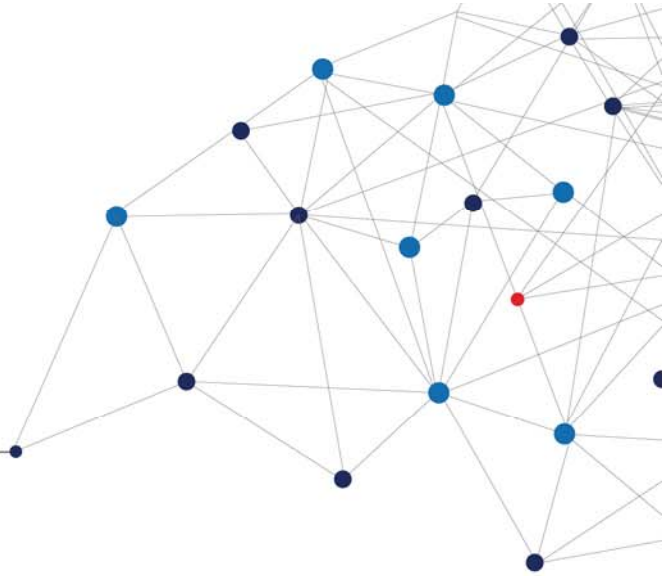
The largest retailers have no inventory.

Alibaba



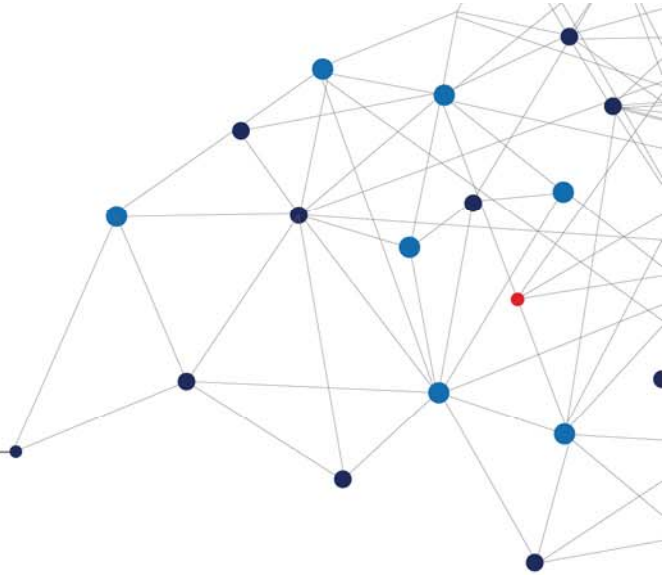
The largest advertising company in the world has no outlets.

Google

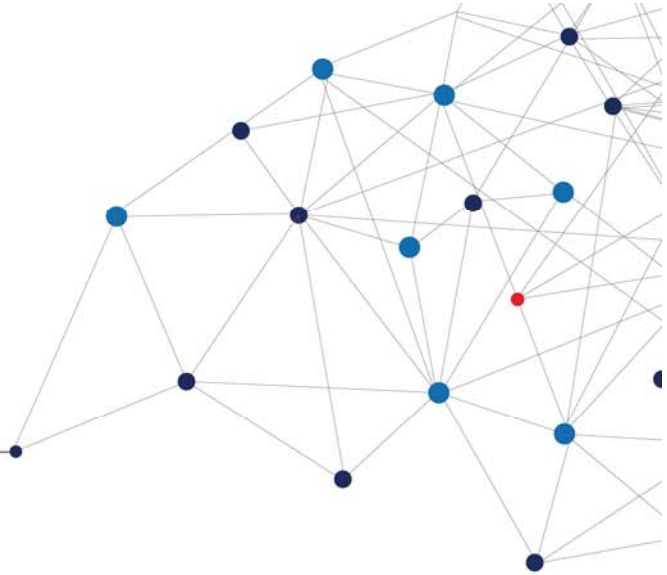


The largest accommodations providers have no real estate.

Airbnb



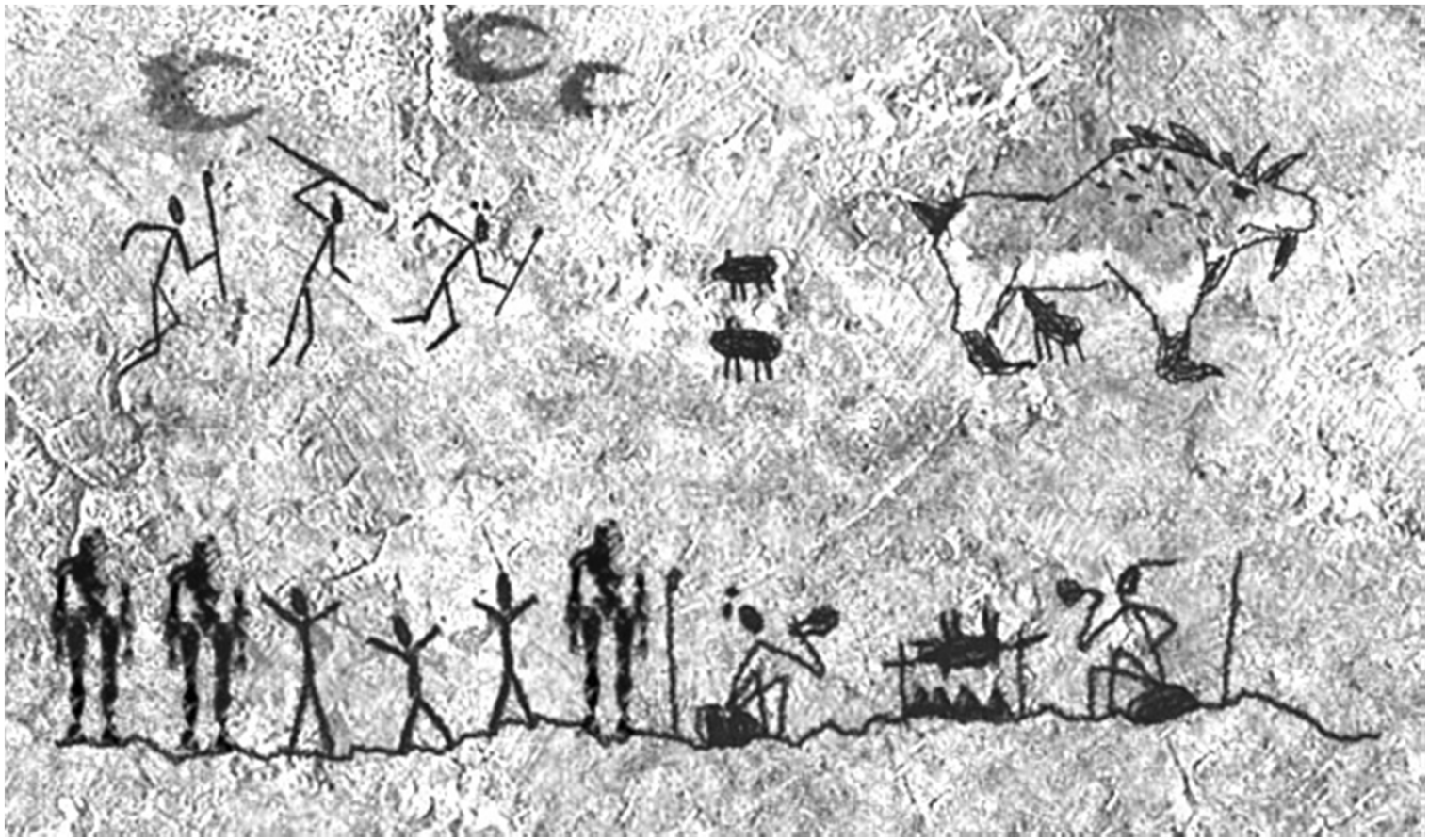
These revolutions have happened before….

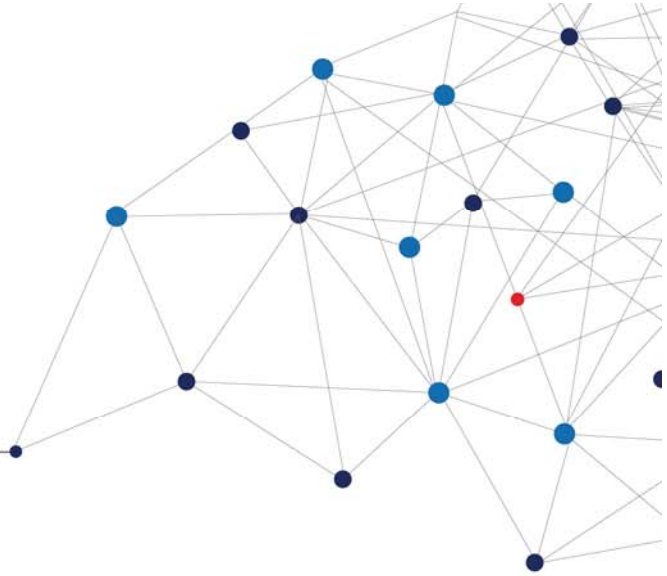


First Revolution:
One-to-One Communications

25,000 BC

Our ancestors needed a way to tell their stories…



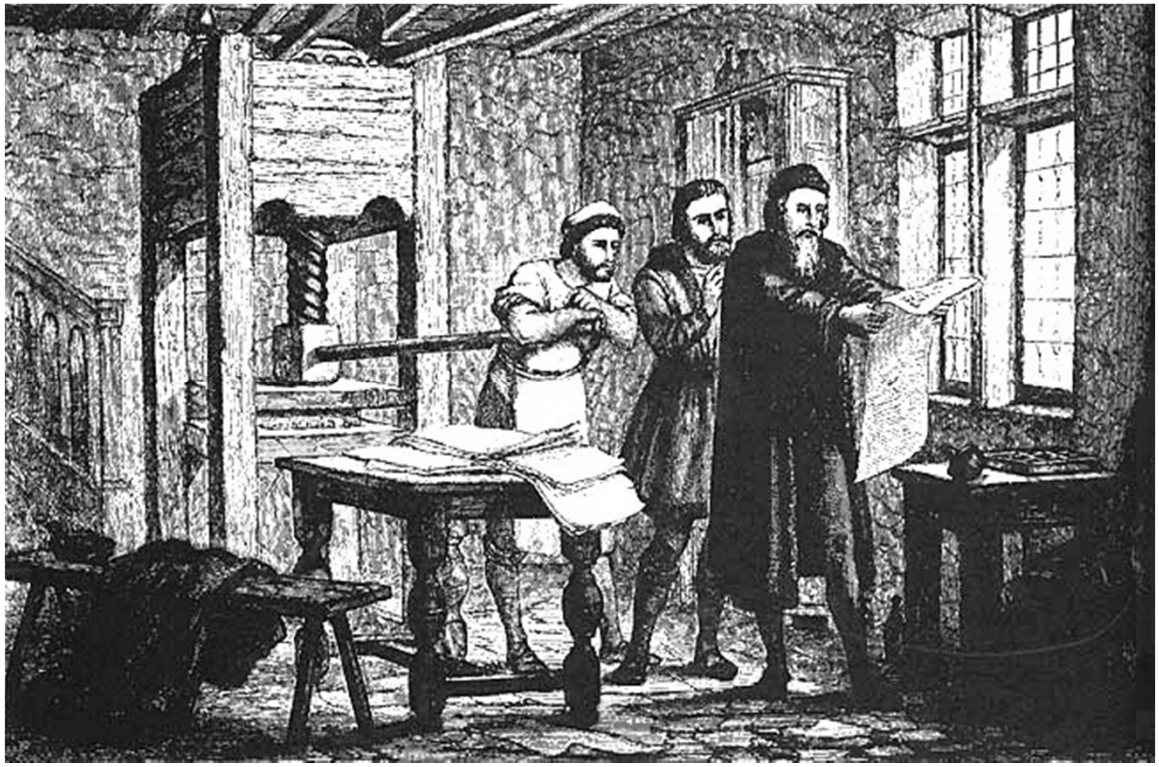


Second Revolution: One-to-Many Communications

1452 AD

One-to-Many

- The Printing Press allowed stories and knowledge to be shared with a one-to-many, hierarchical model.

