

Government Relations from Next Door, Up the Hill and Around the Globe



Public Affairs Management Seminar
June 10th, 2014

It's much more than just **lobbying**.

Working in this space, you're:

- Directly responsible for helping to protect the reputation of your organization and industry.
- Directly responsible for ensuring a license to operate for your organization
- Your organization's voice – to policymakers and often the public

In order to be successful, you need to:

- Think globally, even if you work locally - If you work globally, you need to remember that priorities grow from the local-level
- Collaborate with other functions frequently - Internal lobbying is extraordinarily important
- Know the business and the industry inside and out

What does it
mean to work in
'Government
Relations'?



And Globally Speaking



Global Government Relations – **GR²** *Multi-dimensional*

Drivers:

- Same as home market – and often more critical.
 1. Often greater complexity and risk / more government intervention / cross-border and multilateral aspects
 2. License to operate an absolute / different standards
- Global imperative - for many U.S. and European based global companies, overseas markets are their current and future sources of growth.

Challenges:

- *External* - how to engage and advocate consistently across a varied terrain of cultural/socio-political environments, government systems, etc.
- *Internal* – resourcing and coordination. Protecting the business where you need it most.
 1. Providing support to markets with dedicated GR.
 2. Finding and training talent / third-party resources
 3. Coordinating across borders
 4. Compliance – FCPA, UK Bribery Act, EU JTR

