

Measuring and Communicating the Value of Government Affairs

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Welcome

Your Host



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- Over 10 years of federal, state and local government affairs
- A native of Illinois
- Entered government affairs arena after law school

Our Agenda

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

Value of Government Affairs

**Federal, State and Local
all matter**

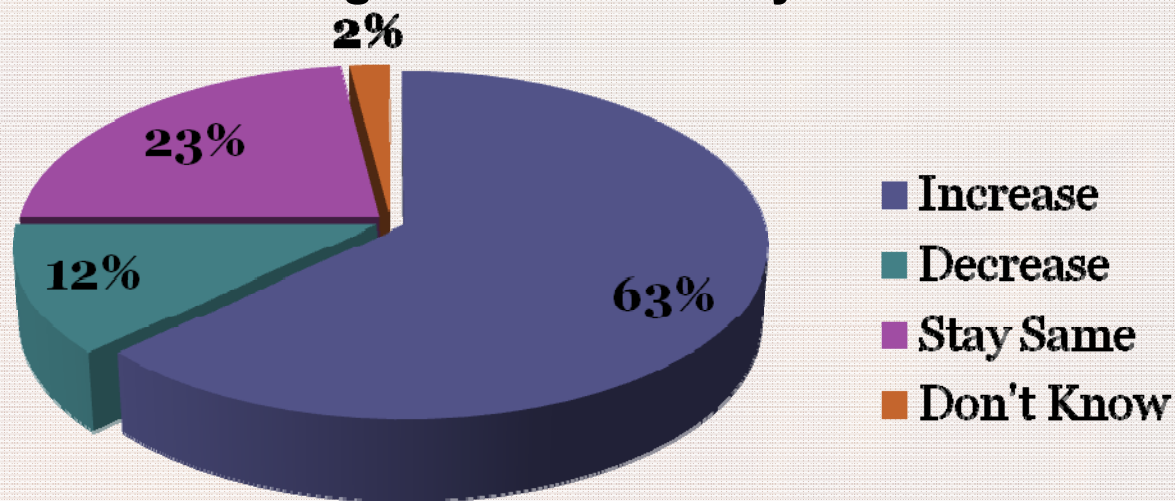
Why spend time searching for value?

- 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
- Increase or at least maintain a solid budget
- Avoid being labeled a 'cost center'

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?



Internal Measurement Methods

A hand is holding a yellow measuring tape against a green chalkboard. The tape is marked in inches, with numbers 2 through 22 visible. A white chalk arrow is drawn on the board, pointing upwards from the bottom of the tape towards the top. The background is a solid green chalkboard.

A lot of this comes from a strong issues management system....

Determine if what your team has delivered was important to your ***organization*** and its strategy

- Did it meet the business needs? Member needs?
- Were internal customers satisfied?
- Gain feedback, so others are bought in, including through internal evaluations of the function

Why Measure?

- Demonstrate value of department and activities (and be recognized for it)
- Monitor and improve reputation
- Showcase impact on organization and community
- Provide guidance for allocating resources
- Measure performance against objectives
- Increase efficiency
- Align and set goals
- Track performance over time to improve processes



Ex: Setting GR Expectations

- Be **first company called** on matters of biotech in Mass.; infectious disease nationally
- **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 customer satisfaction surveys
- Reputational polling
- Employee engagement
- Benchmarking
 - Industry, similarly-sized organizations by revenue or employees, leaders in the field, competitors

Step 1: Agree on what value is

Recognize emerging threats; Shape public policy; Focus skill, networks & resources on **specific company and community issues.**

– *Paper products company*

Manage public policy to impact company's **license to operate** and sell, financial position or public perception.

– *Chemical company*

Protect the company's **reputation and competitive position** among key stakeholders.