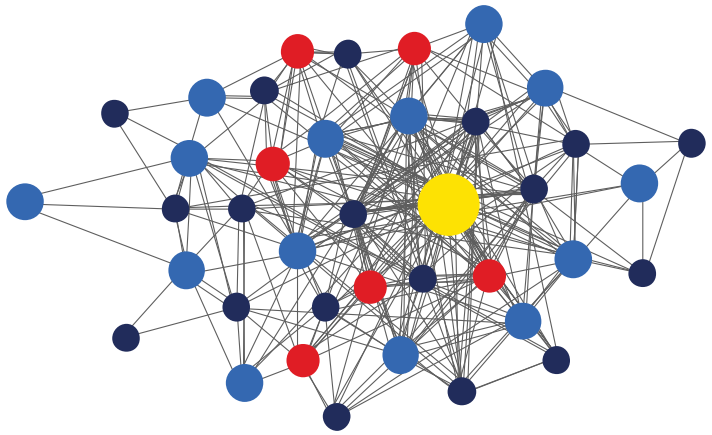


One-to-Many

- A hierarchical broadcast media distributes stories, news and ideas at the speed of light (1920 AD).

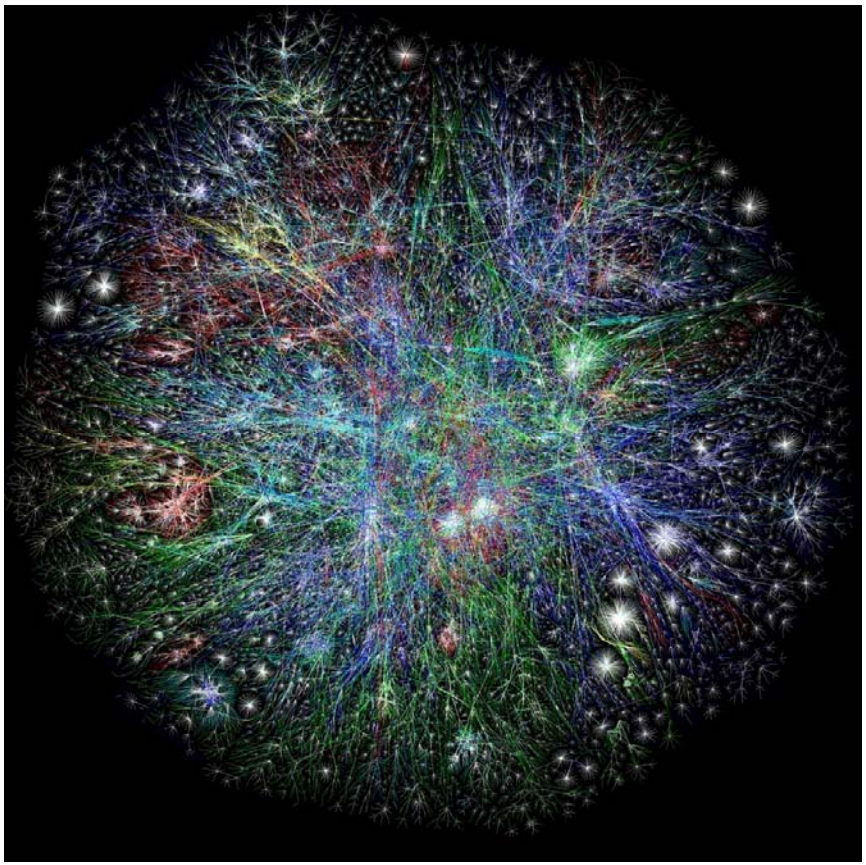
Third Revolution: Many-to-Many Communications

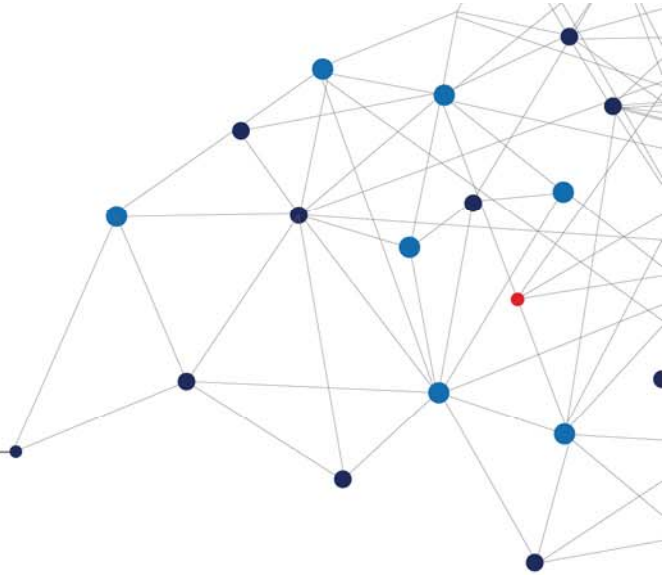
2007 AD



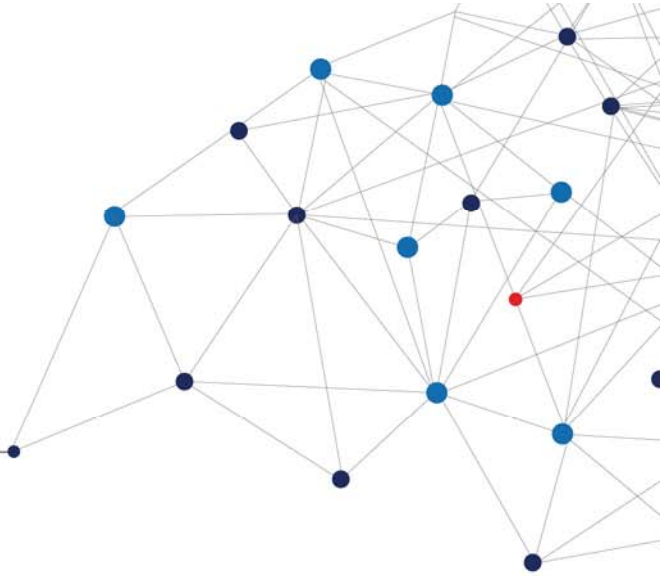
This third communication revolution combines three forces:

- Hyper-connected social media
- Big data
- Mobile digital technology



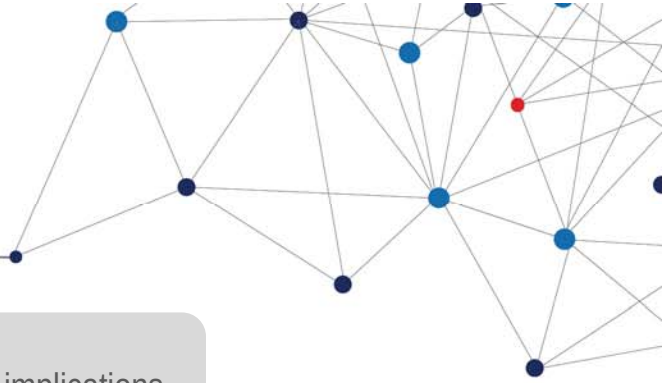


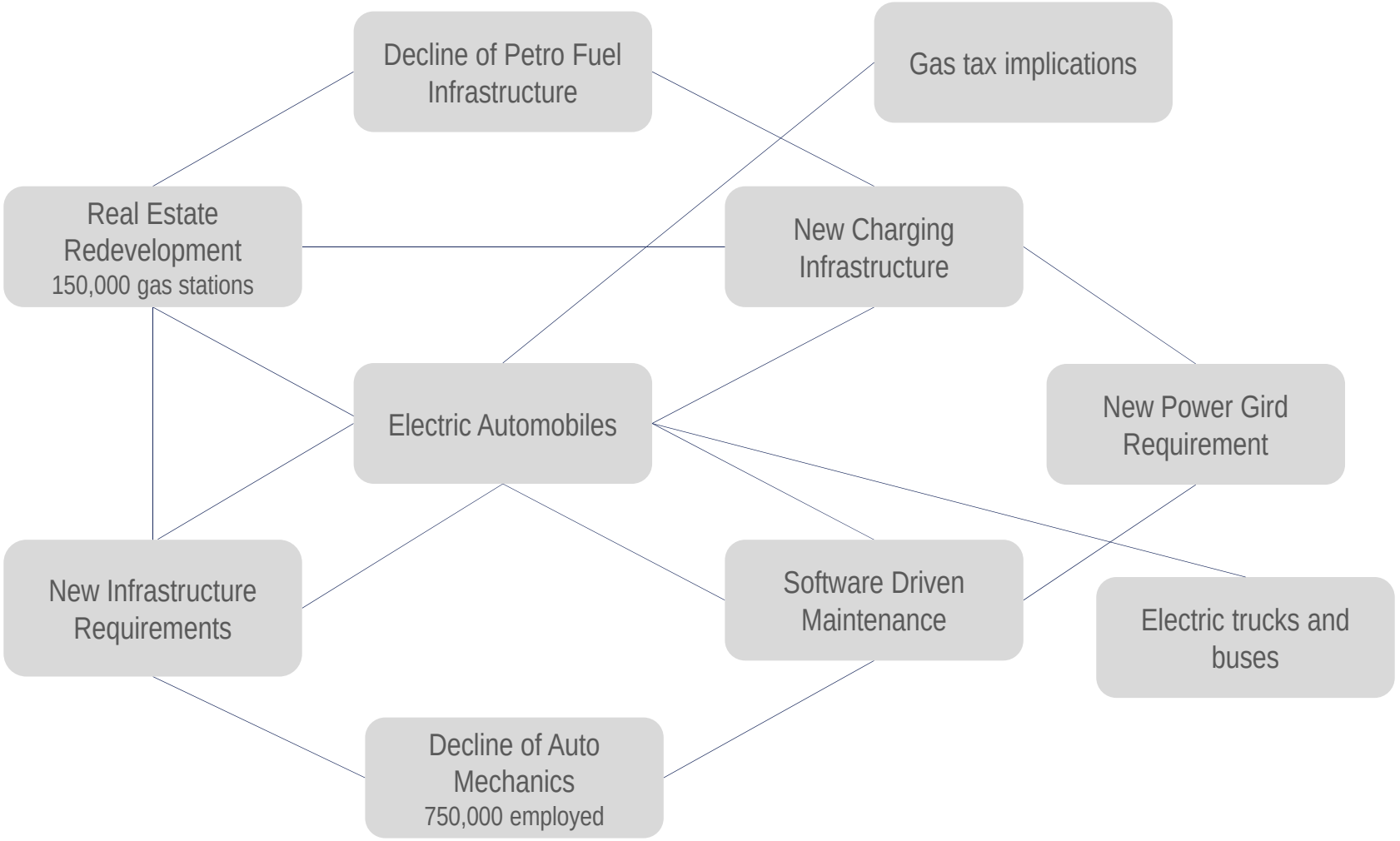
Making it exponentially more powerful…

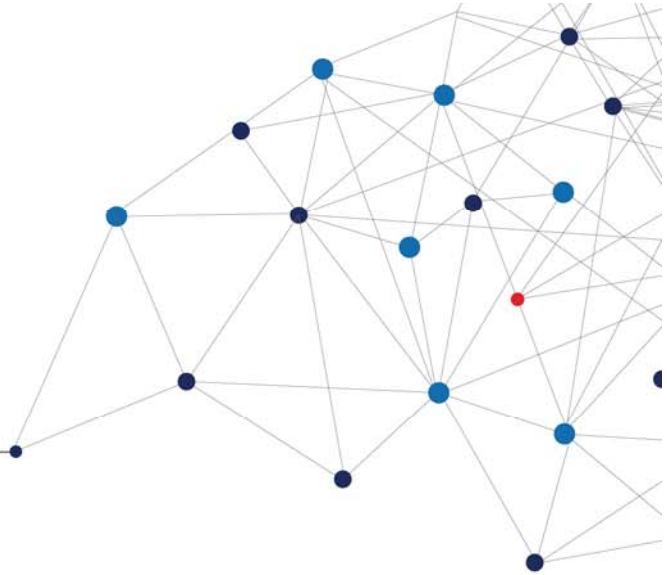


…disrupting business models…

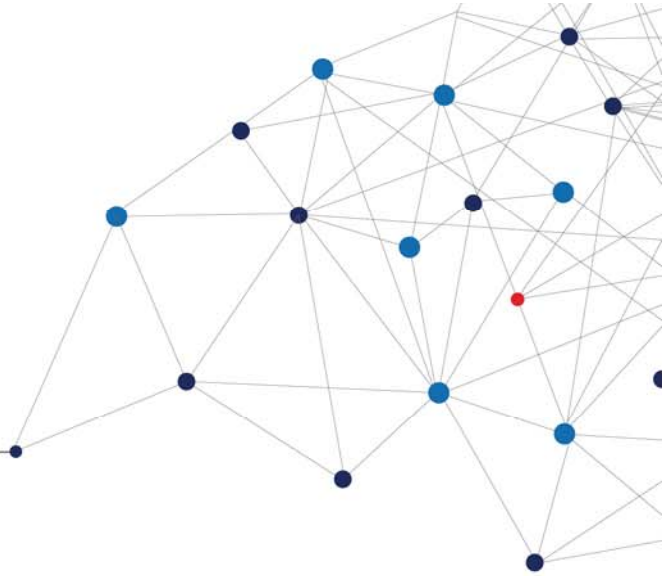
Electric-Vehicles (EVs) Disruption Network



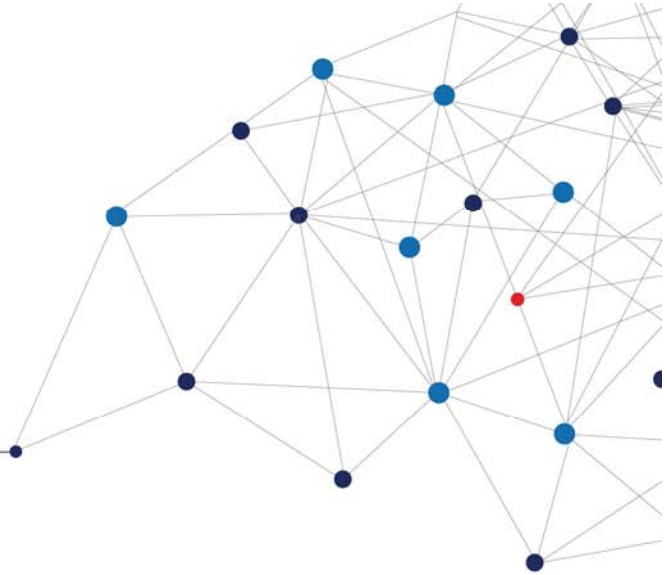




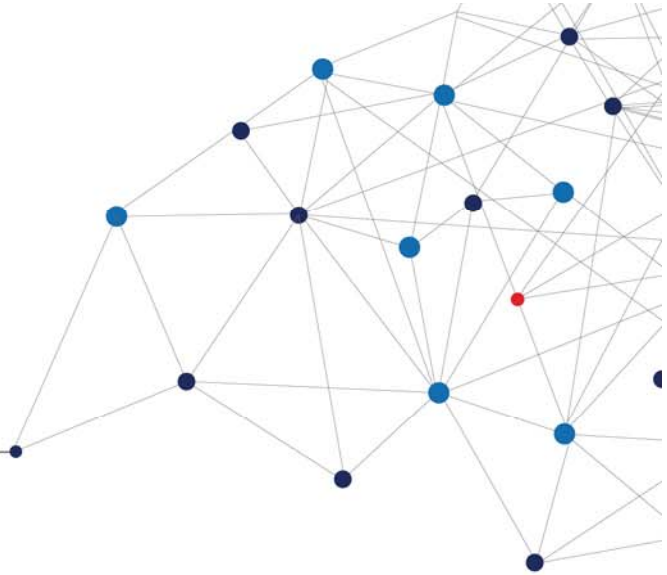
What’s next?



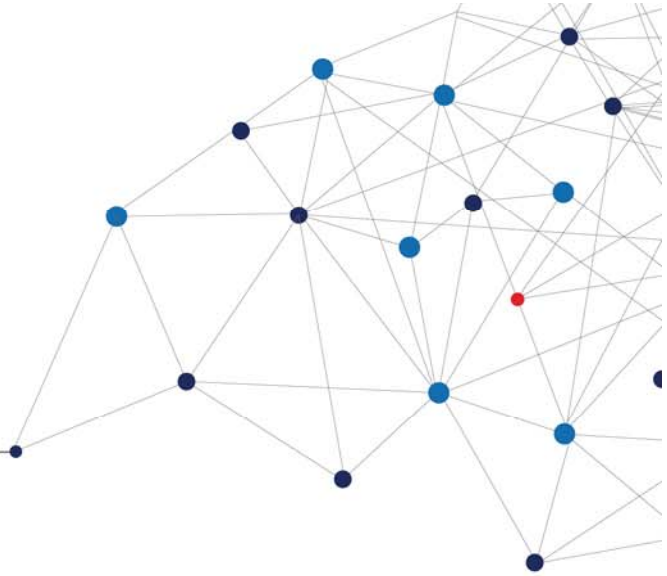
…politics?



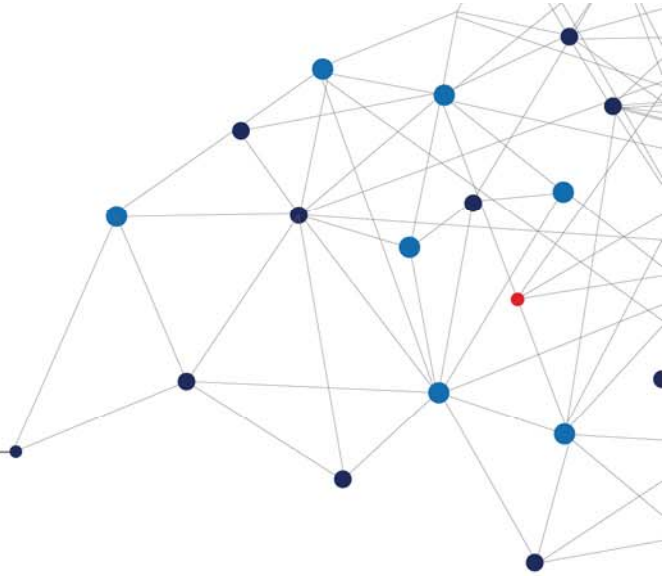
…public debate?



Technology and culture are driving us back into tribalism.

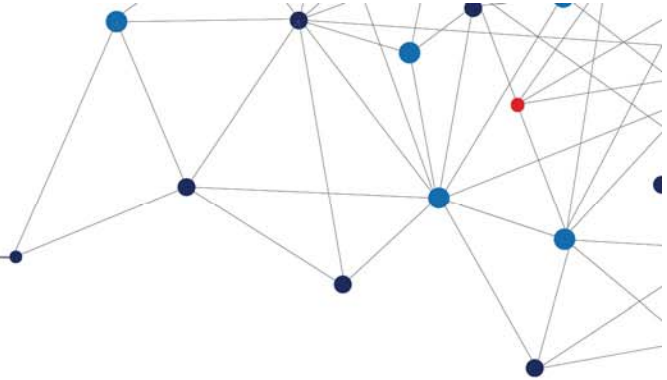


Where facts mean little, if anything.

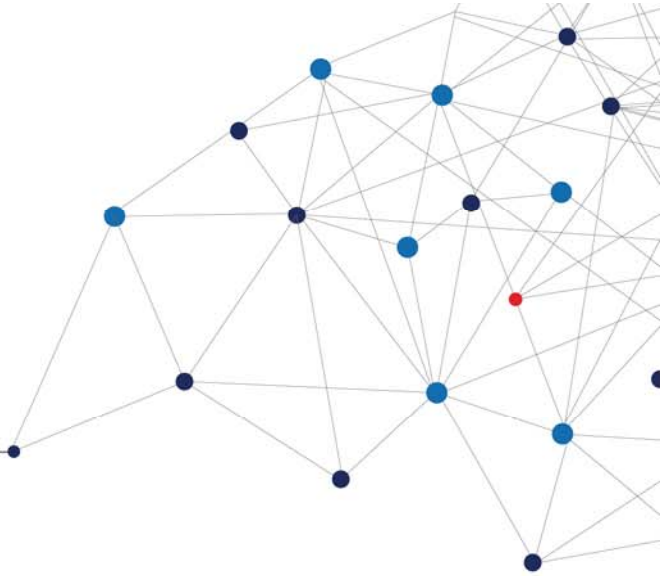


Just as it happened before…

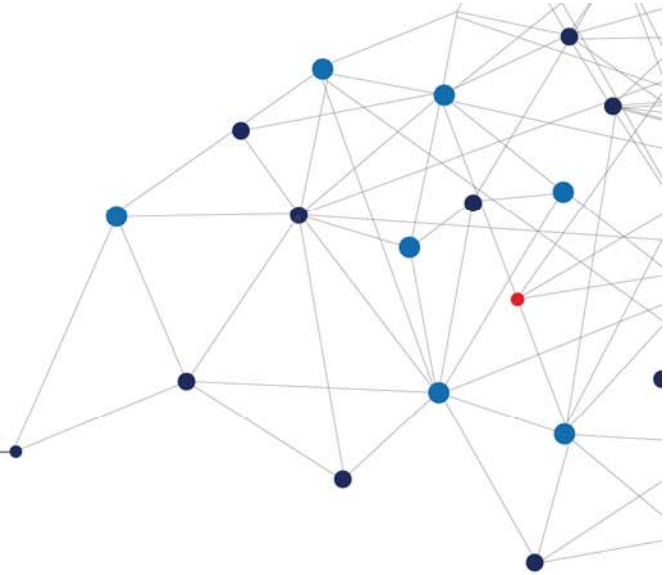
Many-to-Many connectivity is bringing:



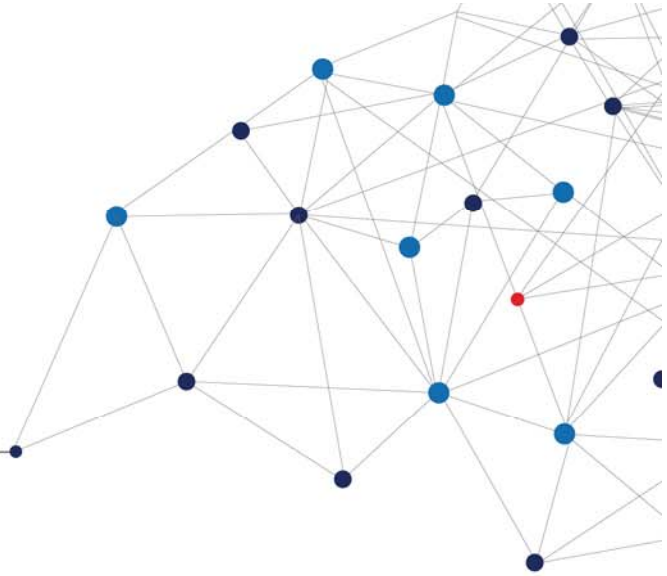
- A new Industrial Revolution
- A new Renaissance
- A new Reformation
- A New World Order



