

# Measuring and Communicating the Value of State Government Relations #SLGR17

## Our Agenda

- Metrics: Establishing a measurement framework
- Ways to prioritize and quantify value of stakeholder relationships
- Measurement tools and strategies
- Benchmarking your program to gain senior leadership support

## **Why spend time searching for value?**

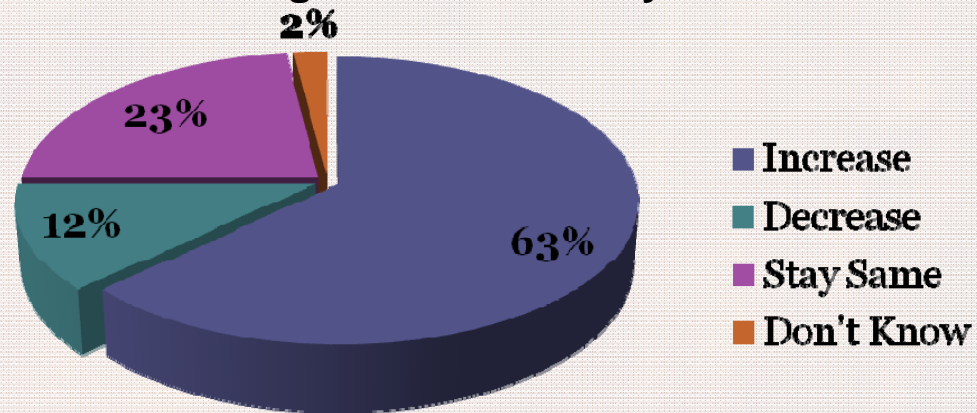
- Avoid being labeled a 'cost center'
- Increase or at least maintain a solid budget
- Stronger voice in the decision-making process
- Get recognition from senior leadership
- Measurement tools can be used to increase efficiency and allocate resources more wisely