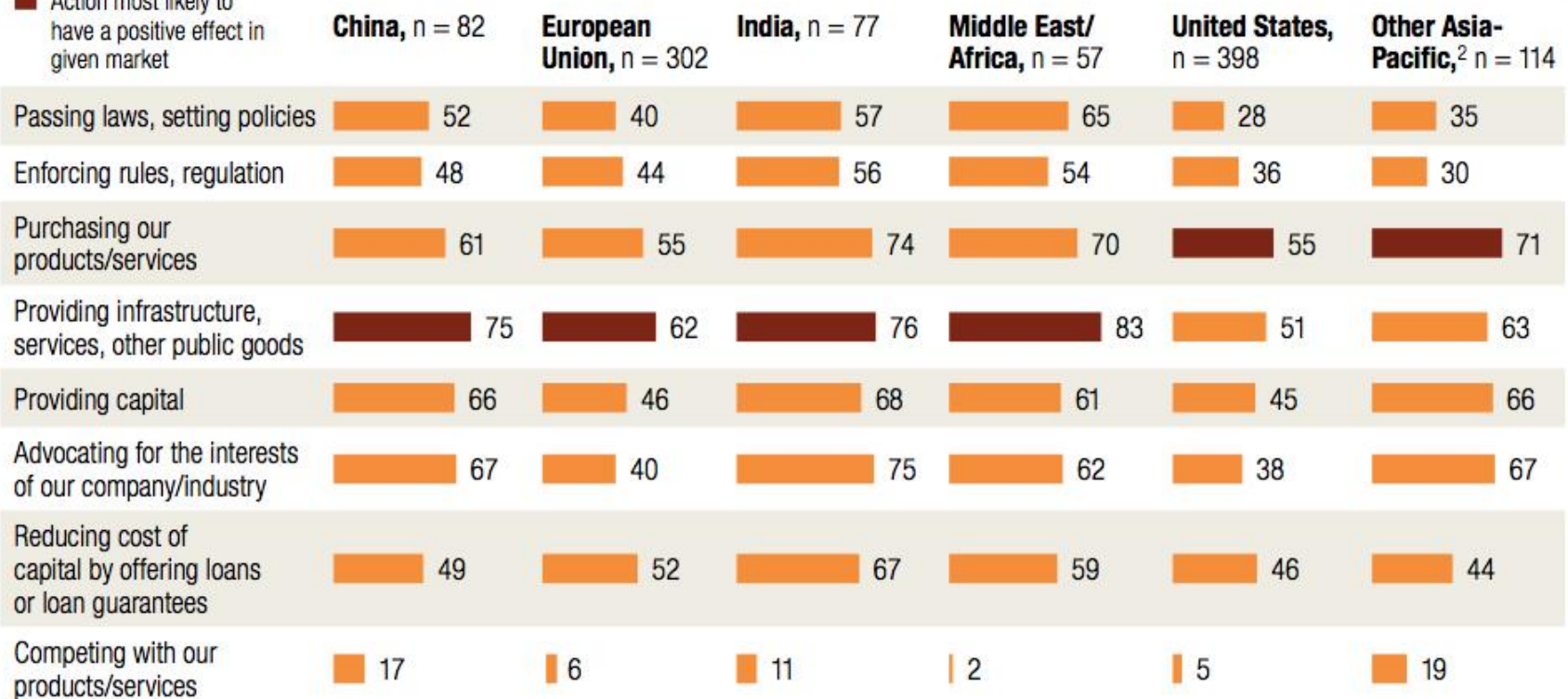
Managing Opportunity as Well as Risk

Which of the following activities that government might engage in will have the greatest effect on your company's economic value in the next 3–5 years, and how will they affect the economic value?