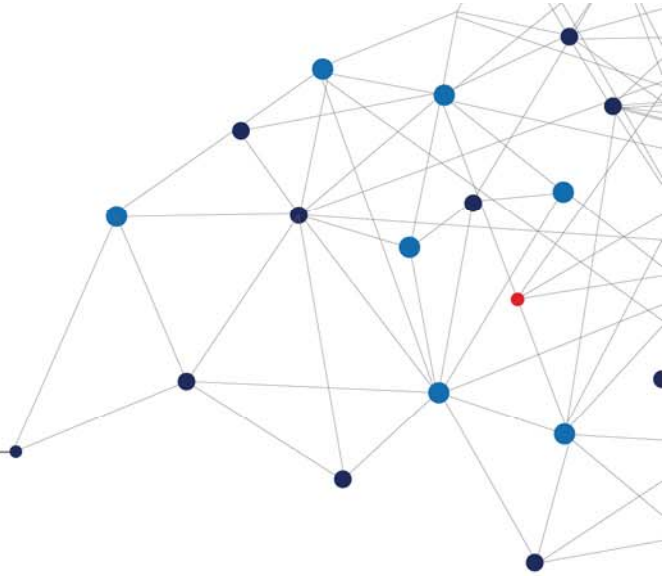
So…



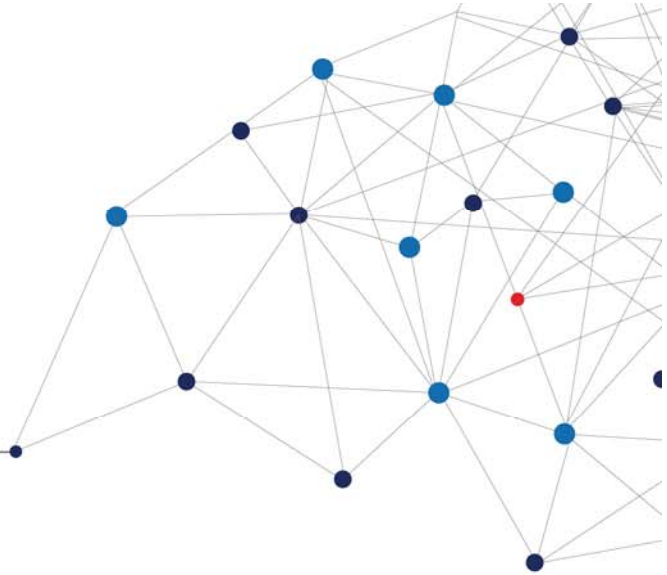
Part II:
How must we now reorganize ourselves?



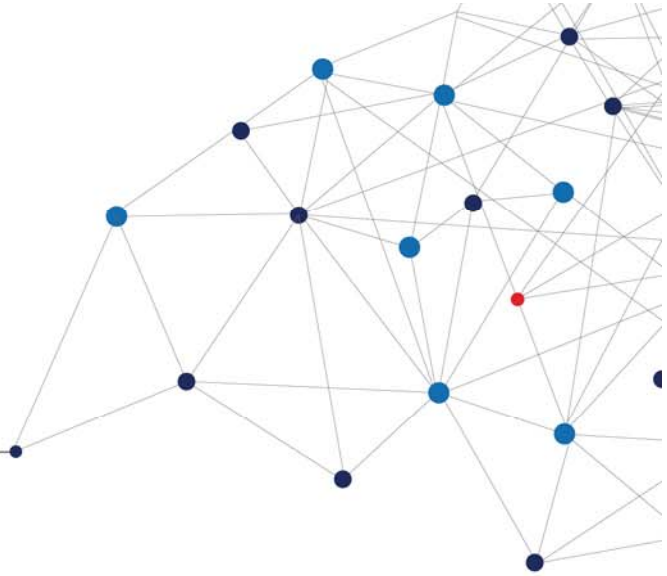
Public affairs must be transformed to a many-to-many model.



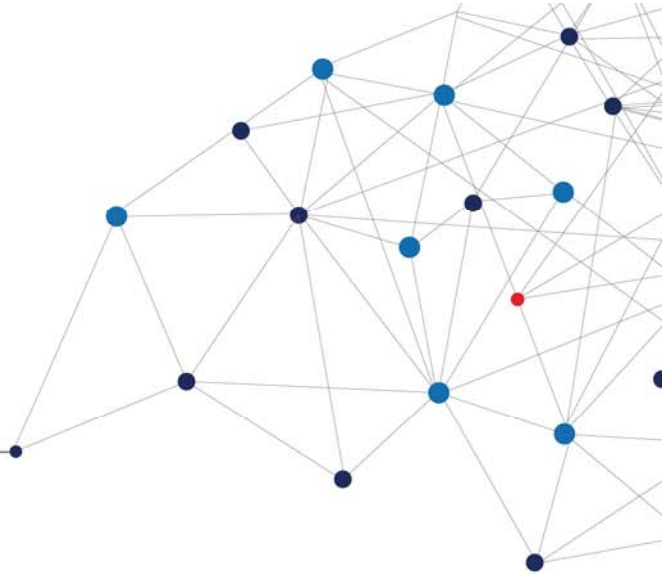
Some new rules:



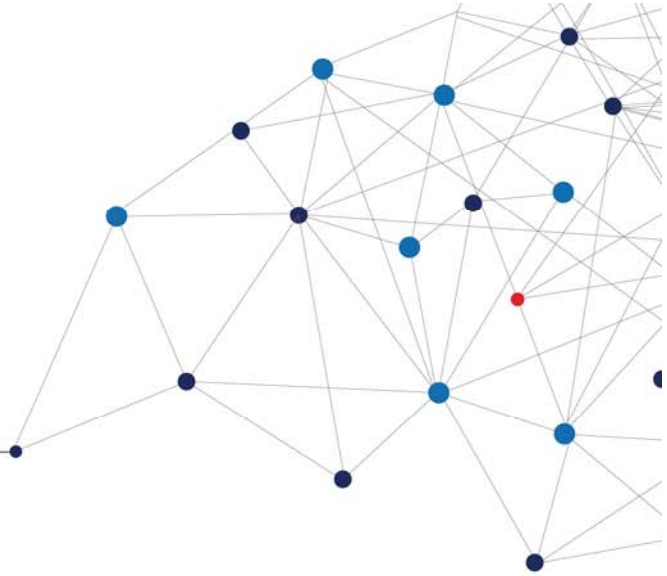
1. Majorities are nice, but not longer required.



2. In tribal politics, facts mean little, if anything.

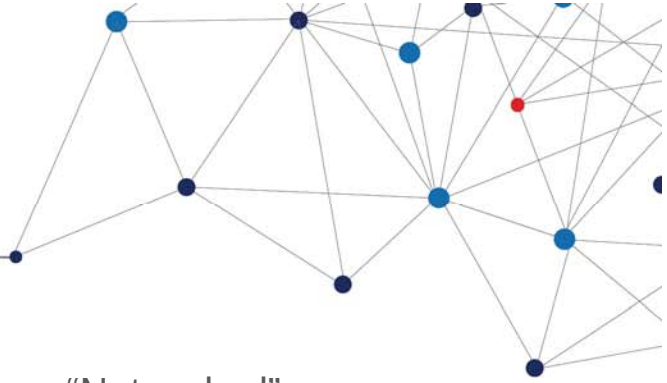


3. Strategies emphasizing a network-based approach to public-debate management are essential.

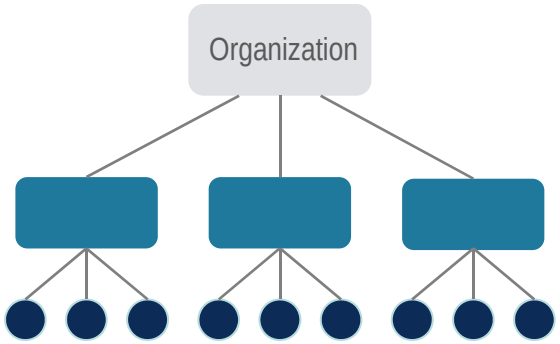


4. Stories have never been more important.

Shift to networked approach



“Hierarchical”

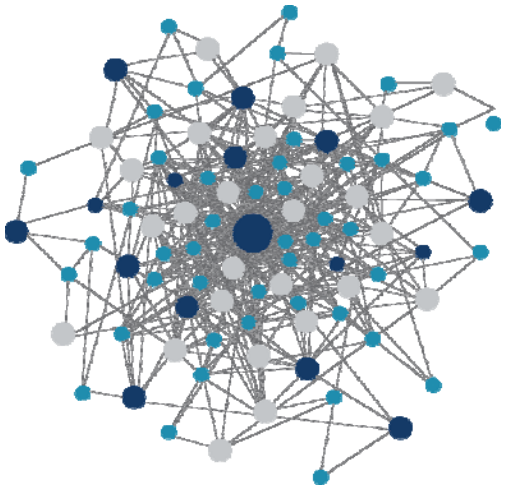


Focus on Delivery

Structured Around Channel

Objective = Acceptance

“Networked”



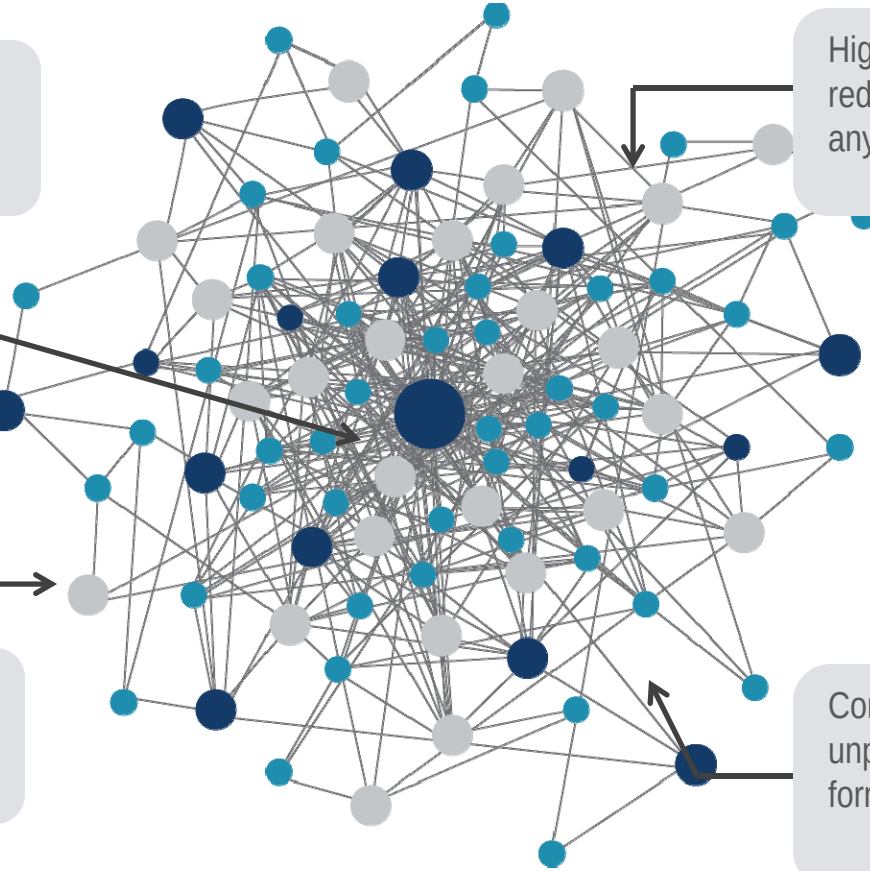
Focus on Flow

Structured Around Strategic Objectives

Objective = Active Support

Manage hyper-connected networks

- Influence flows within networks



The stakeholder, not the company, is at the center of the network.