**Second only to customers, government is likelier to affect companies' value than any other stakeholder.**

*-McKinsey Global Survey, 2010*

McKinsey & Company

**How do you expect government involvement in your industry to change in the next 3-5 years?**

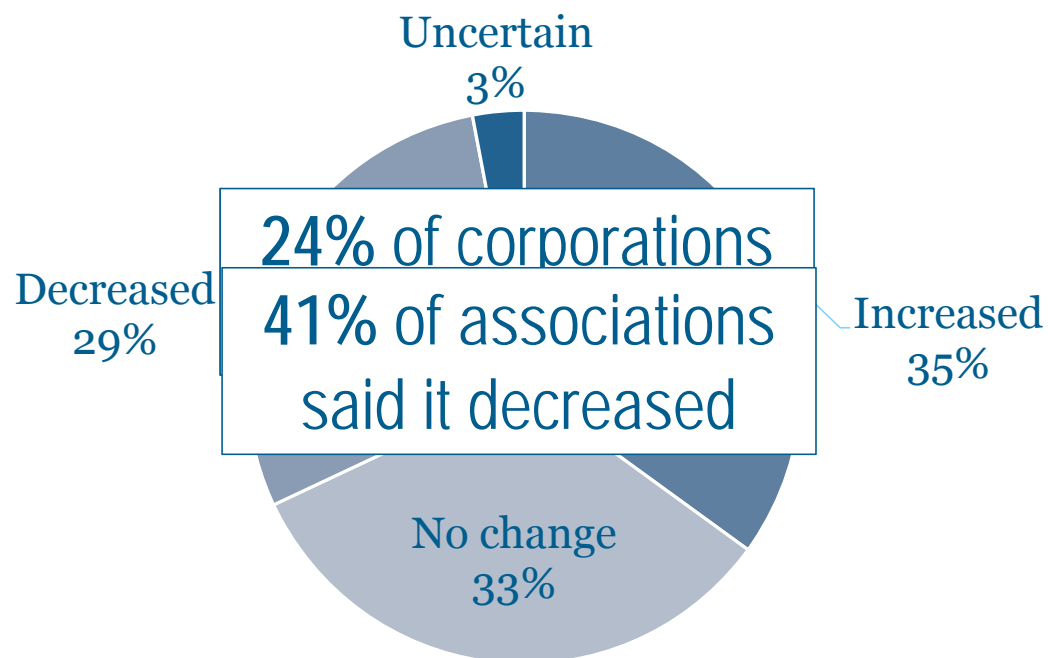


# State Government Relations Benchmarking Survey

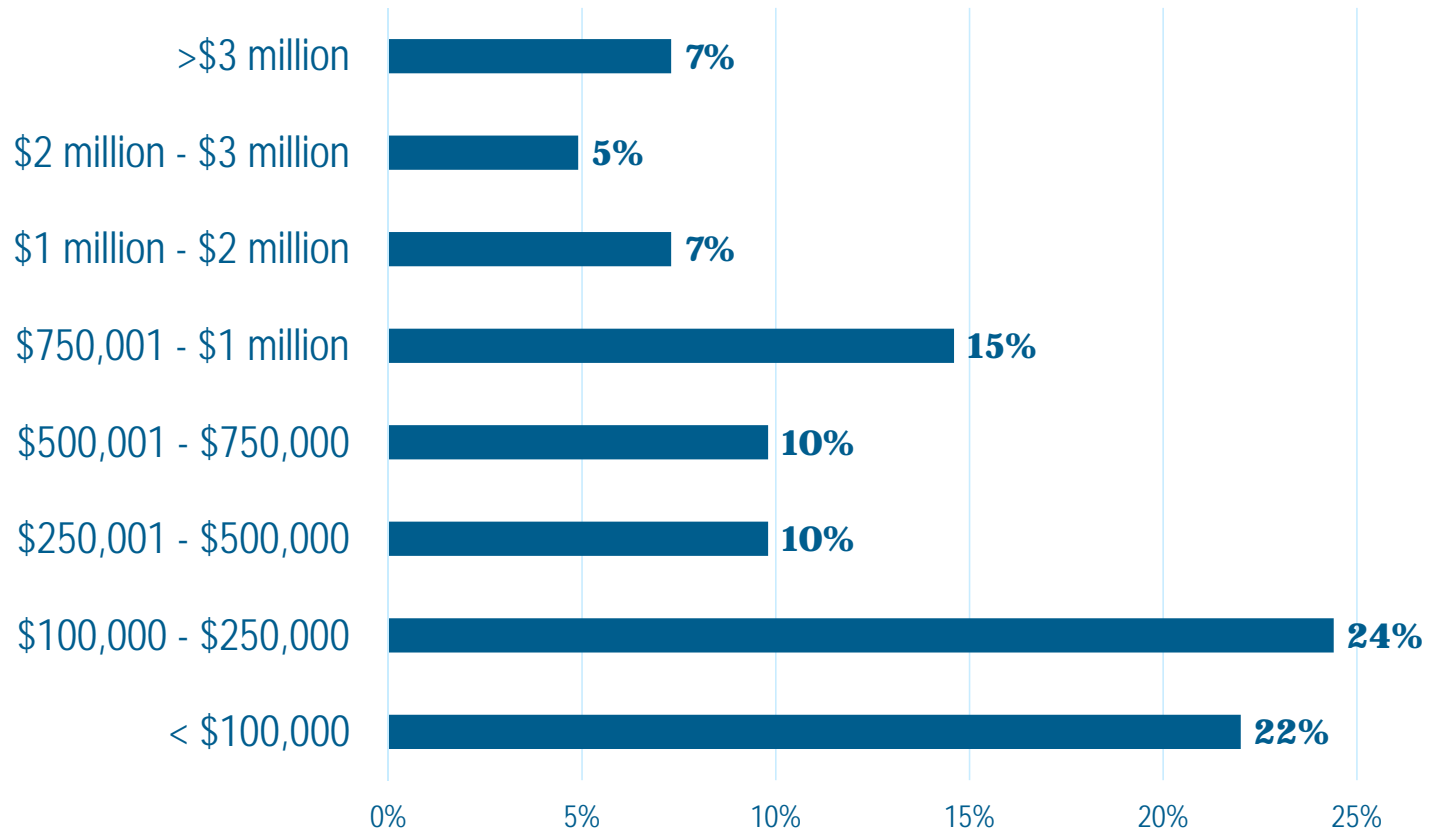
- Conducted March 2017
- 125 respondents
  - 73% corporate
    - Just more than one-third represented companies >\$20B in annual revenue
  - 27% association
    - Just more than half represented national association vs. single state or region
    - Nearly two-thirds were trade associations (corporate members)