Always positive or more positive than negative effect

Action most likely to have a positive effect in given market

By primary market



FAQs about Government Relations

How do other organizations structure these functions?

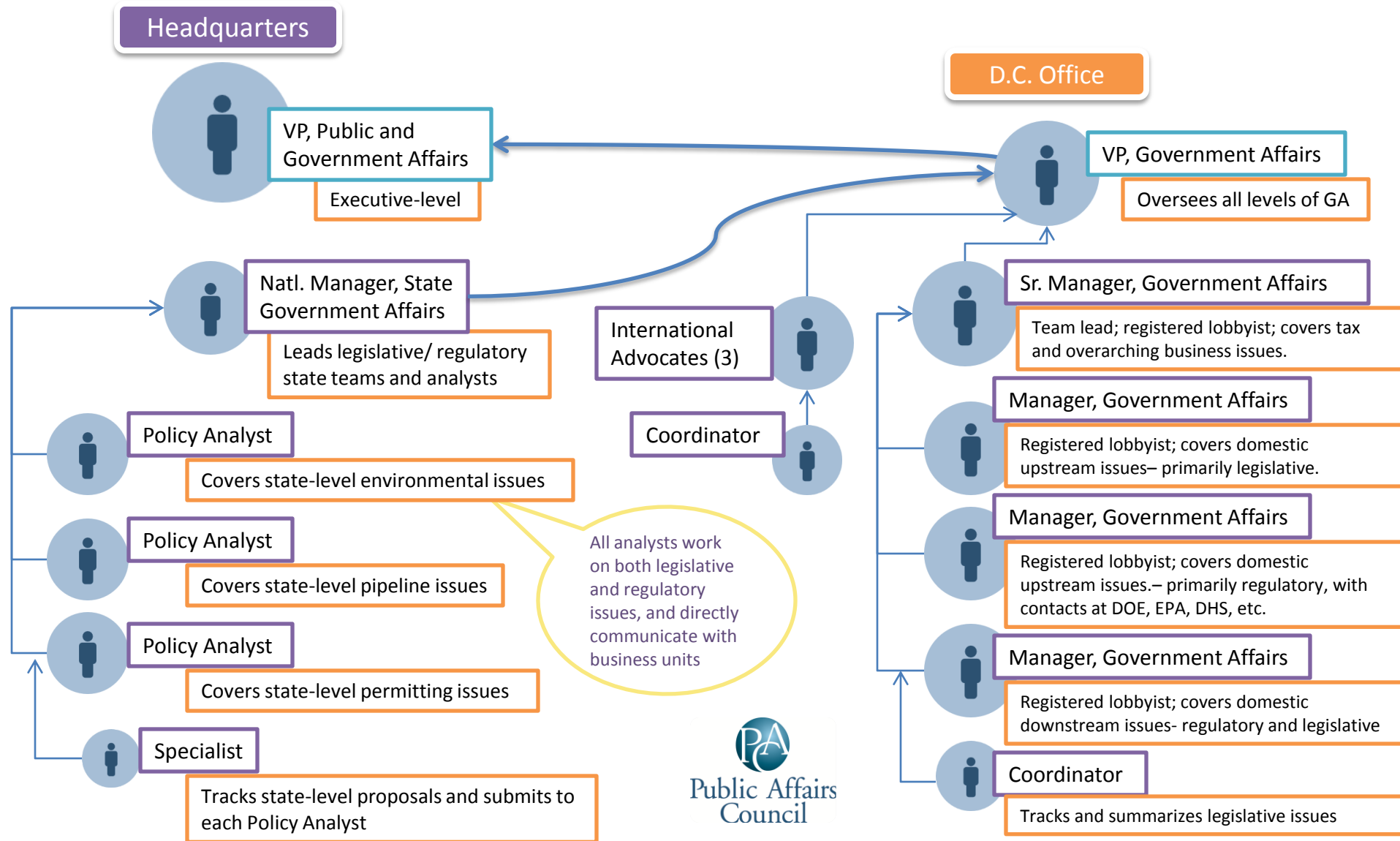
How can we get cross-functional collaboration?