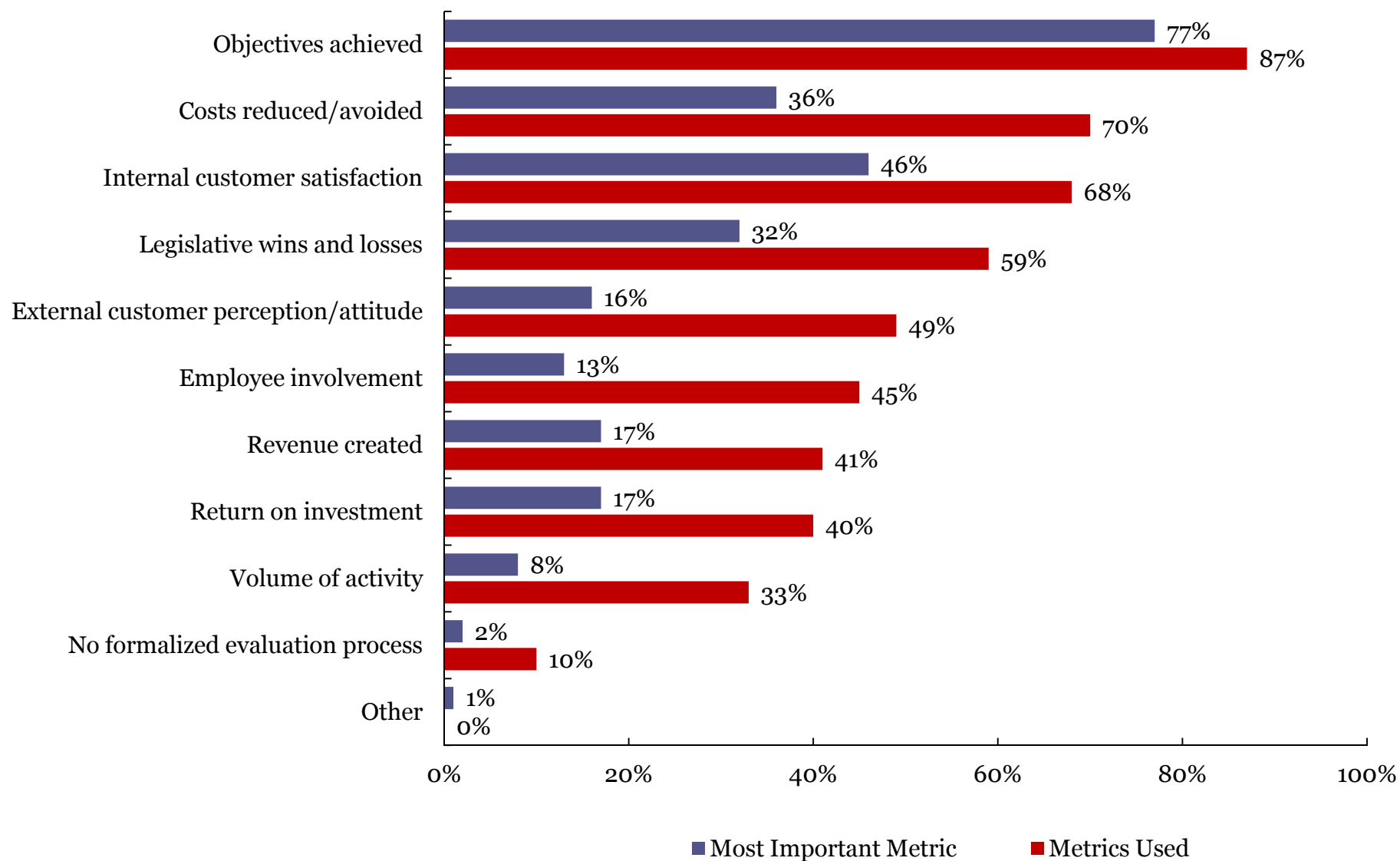
– *Retail company*



Additional areas of 'value'

- Freedom to operate
- Cost avoidance
- Supporting other functions' operations
- Issue escalation avoidance
- Market opportunity
- Market advantage
- Brand image/reputation
- Speed
- Productivity

Performance Measurement Tools



Basics of Measurement

- How does FGR impact the organization's ability to compete?
- What are others doing in this space?
(benchmarking is key)
- Agree on what's measured, how and who is accountable
- Fit measurement system to organization's culture
 - ROI, cost-benefit analysis, internal scorecards

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

Common Pitfalls

- Viewing measurement as the end, instead of the beginning (journey towards improvement)
- Focusing exclusively on legislative or regulatory wins
- Abandoning relationship building because relationships aren't measurable
- Saying you can't quantify impacts of legislation/regulation