# Getting the Resources You Need

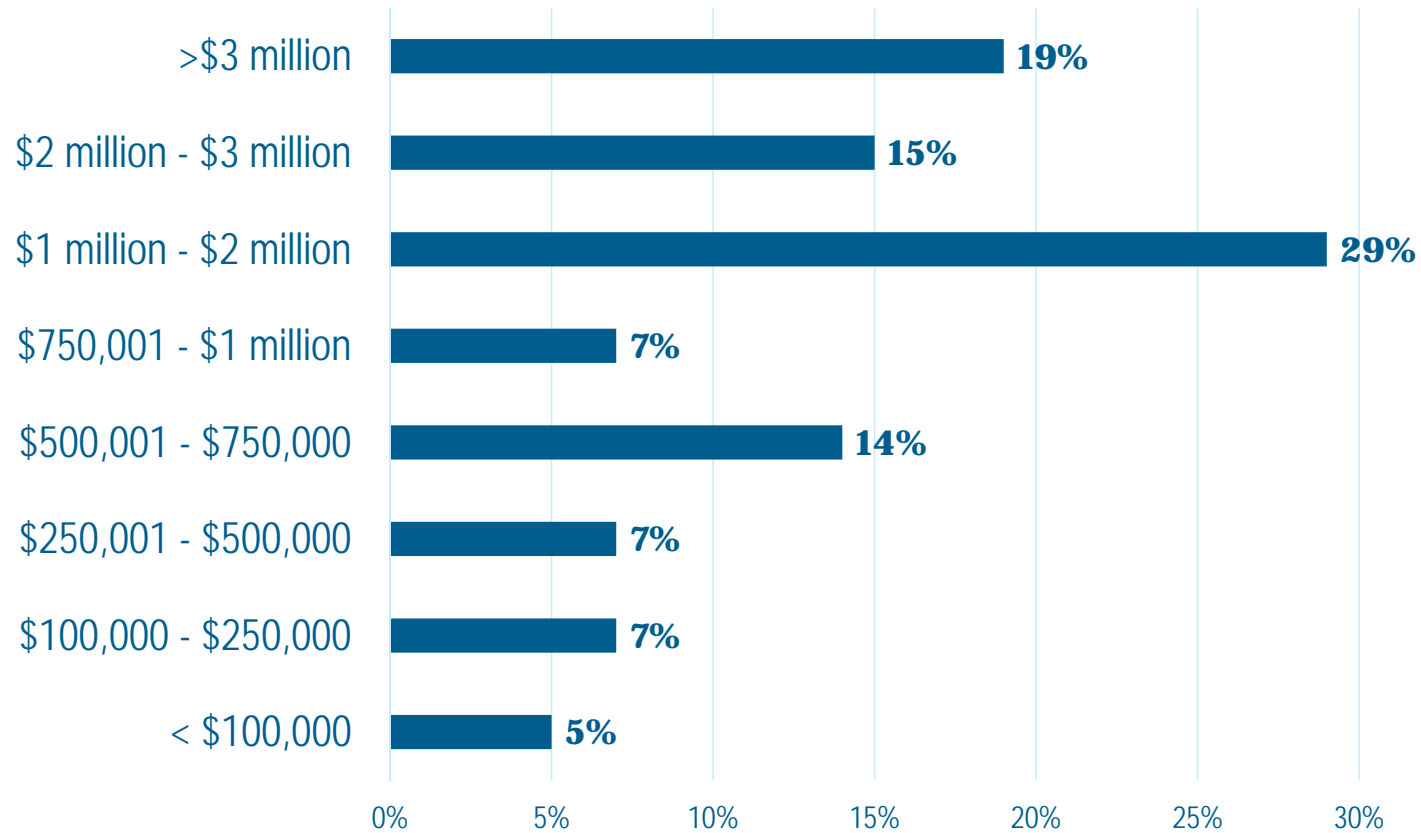
How has your budget changed over the past three years?