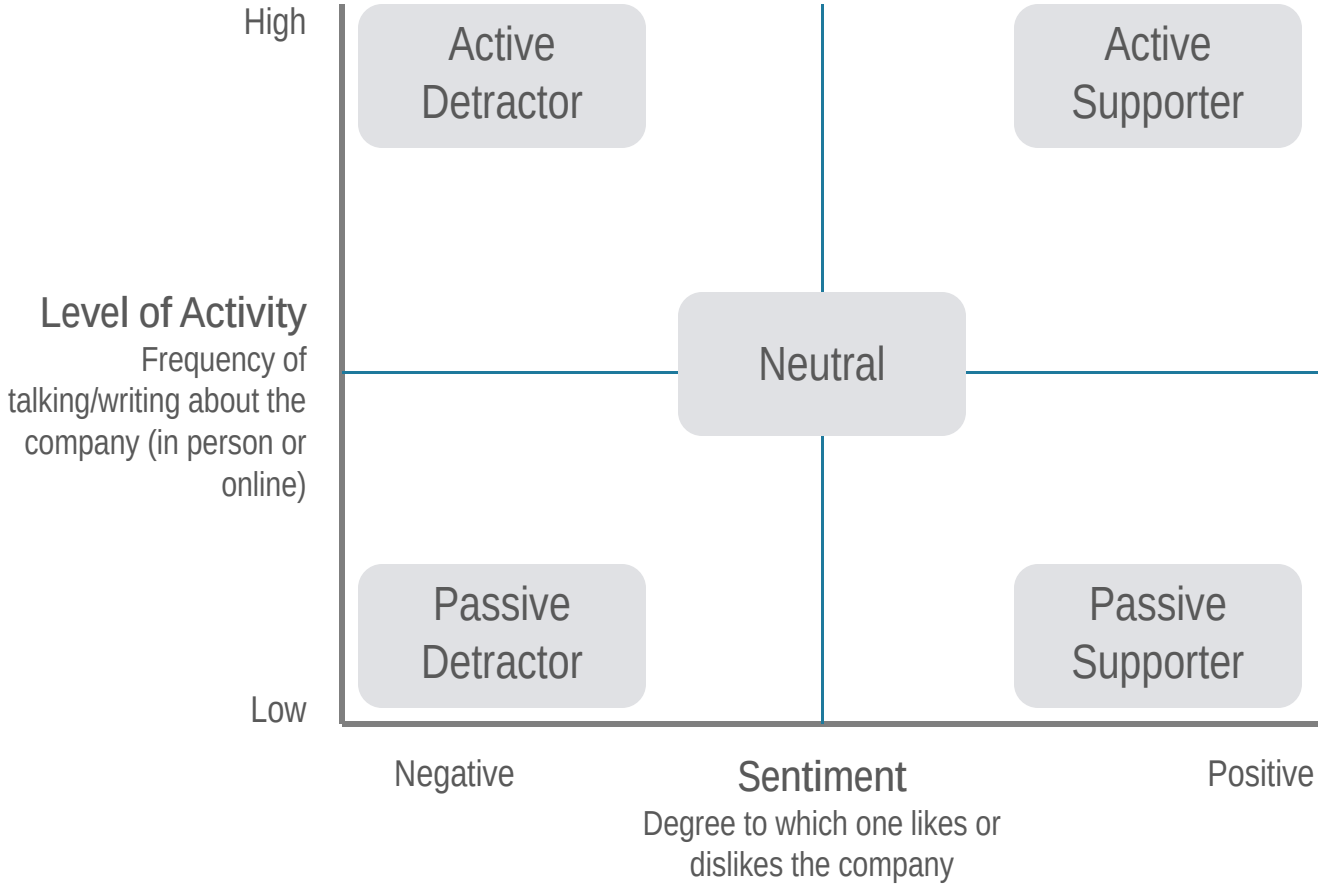
High visibility of multiple sources reduces the relative impact of any one source.

Information flows in multiple directions among nodes.

Connections in the network are unpredictable and fluid, re-forming as situations change.

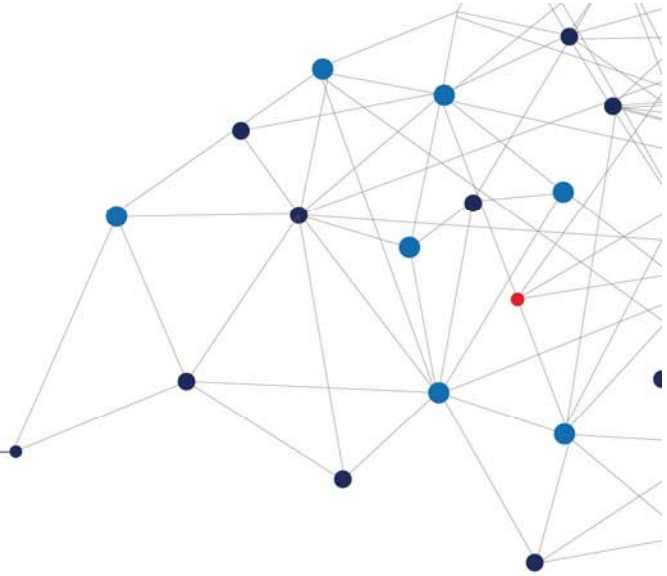
Adopt a new model for active support

- Stakeholder Support Framework



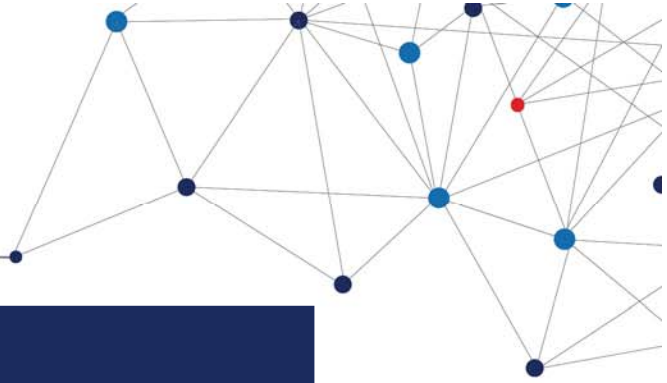
Public debate is being transformed

Public debate then:	Public debate is becoming:
Led top down	Led center out
Controlled by small number of elites	Controlled by large number of constituents
Passively consumed by individuals	Interactively processed in groups
Comprehensively planned	Iteratively developed
Focused on delivering uniform messages via selected channels	Focused on delivering tailored messages via multiple paths
One-to-many communication	Many-to-many communication



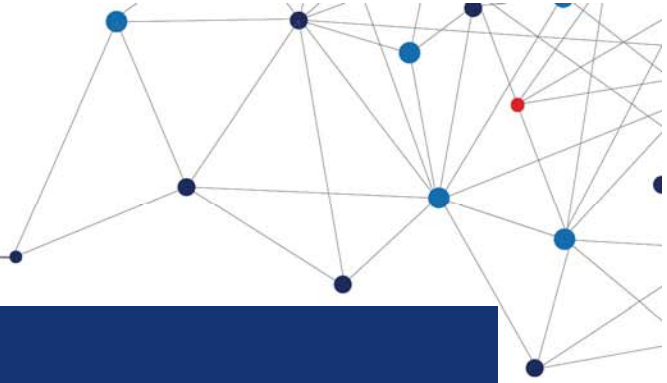
Part III:
What new strategies and skills must we master?

Adapt a New Public Affairs Process



One to Many:	Many to Many:
Command	Strategy
Control	Identification
Educate	Awareness
Persuade	Salience
Acceptance	Activism

Shift from public relations to public engagement



From PUSH	to PULL
From PROMOTING	to INFORMING
From CONTROL	to CREDIBILITY
From CAMPAIGNS	to CONTINUING CONVERSATIONS *
From INFLUENCING	to ESTABLISHING A COMMUNITY OF INFLUENCERS

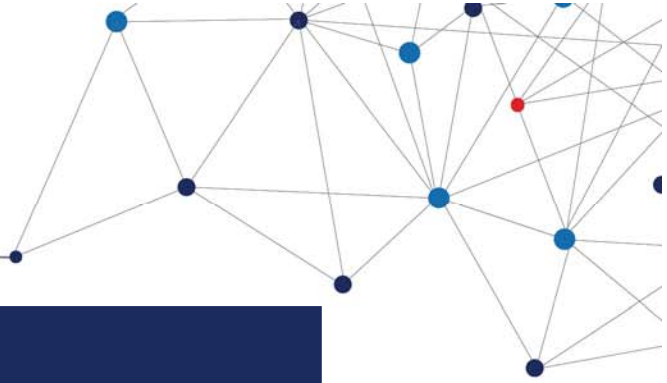
Continuing conversations

@Nordstrom, ur delivery, for 2nd time in a week, left nice & visible for thieves. Might as well put a neon sign on it saying "steal me".

8:57 PM - 2 Aug 2017

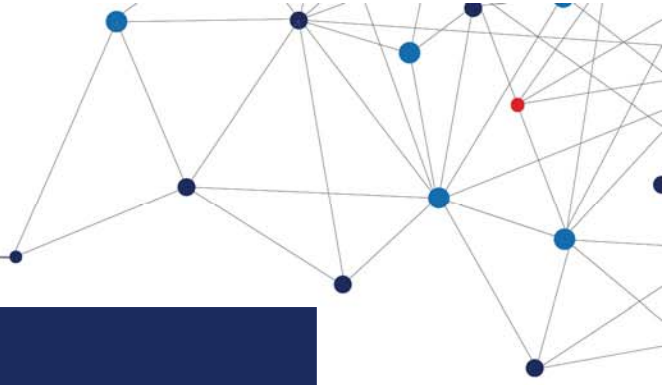
Continuing conversations

Develop a new relationship with data



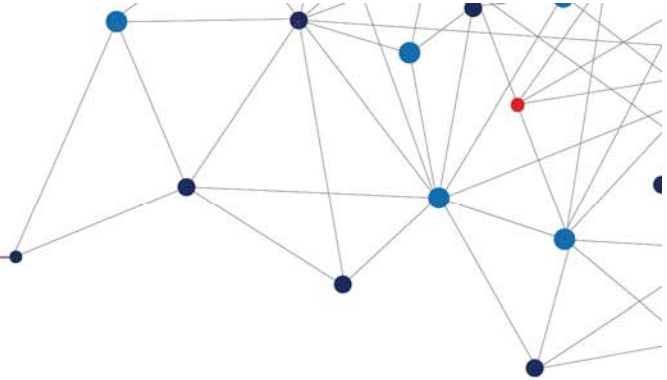
Data then:	Data now:
Scarce	All around us
Expensive	Free (or very cheap)
Slow moving	Immediate
Labor-intensive to access	Quickly searchable
Immutable	Easily modified

Rethink Your Constituencies



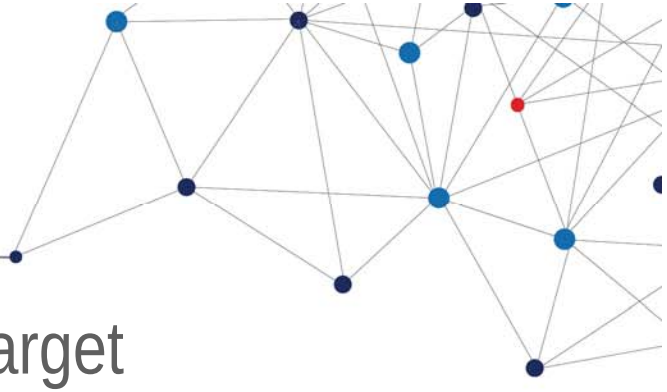
Passive:	Active:
Readers	Editors
Editors	Publishers
Watchers	Producers
Listeners	Pundits
Dictation	Conversation
Audiences	Constituencies
Private Decisions by a Few	Full, Open and Public Debates

Master the Critical Steps for Many-to-Many Environments



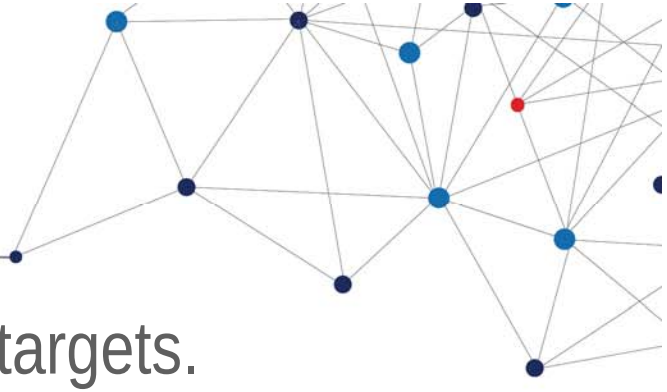
1. Identification
2. Awareness
3. Salience
4. Activism

Identification



1. Harness the power of data analytics for target identification.
    A. Identify small groups of people who have a high propensity to take action.

