

Measuring and Communicating the Value of State Government Relations November 15, 2016

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?

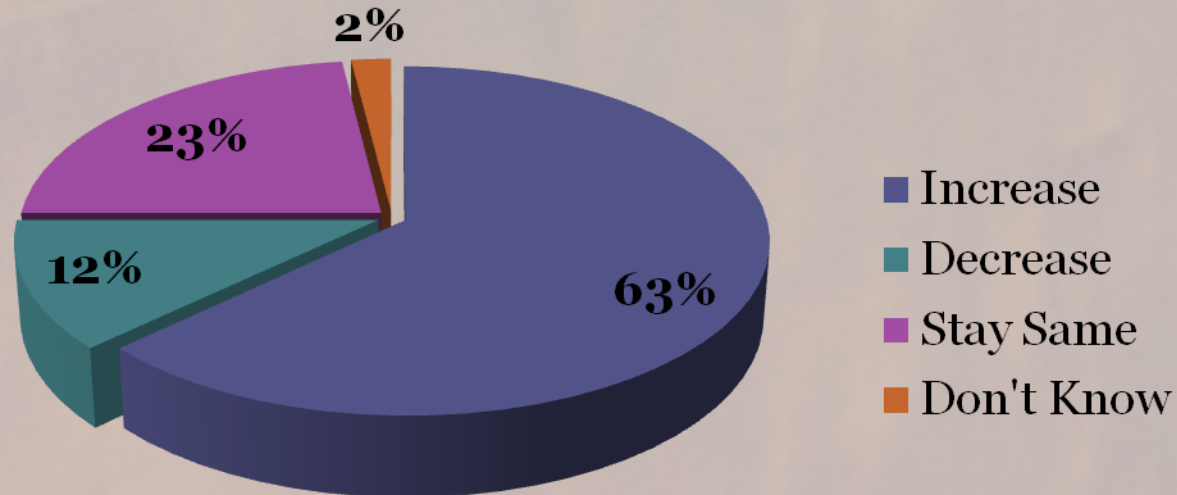
- Avoid being labeled a ‘cost center’
- Increase or at least maintain a solid budget
- Stronger voice in the decision-making process
- Get recognition from senior leadership
- Measurement tools can be used to increase efficiency and allocate resources more wisely