Please indicate your state GA budget for most recent fiscal year? (Those with salaries EXCLUDED)



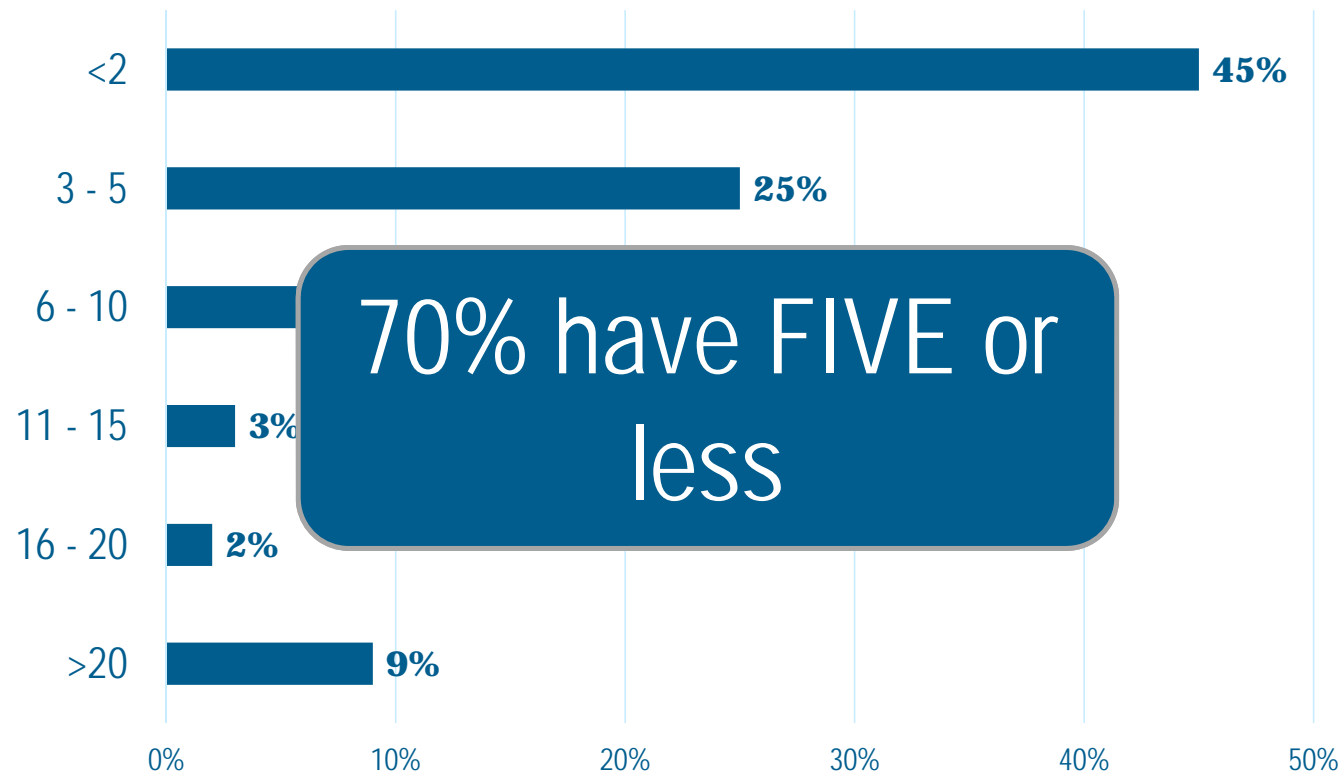
## Please indicate your state GA budget for most recent fiscal year? (Those with salaries INCLUDED)



Due to rounding, numbers may exceed 100%.