What are the core competencies of someone working in this space?



Sample Government & Regulatory Affairs Structure Fortune 100 Company

The government affairs and advocacy process in this company is grounded in what the **business** wants and needs. Many of the issues, especially those that are regulatory, are raised by a business unit's legal advocate or counsel.



Different Levels of Collaboration Based on Structure

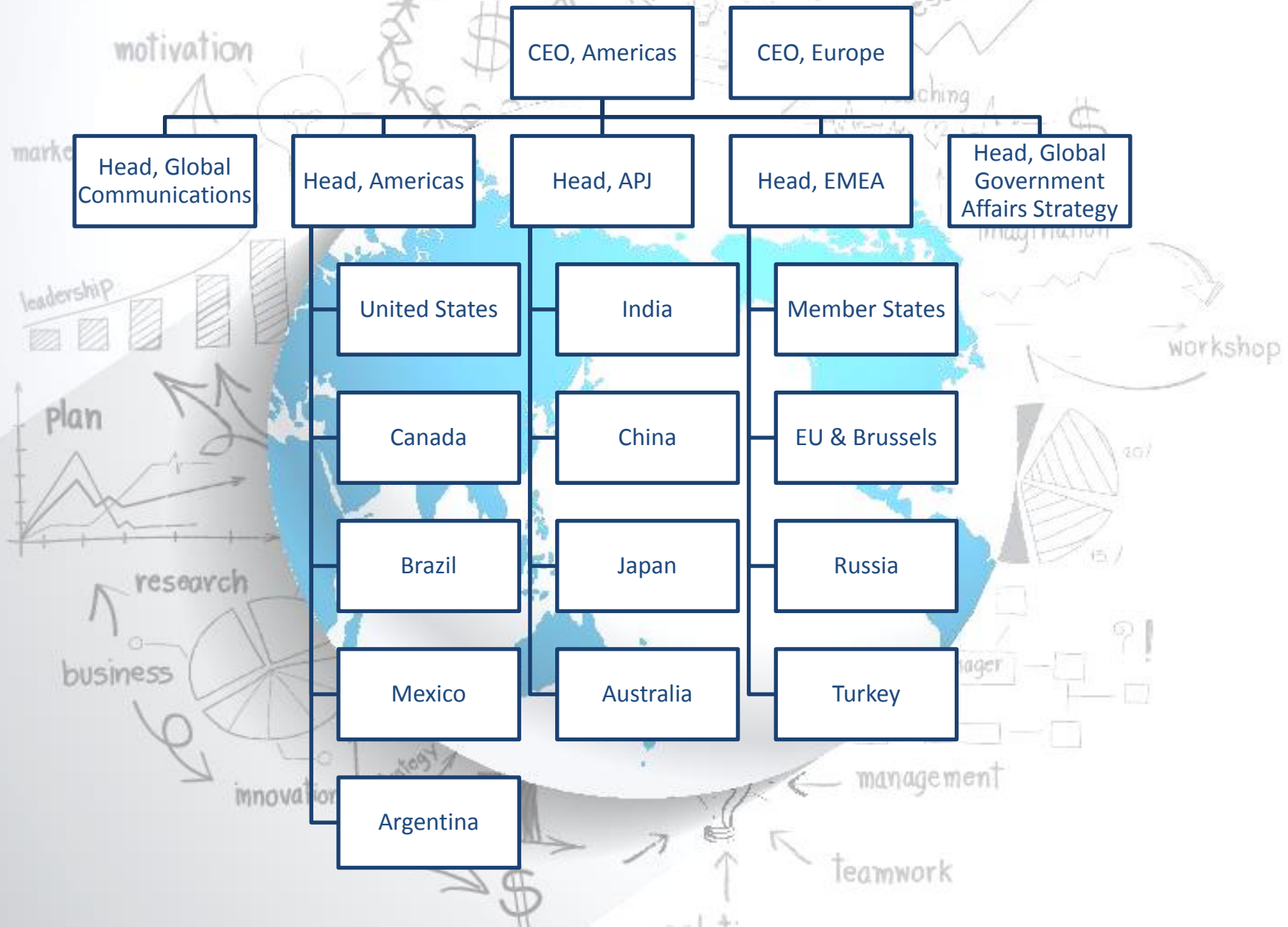


This structure makes collaborating with communications easier. It also means that you are already in close proximity to the CEO or Association President



This structure makes collaborating with communications challenging, and means minimal messaging will go out without legal's approval. You are also further from the CEO or Association President.

On a global scale...



Internal Communication



Draws on **external** (public opinion, news) and **internal** updates (new initiatives and business ideas).

Maintain two-way communication channels:

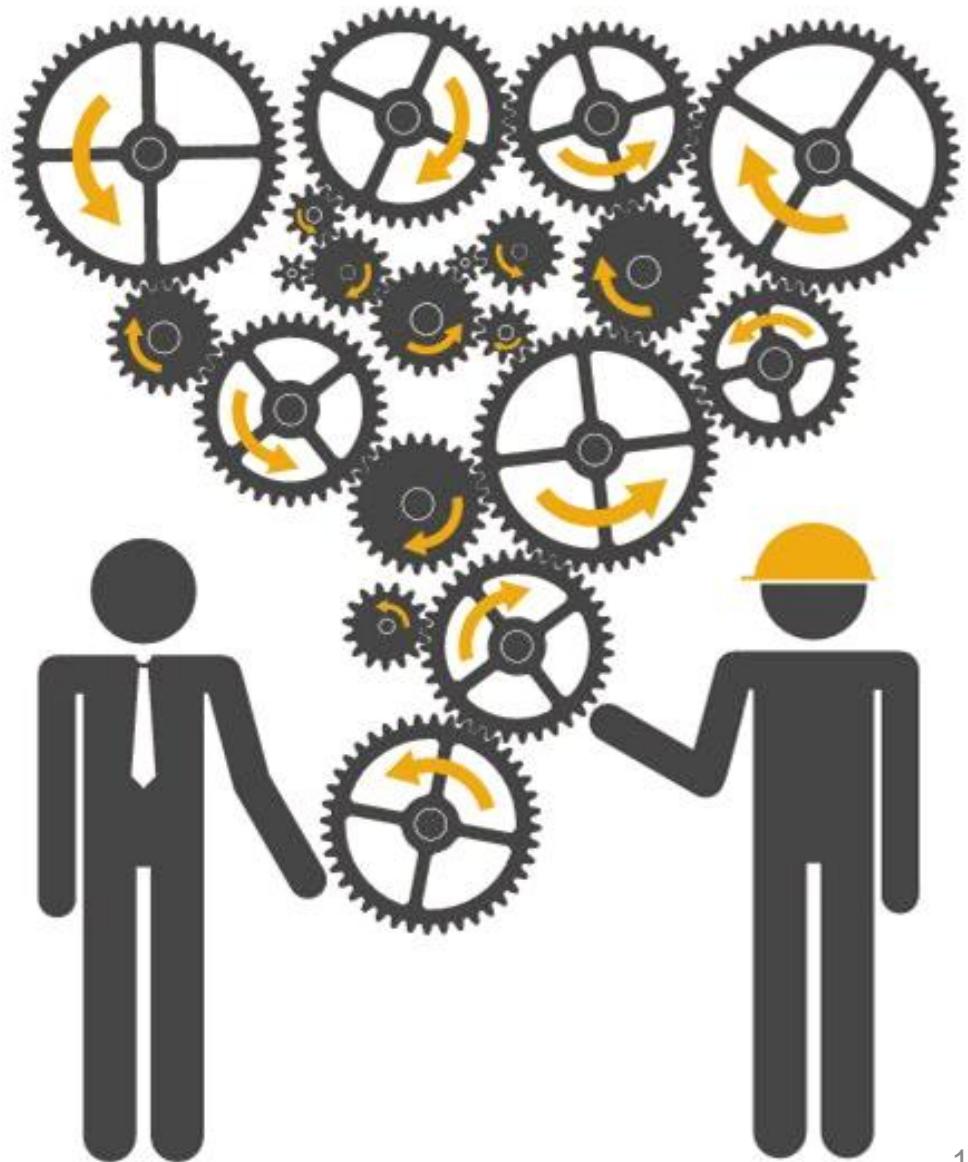
- Consistent meetings and reporting processes including input from **FGR, SGR, local, business units, regulatory, CSR & Community Engagement**.
- For global teams, consider weekly call per region and regular updates pushed back out into markets.
- Important to come together as team in-person at least once a year



Cross-Functional Collaboration

All functions within an organization have to **work together to yield success**. If government relations works with other functions, you will find:

- Greater **network** of supporters
- Broader **audience**
- **Executive** buy-in
- Preemptive **awareness** of issues
- Easier **crisis and risk-mitigation**
- Increased work **efficiency**
- **Management** of high priority issues
- Message **consistency**
- Ability to act **proactively**



Core Competencies

- Comprehensive knowledge of the legislative process, and all those involved
- Knowledge of the regulatory process and all those involved
- Ability to prioritize issues and quickly analyze their impact on your industry



- Extensive communications skills- written and verbal
- Capacity and demonstrated willingness to collaborate with other functions
- Awareness of trends in states and localities outside of your role's direct responsibility

International Public Affairs Competencies: Case Study

Identified Competencies

Influential Leadership
Advocacy
Business Acumen
Global Mindset
Relationship Building
& Networking
Persuasive
Communication
Policy Analysis &
Development
Prioritization
& Judgment
Project Management
Government Insight
External Monitoring




Proficiency Levels

Expert - The job requires an *extensive* application and understanding of the competency. Employees *serve as the authority* in the competency's knowledge, skill, or ability.

Leading - The job requires a *broad* application and understanding of the competency. Employees *direct and/or teach others* about the competency's knowledge, skill, or ability.

Applying - The job requires a *capable* application and understanding of the competency. Employees *apply* the competency's knowledge, skill, or ability with little direction of others.

Learning - The job requires the *basic* application and/or understanding of the competency. Employees are *learning to apply* the competency's knowledge, skill, or ability through the direction of others.



Conduct
**internal
evaluations**
and
Establish a
**Feedback
Loop**

**Ask the rest of the
organization if:**

- They understand what government relations does
- Government relations is addressing the right priorities
- Government relations is accessible enough
- Government relations provides the right materials
- Government relations is aligned with the organization's character