Important Distinctions

- Counting vs. Measuring
- Outputs vs. Outcomes

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



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

WHO

Key stakeholders (consider everyone)

WHAT

Plan, goals, progress, needs, successes

WHEN

Regularly: minimum quarterly

WHERE

Everywhere your audience goes: Intranet, newsletters, email, meetings, conf. calls

Elected Official Relationship Mapping

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	Relationships with Electeds and Appointees																				
2																					
3		Best	Good			On Radar			Not Good		Run										
4																					
5		Internal Resources										External Resources									
6		Business Division 1			Business Division 2			Business Division 3			GA Gov't Affairs Dir	Internal Total	External Advocate 1	External Advocate 2	Other Ally 1	Partner	Teaming Partner Rep	Team Total	Other		
7	Name	Value	Staff 1	Staff 2	Staff 3	Staff 4	Staff 5	Staff 6	Staff 7	Staff 8	Staff 9									Comments	Actions
8	Who	#	Contact Order Number																		Term limits Next election Community Involvement Committee Members Picture HERE
9	Governor	3																			engage state lobbyist
11	City Mayor	4	1		2																Term through 2014
13	County Mayor	10	1								2										First term Mayor - thru 2016 2 year interim term(re-elected Aug 2012)
15	Local Congressman 1	2		2						1									Miller		Term through 2015 Major player in the future Rep party
16	Local Congressman 2	2		2						1									Miller		Term 2015 Previous PAC support
17	Local Congressman 3	3		2						1									Miller		Term through 2015 Previous PAC support
18	County Commissioner D1	8		1						2											
19	County Commissioner D2	6	2	1																	Community involvement help in p
20	County Commissioner D3	8	2	1																	History of past support
21	County Commissioner D4	2		2						1											
22	County Commissioner D5	8	1																		

Look at trends

Competition Relationship Mapping

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	Competitors																	
2																		
3			Best	Good			On Radar		Not Good		Run							
4																		
5																		
6			Competitors															
			Rep 1	Rep 2	Rep 3	Rep 4	Rep 5	Rep 6	Rep 7	Rep 8	Rep 9	Rep 10	Rep 11	Rep 12	Rep 13	Rep 14		
7	Name	Value	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8	Comp 9	Comp 10	Comp 11	Comp 12	Comp 13	US	Comments	Actions
8	Who	#																
9	What																	
10	Mayor	9	Blue	Grey	Green	Grey	Green		Blue		Grey	Blue		Blue		Green	Access through lobbyists	
11	Client Director	10	Yellow	Green			Green		Green		Grey	Blue		Yellow	Red	Blue	Long memory/ likes local firms Values relationships	
12	Client Staffer 1	10	Yellow	Grey			Blue		Green	Grey		Green		Green	Yellow	Blue	Values locals/ Can't be trusted Can only be removed by Director	
13	Client Staffer 2	9	Yellow	Green			Green		Green						Grey	Blue	Dad is influential Strong director believer	
14	Client Staffer 3	9	Green	Green			Green				Grey			Green	Grey	Green	Likes others	
15	Client Staffer 4	9	Red	Yellow	Grey		Blue	Grey	Grey	Green	Grey			Green	Red	Blue	Likes us	
16	Client Staffer 5	6	Blue	Green	Green		Grey			Grey	Grey			Grey		Green		
17	Client Staffer 6	7		Blue	Red											Green		
18	Commissioner D1	8	Blue	Green	Green		Grey			Grey	Grey						Pragmatic	
19	Commissioner D2	6	Green	Green	Green		Green			Grey				Green			Possibly out in the next couple years	
20	Commissioner D3	8		Yellow	Green		Green		Green			Green			Grey	Blue		
21			Red	Green			Green			Grey								

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

Show Value: Executive Engagement

- Goals: increase engagement & coordination
- Recruit executives
- Consistent training and templates
- Communicate regularly (progress & success)
- Accountability
- Recognition for high achievers

How to spread the word?