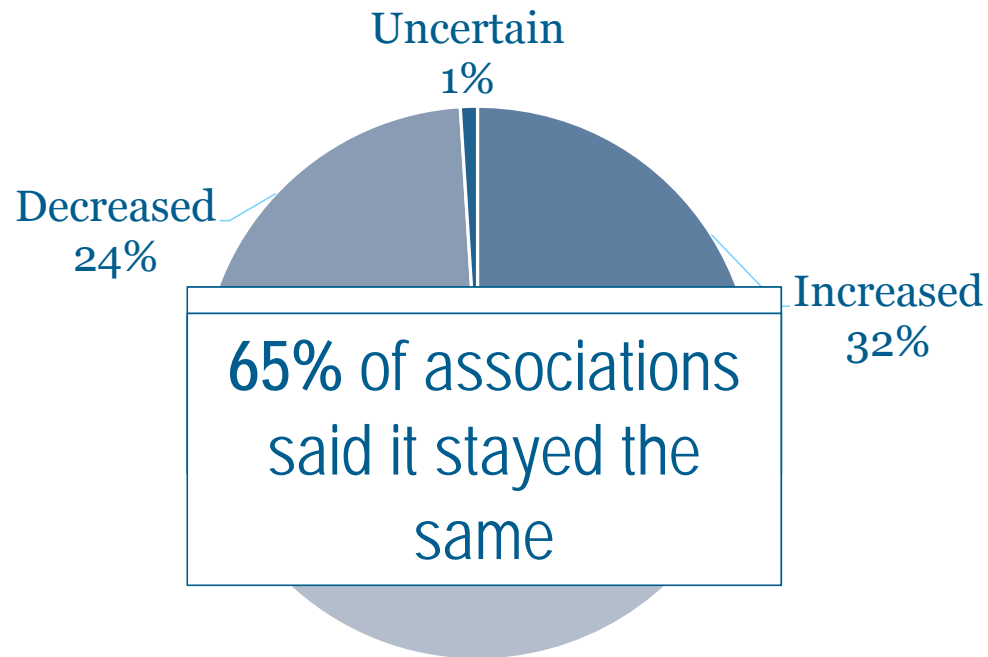


Please indicate the TOTAL number of full-time equivalent (FTE) staff who compromise your GA function?



Due to rounding, numbers may be less than 100%.

What changes, if any, have occurred in the number of FTEs on your state GA staff in the last THREE years?



# What Does This Say?

- Are people seeing the value of state government affairs? And investing in it?
- Do they know the impact of state decisions and regulations?
- Are they recognizing what you/your team do?

# Metrics Should...

- Show how state GA impacts your ability to compete
  - Shape public policy & perception
  - Protect license to operate
  - Preserve and maintain reputation
  - Reduce operating costs/increase revenue
- Be what is expected, when they are expected
- Fit your organization's culture
  - ROI, cost-benefit analysis, internal scorecards, dashboards

**Which of the following metrics are used to measure, benchmark or evaluate the performance of your organization's SGA function?**

**CORPORATE**

Objectives achieved	87%
Legislative/regulatory wins and losses	70%
Internal stakeholder satisfaction	67%
Costs avoided/reduced	55%
Benchmarking	53%
We do not measure or evaluate our SGR function	12%
Balanced scorecard	5%
Other	5%