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

-McKinsey Global Survey, 2010



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

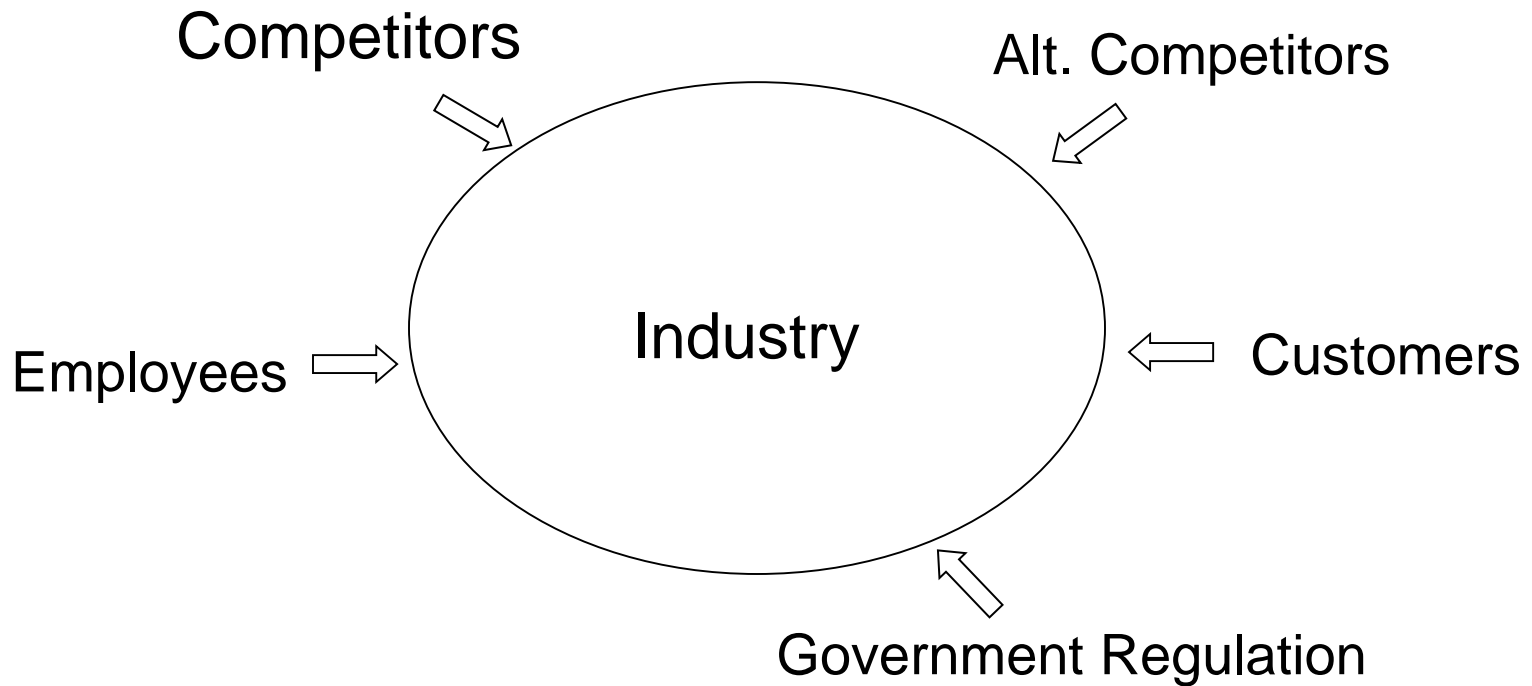


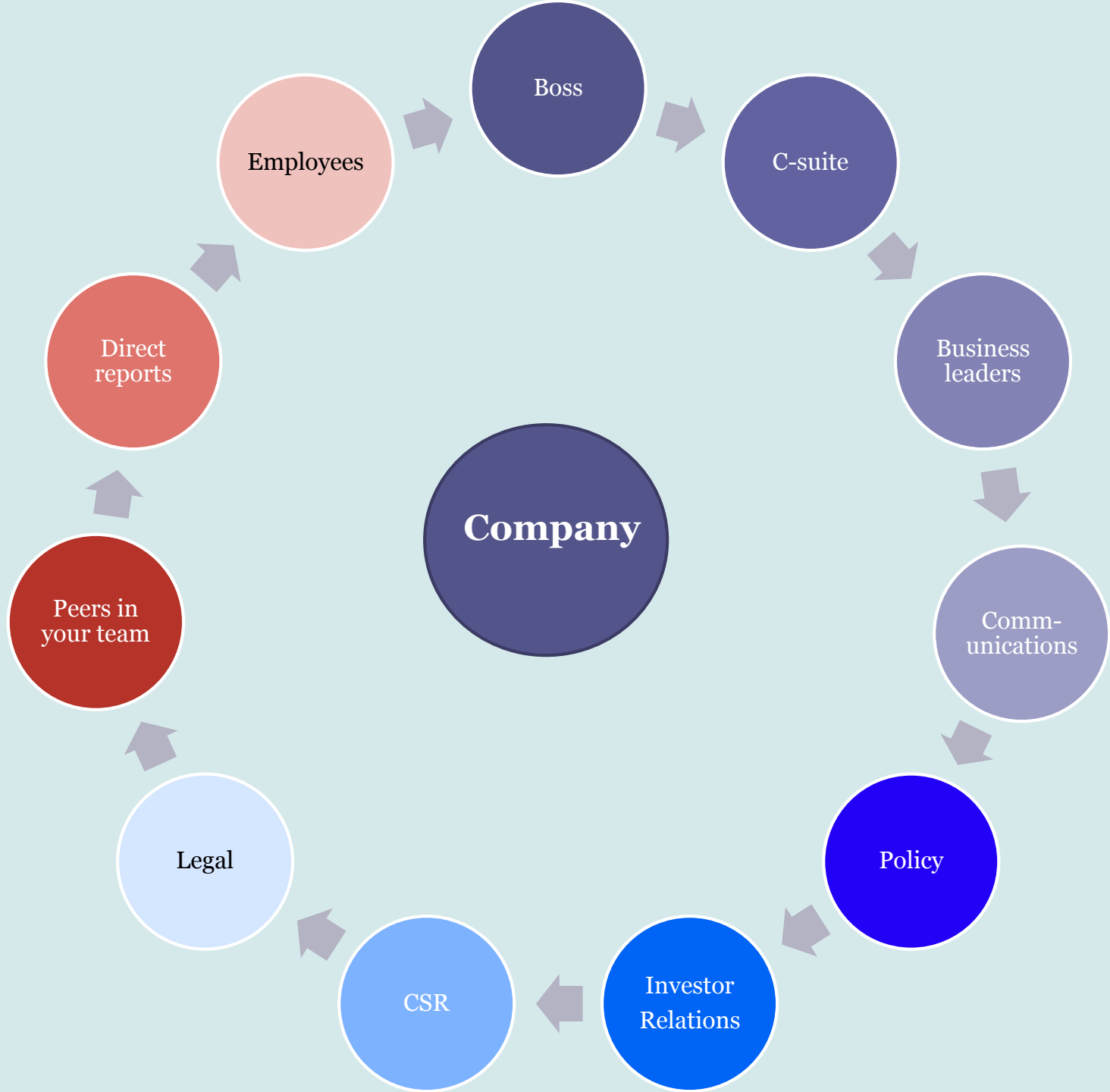
The Regulatory Challenge

- Total costs for Americans to comply with federal regulations reached \$1.806 trillion in 2012. It is more than the GDPs of Canada or Mexico.
- Last 20 years; 81,883 final federal rules have been issued. That's more than 3,500 per year or about nine per day.
- **A new rule every 2 1/2 hours.**
- Regulatory costs amount to \$14,678 per family – 23 percent of the average household income.

Source: US Chamber

The Business Environment





The Value-Add for SGR

- Protecting products and services from unwarranted government regulation
- Helping product managers and SBUs during product/service definition.
- Back regulations that provide a competitive advantage.
 - [Best Practices](#)
- Guard the commercial viability of the marketplace
 - [Strange bedfellows](#)
- Insure that senior management understands the risks and regulatory trends
 - [Regulation roadmaps](#)
 - [GR Updates](#)
 - [Senior management reviews](#)
- Help build a corporate consensus and develop legislative strategies in support of the consensus
- Quantify the GR value-add - ROI

Touch-points for Corporate Government Relations

- Strategic Plan
 - Regulatory Roadmap
- Annual Plan
 - Short term impact
- Business Cases
 - Products and Services
- Reputational - Crisis Management
- Investor Relations
- Public Relations

Corporate Calculus:

Government Relations \$\$ <
Litigation \$\$\$\$

- Studies validate that Government Relations provides a superior return on investment.

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**

“80% of Life Is Showing Up”
Woody Allen

Advocating for your industry/company

- Unintended consequences
- “6000% return for the credit card companies”
- Appreciate your time senator...
- “The _____ State Senate has never been concerned with the constitutionality of anything we have passed?”

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

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!



Questions?

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