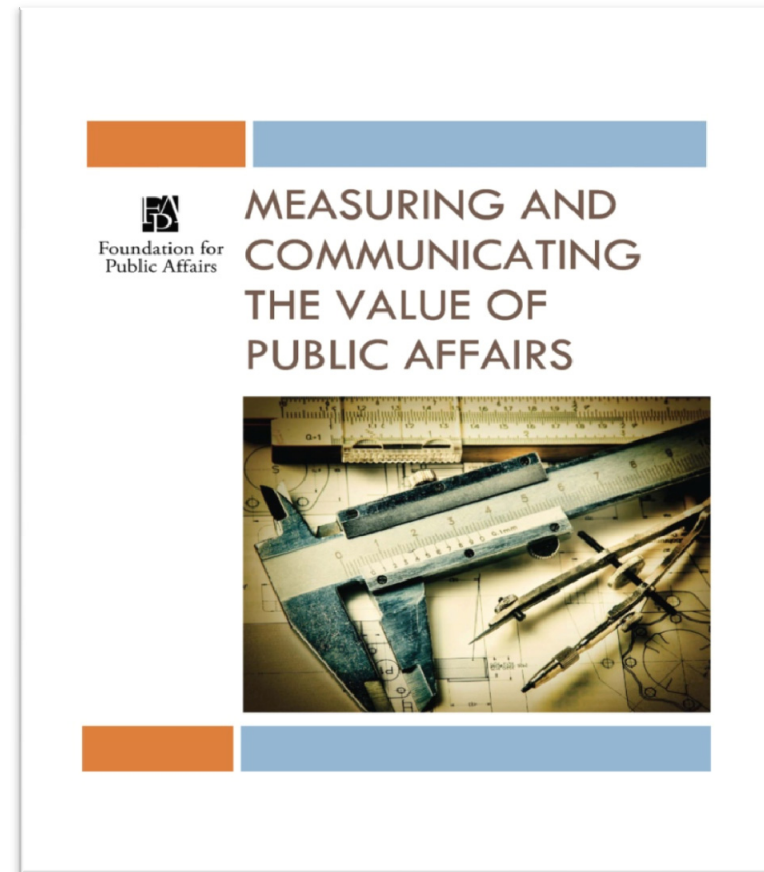
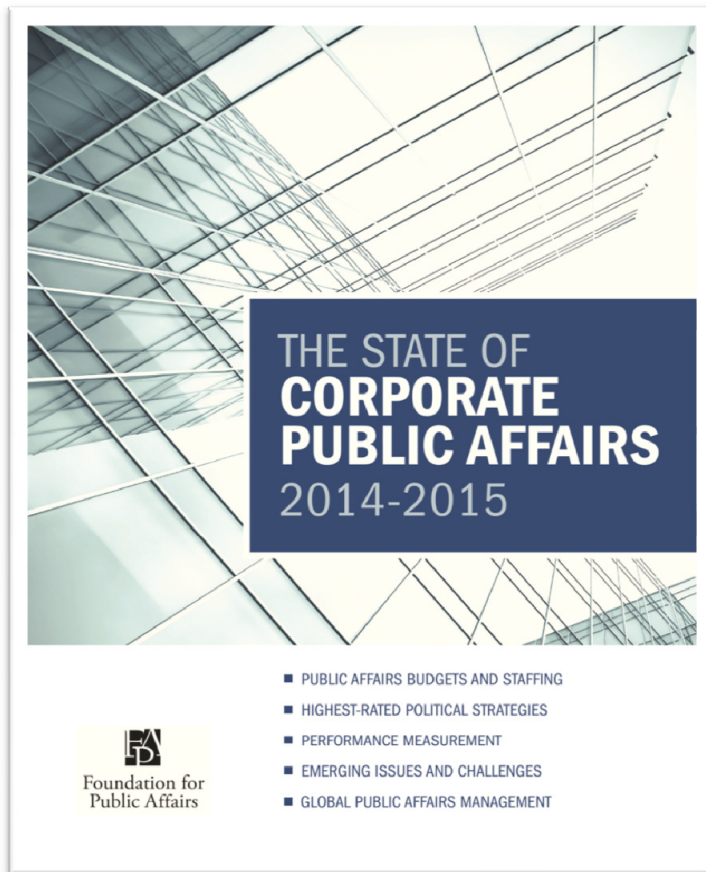
- Short **articles** highlighting leg/reg successes
- **Updates** at every major org-wide meeting
- **Photos** from lobby days or fly-ins, and articles about D.C. developments
- **Video** highlighting success and impact





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

Additional Resources



<http://pac.org/publications>

Questions?

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