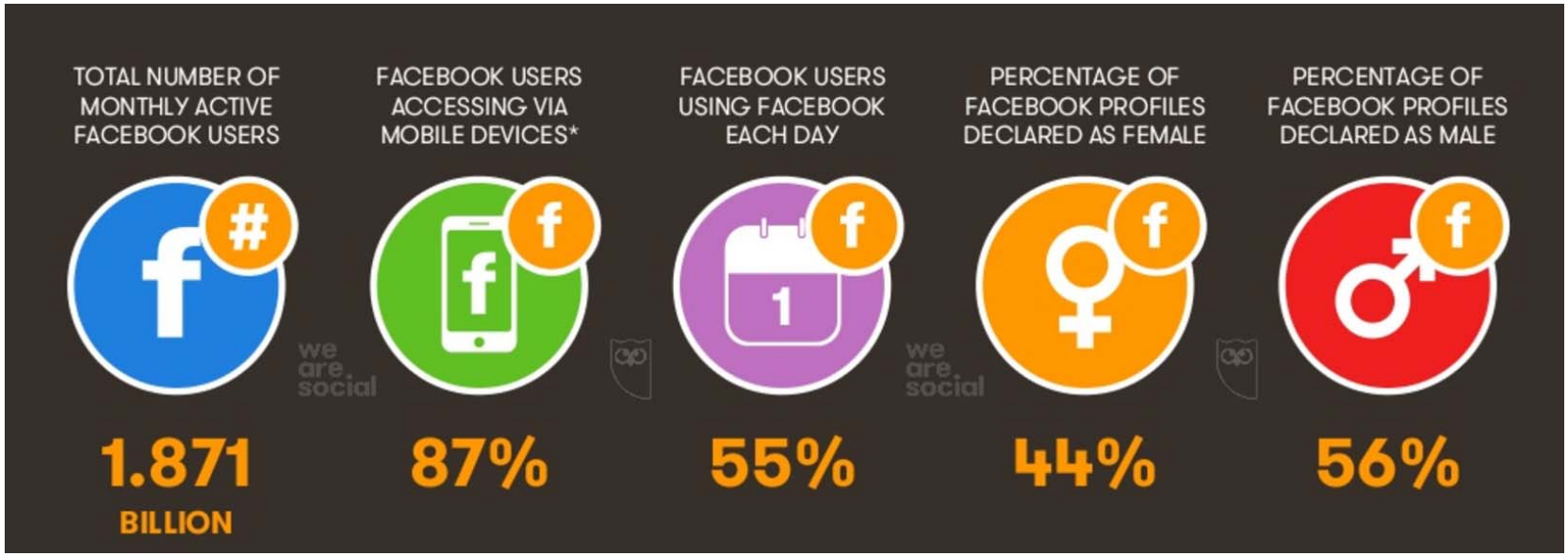
Awareness



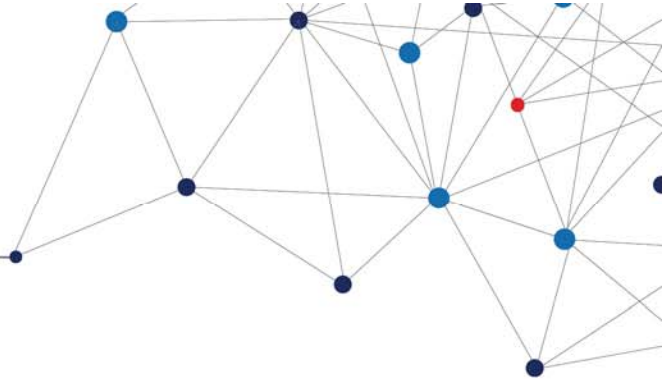
2. Build awareness among high-propensity targets.

Awareness

- A breakdown of Facebook's global users by device, frequency of use, and gender of user.



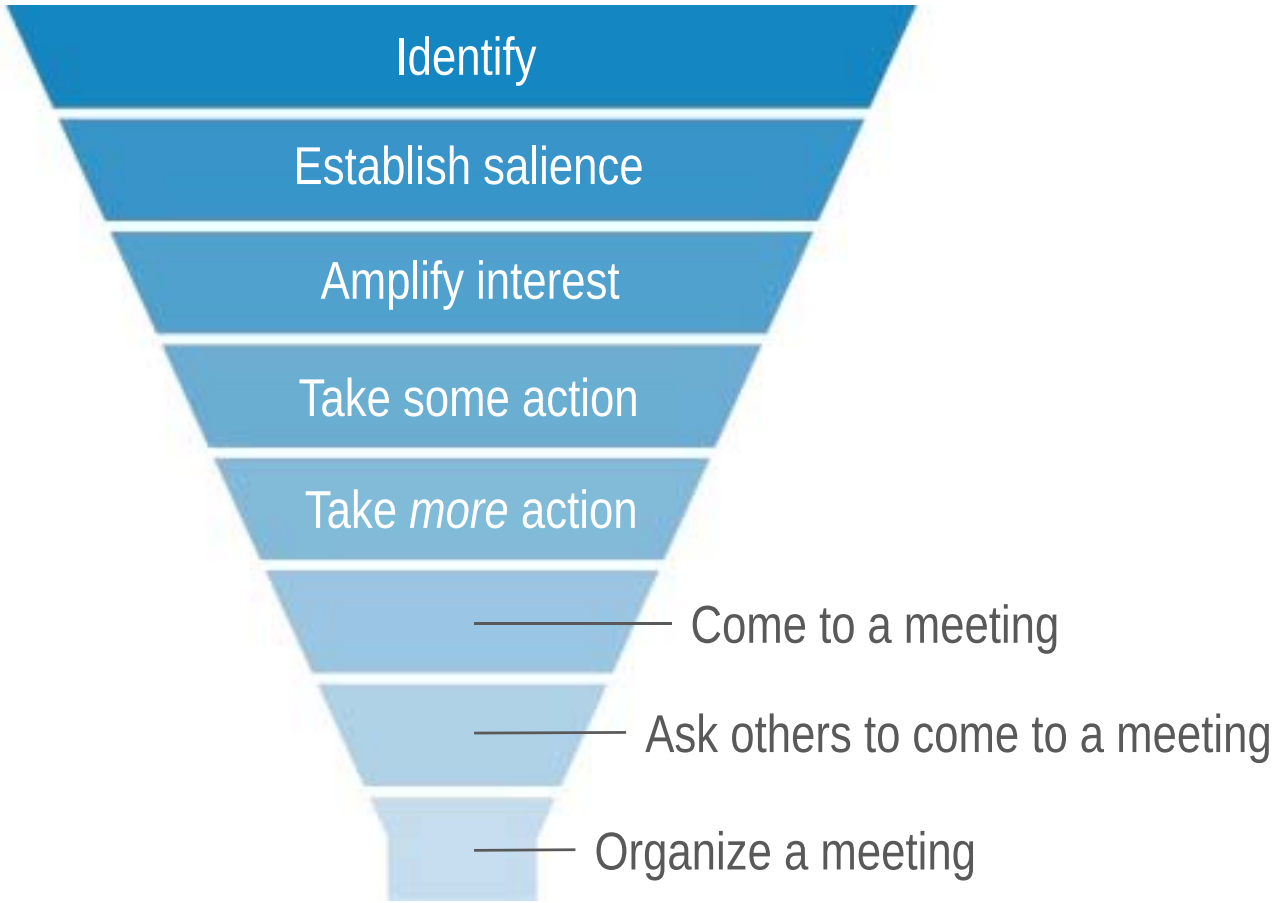
Salience

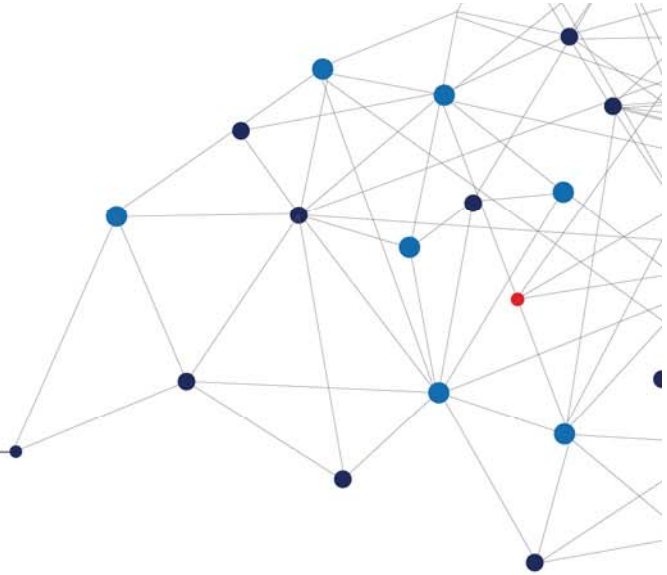


3. Use stories to establish salience.

Activism

4. Create funnels to stimulate activism





A Case Study:
Southern California Edison

About Southern California Edison

- One of U.S. largest electric utilities:
  - Nearly 15 million residents and 5 million customer accounts
  - 50,000 square-mile service area
  - Over 28% renewables today
  - Required to achieve 33% by 2020 and 50% by 2030
- Significant infrastructure:
  - 1.4 million power poles
  - 729k transformers
  - 119k miles of distribution/transmission
  - 3,200 MW owned generation
  - 55 MW utility-owned battery storage

SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead℠

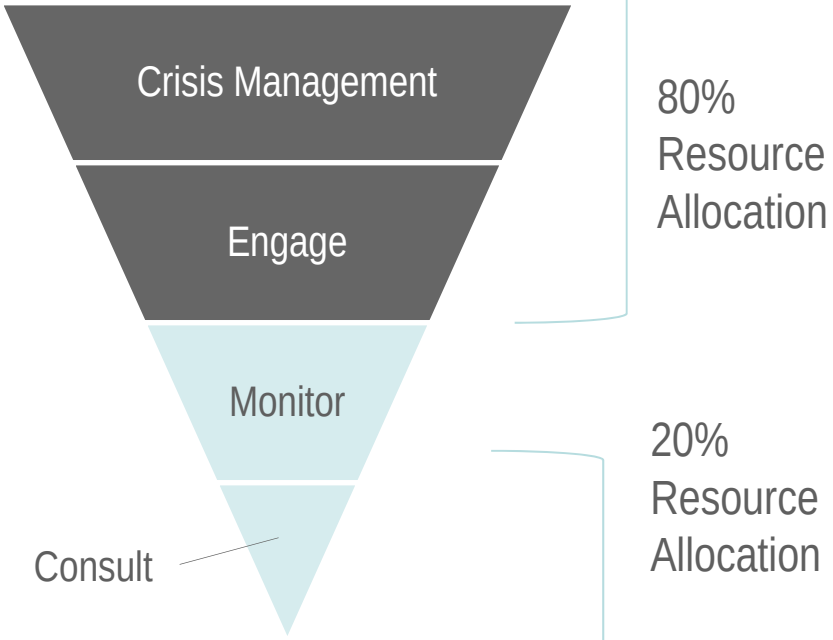
Our Strategy

- Transitioning to a Clean Energy Future
  - Micro Grids
  - Transportation Electrification
  - Distributed Energy Resources
  - Smart Cities
  - Grid Modernization
- Enabling California public policies
  - Regulatory and legislative
- Operational and service excellence
  - Driving industry-leading performance and position
  - Customer satisfaction

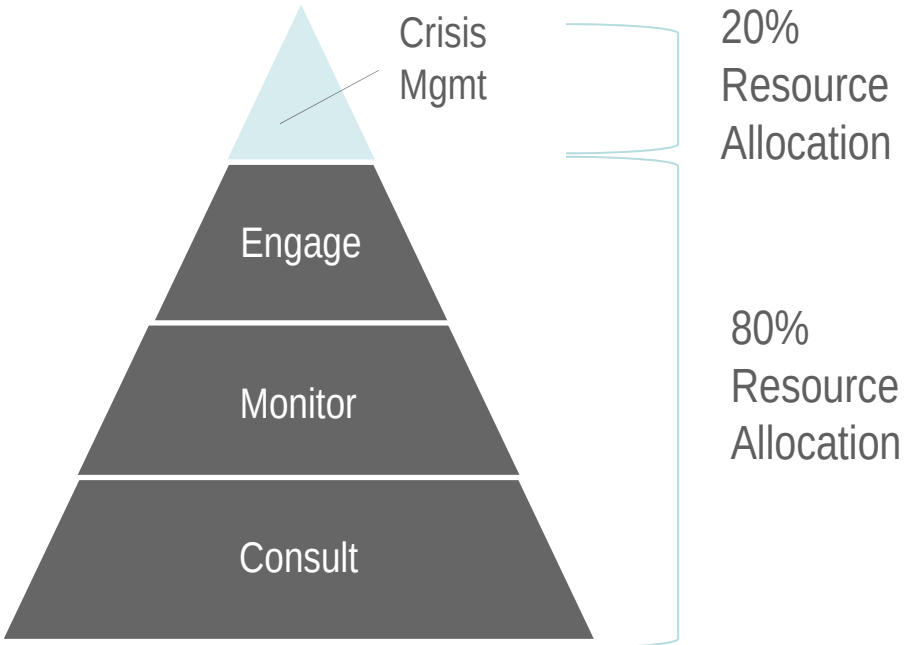
SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead℠

Shift from Reactive to Proactive:

Reactive

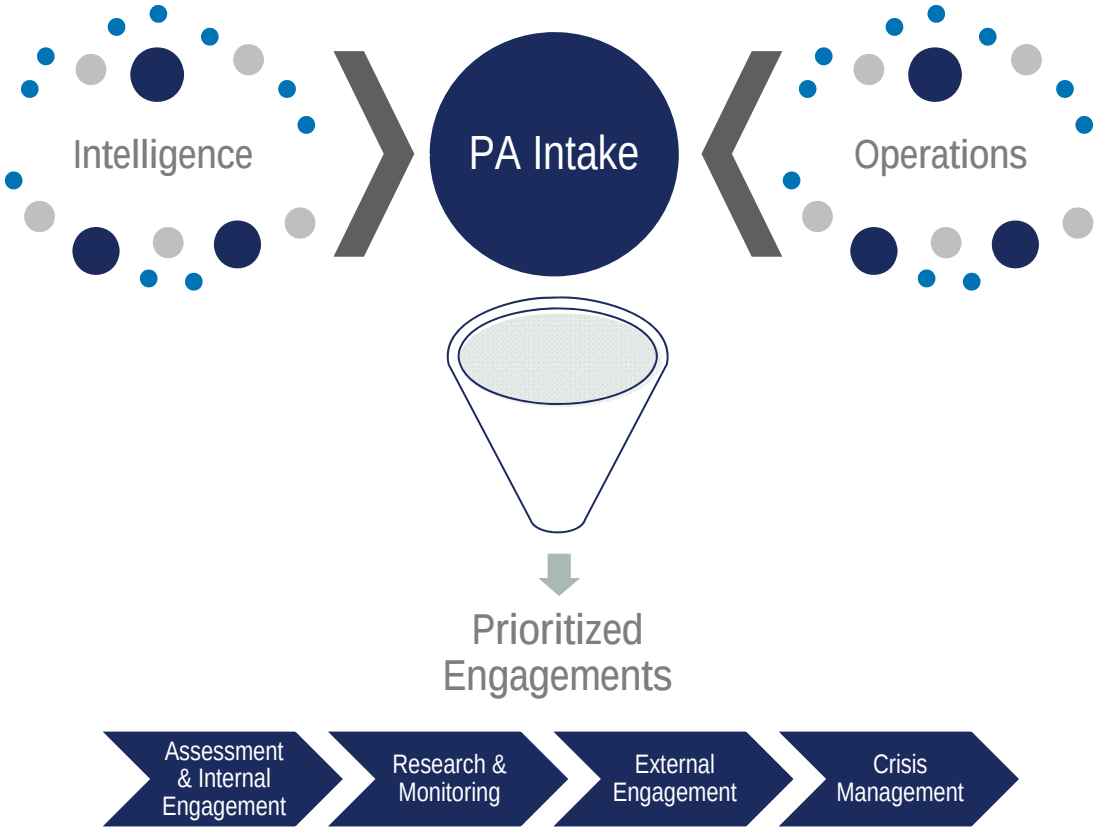


Proactive



SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead℠

Entering the Matrix



SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead℠

Stakeholder Risk Analysis and Prioritizing Our Work

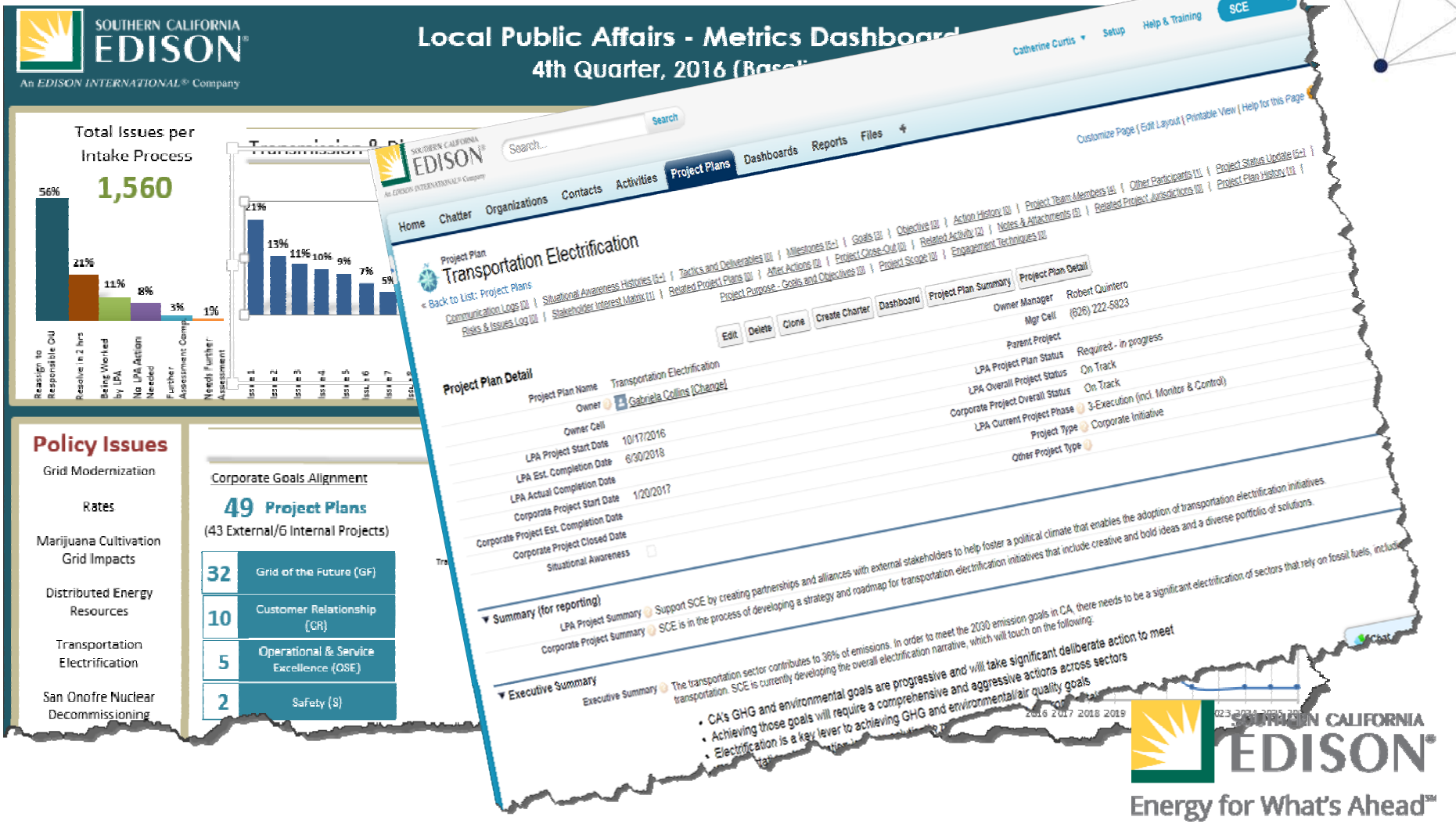
- Run major company activities and issues through a risk assessment:
  - Scope: Localized vs. system-wide
  - # Customers Impacted
  - Size of Customer(s) Impacted
  - Regulatory Sensitivity
  - Issue Duration
  - Political Sensitivity
  - Financial Implications
  - Reputational Implications
  - Enterprise Risk Elements

Stakeholder Environment			
Political		**Community**	
City Council(s)	3	Sensitive Land Users	1
County Board of Supervisors	2	Sensitive Property Owners	2
State Legislature	3	Visual Impact	2
State Legislation	3	Special Interest Groups	2
Federal Legislature	3	Community Character	2
Federal Legislation	3	Media	3
Legal Proceedings	2	Previous Controversy	1
		Clarity of Project Need to Public	2
		Political Issue	2
		Grassroots Community Opposition	2