**THREE most effective:**

- Objectives achieved
- Legislative wins/losses
- Costs avoided/reduced

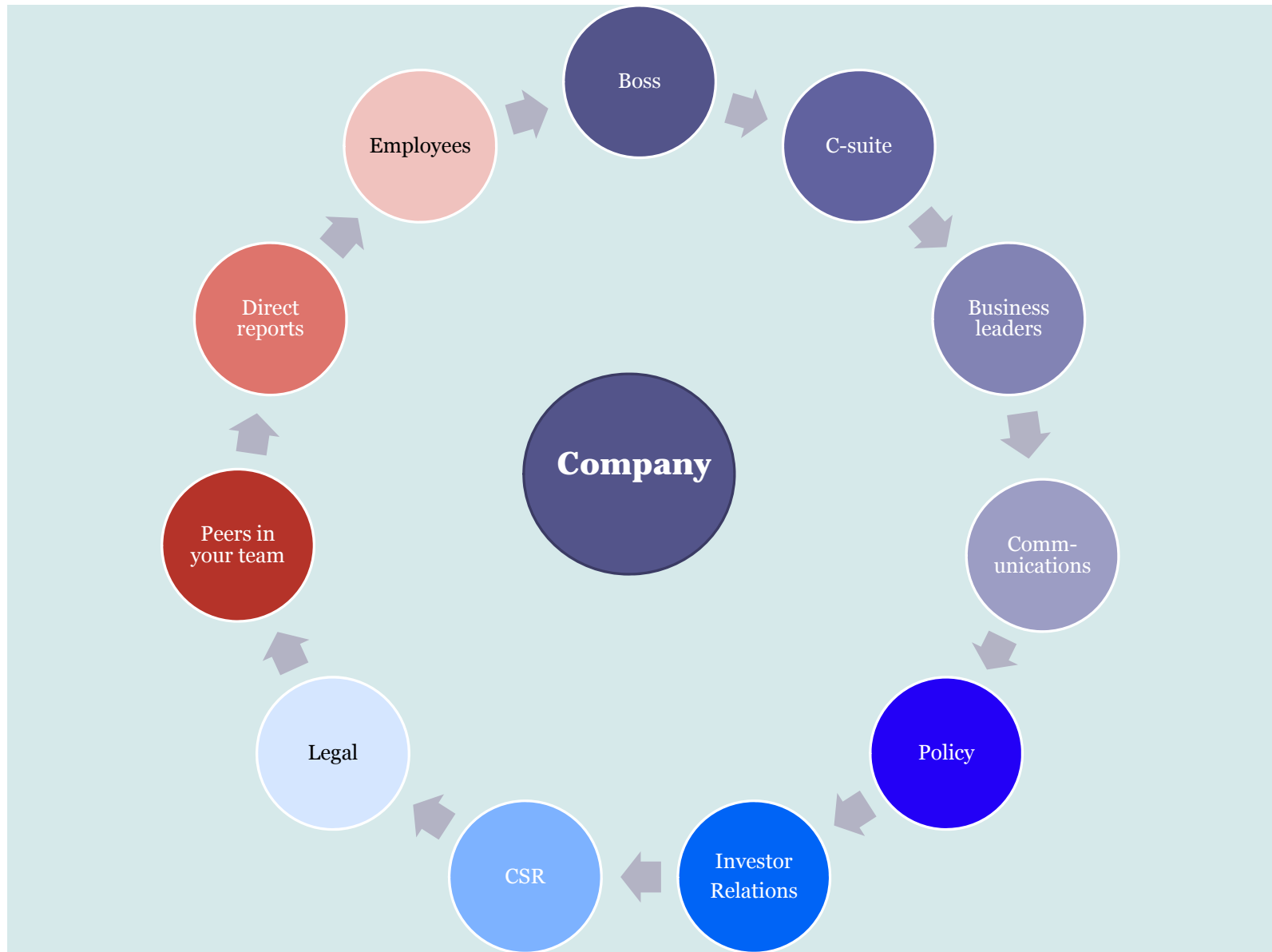
**Which of the following metrics are used to measure, benchmark or evaluate the performance of your organization's SGA function?**

ASSOCIATION



# Favorite Goal for Public Affairs

Decision makers will contact us before they draft legislation, vote, write an article or otherwise make a choice that could impact our industry, communities and/or workforce.