Key: (3)Low (2)Medium (1)High N/A

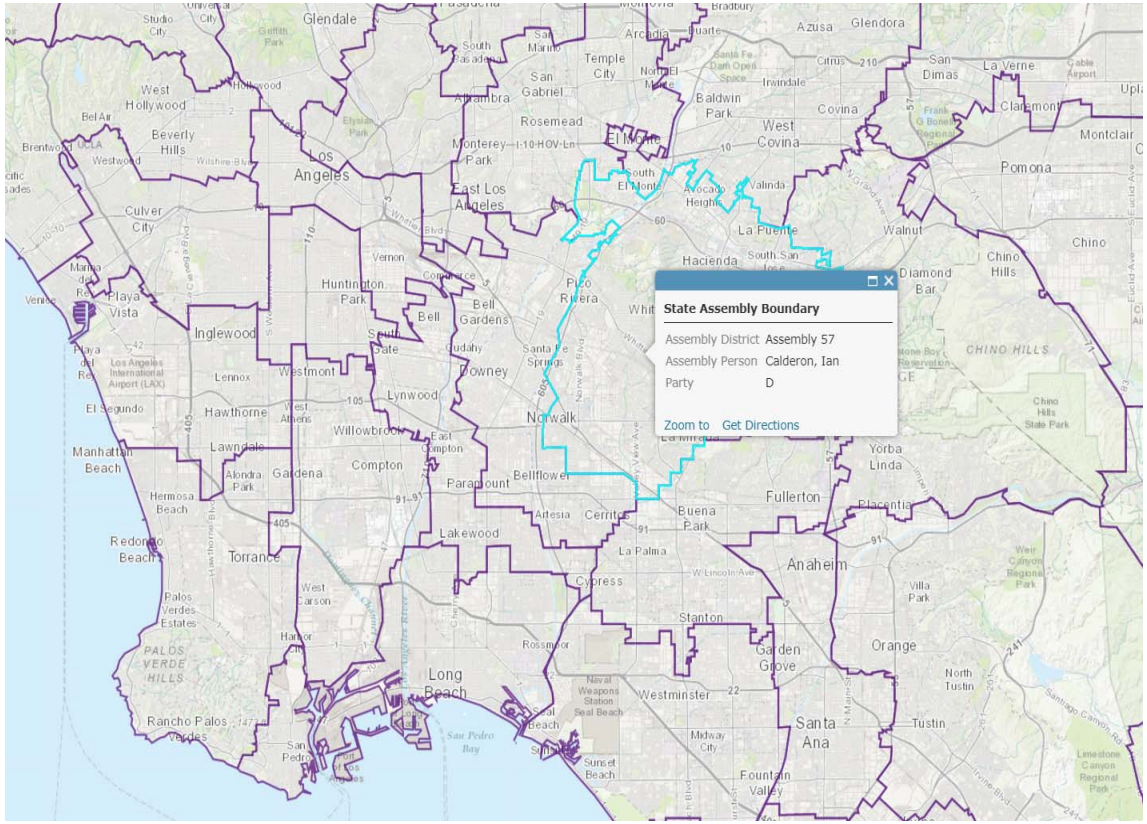
SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead℠

Tools


SOUTHERN CALIFORNIA EDISON
An EDISON INTERNATIONAL Company
Local Public Affairs - Metrics Dashboard
4th Quarter, 2016
Total Issues per Intake Process
1,560
Policy Issues
Grid Modernization
Rates
Marijuana Cultivation Grid Impacts
Distributed Energy Resources
Transportation Electrification
San Onofre Nuclear Decommissioning
Corporate Goals Alignment
49 Project Plans
(43 External/6 Internal Projects)
32 Grid of the Future (GF)
10 Customer Relationship (CR)
5 Operational & Service Excellence (OSE)
2 Safety (S)
Transportation Electrification
Project Plan Detail
Summary (for reporting)
Executive Summary
Energy for What's Ahead

Big Data At Work

- Overlay of California's state assembly districts and SEC contributions.

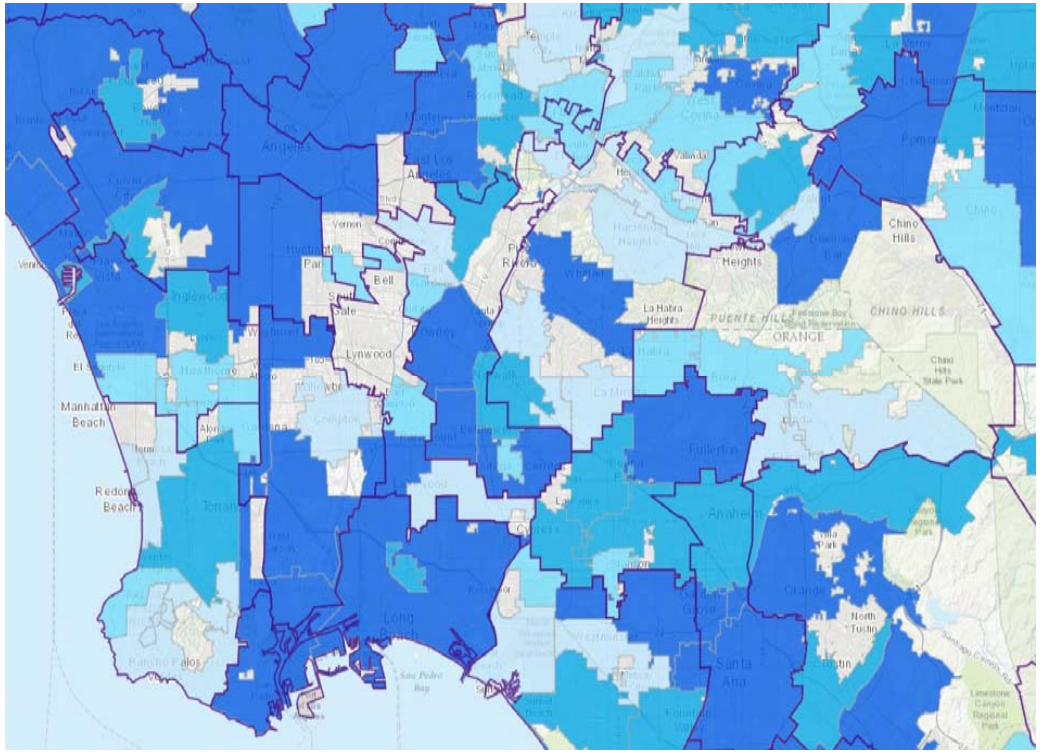


Updated: Sept. 15, 2017

SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead™

Big Data At Work

- Overlay of California's state assembly districts and SCE contributions.



Updated: Sept. 15, 2017

SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead™

Learn each mayoral candidate's stance on environmental matters in our region.

View this email in your browser

Wednesday, October 4

5:30 - 7:30 p.m.

Santa Barbara Women's Club, 670 Mission Canyon Road

From housing to water resources to energy use, there are many ways sustainability plays a role in shaping our community's future. Come out for a free event showcasing the 2017 City of Santa Barbara mayoral candidates' views on transportation, sea level rise, sustainable waste disposal, water use, and more. Moderated by longtime CEC Partnership Council member, Dr. Barbara Lindemann.

Join us.

Please note, seating is limited and will be granted on a first-come, first-served basis. You may want to arrive early to ensure your spot.

RSVP Now

Can't make it in person?

Join the Facebook Livestream!

Tune in live to add your comments and questions to the conversation as the candidates talk, or watch anytime after the event. A link to the Facebook live event will be available on our Facebook page a week prior to the event.

Organized by the **Community Environmental Council** and **Dr. Karl Hutterer** with these partners:

Community Environmental Council

Coastal Housing Coalition

the Santa Barbara Botanic GARDEN

Santa Barbara Audubon Society

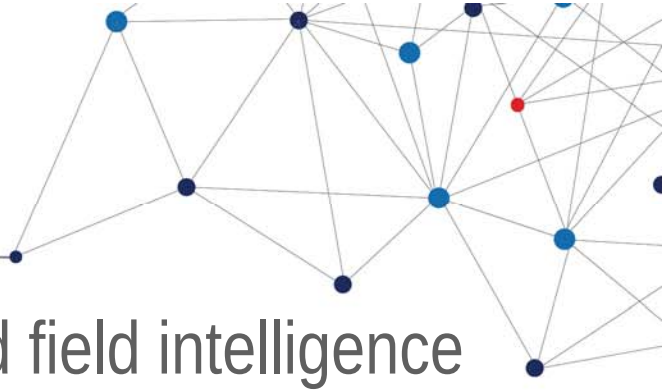
Santa Barbara Channelkeeper

Santa Barbara Museum of Natural History

Santa Barbara Zoo

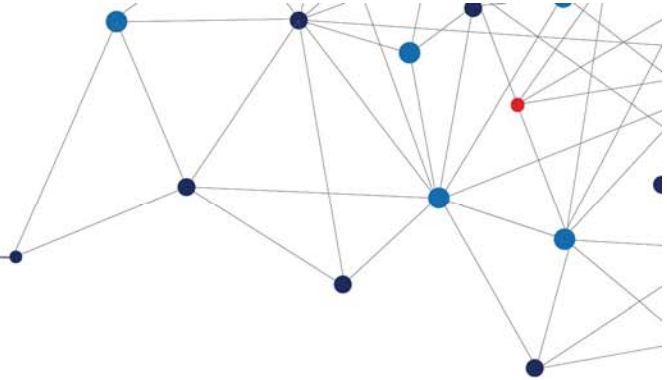
Facebook Twitter Website

Questions to Consider



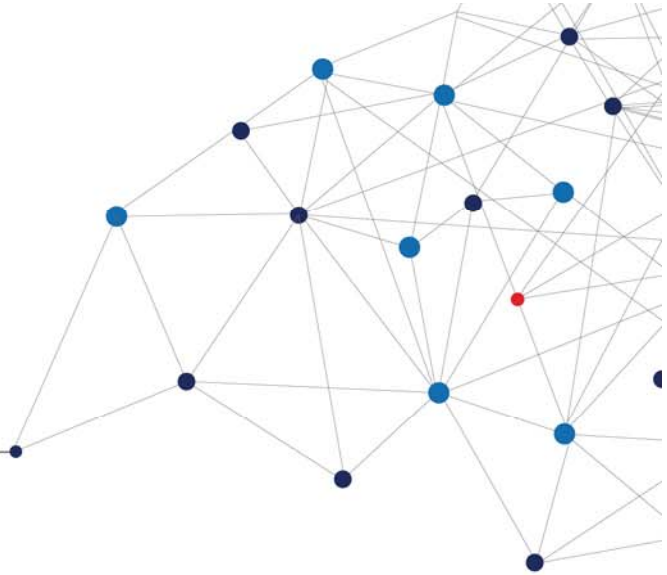
- Does your public affairs team have a good field intelligence gathering process?
- Do your PA team have the flexibility, nimbleness and resources to deploy quickly and strategically?
- Are the different divisions within your company/organization working with each other to leverage different constituencies and third-party relationships? Really?
- What technology tools is your organization using to analyze and assess internal and external data?

Four Big Things



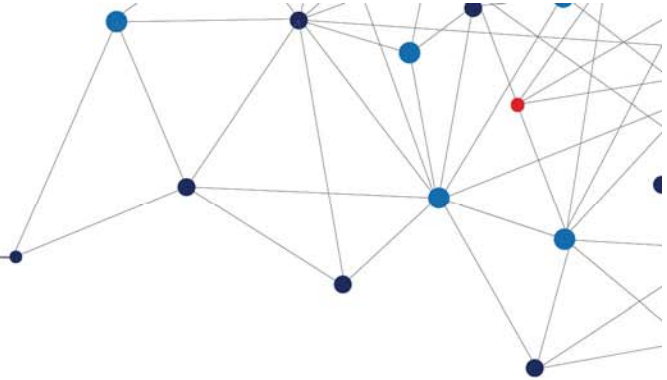
- Constantly expand your network.
- Actively listen.
- Anticipate disruptions.
- Become a contributor to the bottom line.

But beware:



Institutions seek to preserve the problem to which they are the solution.

Clay Shirky



Zanku Armenian
Director, Public Affairs, Southern California Edison
T. (626) 302-3931
@SCE_ZankuA
Zanku.Armenian@sce.com

Jerry M. Ray
President and CEO, Synchrony
T. (904) 307-0186
@JerryMRay
jerryray@synchrony.net