## Ex: Setting GR Expectations

- Be **first company called**
- **Lead** with **integrity, trust** and **judgment**
- Value peers (internal/external) by **seeking feedback**, coaching and support
- Exhibit **innovation** by identifying new policy opportunities, anticipating challenges and forecasting solutions
- Follow company **compliance** both in spirit & letter of law
- Forge **strategic relationships**
- Advance communication that fosters **alignment** across enterprise
- Demonstrate **business acumen** in providing profit protection/generation with outcomes that impact **ROI**

# Measurement Tools:

- Internal/external satisfaction surveys
- Reputational polling
- Employee engagement
- Benchmarking
  - Industry, similarly-sized organizations by revenue or employees, leaders in the field, competitors

# Example: 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 state regs
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 business unit heads	5	5	3	Professional demeanor	Avoid “jargon” when discussing legislation

# Focus Should be on Outcomes

Inputs	Outputs	Outcomes
5 newsletters; on time; on budget	Readership	Impact on behavior; increased understanding of issues
PA Web page up and current	Hits	Change in attitudes and awareness
# events organized	Attendance	Enhanced relationships
# news releases; placed stories	Coverage, recall	Changed opinions/ behavior of stakeholders
Develop sustainability report	Readership; awards	Impact on business behavior; reputation
# meetings with officials	Responses	Influence on policy

- Educate stakeholders constantly
- Relate measures to organizational strategy
- Use quantitative and qualitative terms
- Track performance over time

# Communication

- Relativity
- Speak the language of management and other departments – “bottom line impact & ROI”

# Communications Example: Measurement Dashboard

## **Activity Measures**

*Measures that reflect the central tactical areas of engagement*

- Strategic media relations
- Key influencer outreach
- Thought leadership / executive visibility
- Partnerships

## **Environmental Measures**

*Quantitative and qualitative measures to evaluate the volume and quality of media coverage and thought leadership*

- Media placements
- Coverage tonality
- Coverage of platform themes/messages
- Executive mentions/quotes

## **Perception Measures**

*Stakeholder research to understand how engagement is shaping opinions*

- Third-party reputation rankings and awards
- Proprietary research

## **ROI Measure (Essential)**

*Estimated revenue gain or protection*

- Estimated by reputable third-party/ internal stakeholders

**CUBIST**  
PHARMACEUTICALS



# *Tips on Communicating Value*



- Educate stakeholders constantly
- Relate measures to org. strategy
- Use quantitative and qualitative terms
- Track performance over time
- Relativity (peers, past...)
- Speak the language of management and other dep'ts – “bottom line impact & ROI”

Overshare updates and successes so that you become part of your organization's fabric.

# *Evaluating Contract Lobbyists*

1= Exceeds Expectation

2= Meets

3= Did not meet

- Legislative/Regulatory Outcome
- Amount of time spent lobbying
- Level of importance placed on your issues
- Quality/accuracy of work
- Uniqueness of information
- Time management
- Responsiveness/ communication/ availability
- Skills, knowledge, contacts, reputation



## How to spread the word?

- Short **articles** highlighting leg/reg successes
- **Updates** at every major org-wide meeting
- **Photos** from facility visits, grassroots events, exec. lobbying, delivering testimony, townhalls
- **Video** highlighting success and impact
- Quarterly **Reports**





- Don't view measurement as the end
- Keep the conversations going
- Learn from employees and members how SGR can keep improving
- Focus on outcomes, not output
- Get your voice heard, and remind people you're not a cost center!