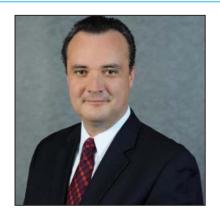
Public Affairs Council

Public Affairs in Mexico April 21, 2016

By: Roberto Rivera Mier Public Affairs Director Tyco México, Central America & Colombia



Bio



Roberto Rivera is Director of Public Affairs for Tyco in México Central America & Colombia. Tyco is the world's largest Security and Fire prevention Company.

Tyco has operations in over 50 counties, over 70,000 employees, over 3M customers.

Roberto leads Mexican, Central America & Colombia Public affairs Efforts.

Based in México his responsibilities include:

- Supporting the Corporate Social Responsibility efforts in México.
- Leading the Police relationships due to the alarm systems "ADT"
- Media relationship, the spokesman.
- Chambers & Association.

Currently is:

President of the Mexican Association of Private Security Companies. "AMESP" Coordinator of the Public Affairs Committee at the Mexican Fire Association "AMRACI" Elected representative of the State Council of the Private Security, at State of México.

Roberto is certified as operations officer in aeronautics, by ENCA Aviation School.

He holds a degree in "Customer Care" from Anahuac University.

He holds a degree in "Call & Contact Centers" from Anahuac University.

He holds a Diploma as Green belt in Six Sigma & Lean Program, by TYCO.

He holds a degree in Lobbying & Political Negotiations from Ibero University

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Agenda

- ☐ México´s political overview and its challenges as a federation
 - Government levels and "Security" in México as a concurrent activity
 - Congressional structure
- ☐ Case of study: Amending the

"General Law of the National System of Public Security" in México

- ➤ A view of the private security business in México
- > The emergence of a new security law
- Challenges and threats
- Building a strategy
- > Final remarks
- ➤ Q&A



México's Political overview and its challenges as a federation



Congressional structure

500 Deputies (3 years)

- 300 by the principle of relative majority 200 by the principle of proportional representation

128 senators (6 years)

- 64 senators by principle of relative majority 32 senators largest minority
- 32 senators by principle of proportional representation

2 Regular periods

- **September 1st to 15 December**
- **February 1st to April 30**





























A new security law emerges: background

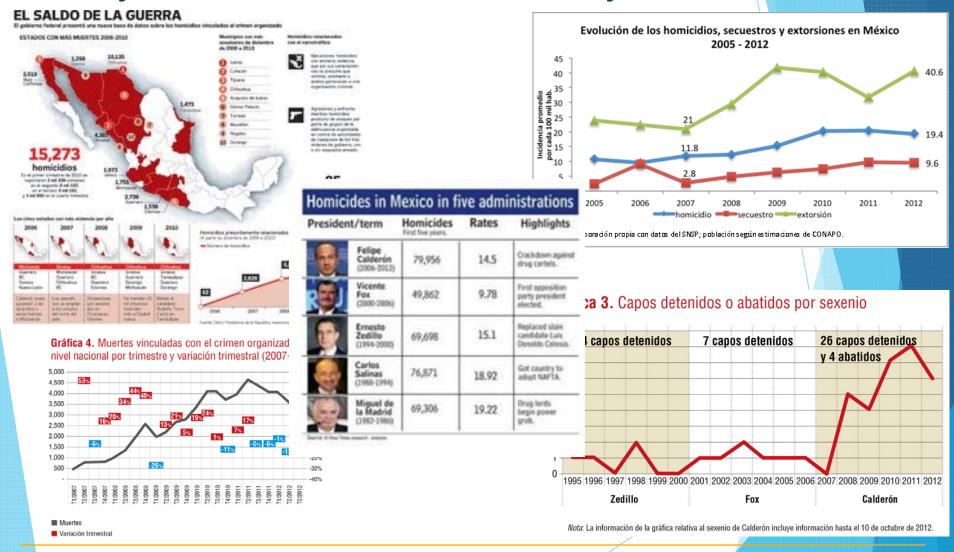
The "General Law of Bases" into the "National System of Public Security" is created.

"... it is a State duty to register and if necessary, authorize individuals or corporations to provide this sort of services, except those operating in several states, case in which the authorization of the Secretary of Government will be required (Secretary of Public Security - Federal").











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A new security law emerges: background II

2. January 2009, the General Law of the System is issued, the previous is abrogated.

This new Law regulates the rendering of Private Security Services, specifically in Article 150 that expressly states:

Article 150.- In addition to fulfilling the dispositions of the Federal Law on Firearms and Explosives, individuals rendering services of security, protection, surveillance or personal safekeeping, as well as safekeeping of places or establishments of goods and bonds, including their transfer; shall obtain prior authorization from the Secretary when the services are rendered in two or more federative entities; or from the "Local" administrative authority established by local laws, when the services rendered are within the territory of only one entity.

In case of having a Federal authorization, authorized individuals must also fulfill local regulations.



Challenges and threats:

- ☐ States and Municipalities have authority to regulate
- ☐ The coordination system is broken
- □ Requirements to operate are exponentially multiplied
- ☐ Substantial penalties may arise





Creating a strategy & answering questions:

- ☐ Are we prepared for this threat?
 - Do we know how to deal with this issue?
 - Does the business understand the impact of the bill?
 - Our PA responsibility in this full understanding
 - Silent about the embarrassment of not knowing how to solve this issue. (Ashamed)
 - Experienced firms oriented to:
 - Executive
 - Legislative
 - Judicial



Creating a strategy & answering questions:

- Within the initiative:
 - Who raised the bill?
 - What is the purpose of the bill?
 - Who supports the bill?
 - The beneficiaries: Unions, Associations, Parties
 - Does the initiative have chance of passing?
 - Why now? (Political moment?)

"In politics there are no coincidences"





Creating a strategy & answering questions:

- ☐ Within our business:
 - How does this bill affect / could affect our businesses?
 - The need of being monitoring the local congresses
 - What is the potential impact?
 - Revenue, Ebit, Cash flow?
 - Leaving the country?
 - When will the impact could begin?
 - Time frame? (Short, middle and long term)



Creating a strategy & answering questions:

- Within our market:
 - Are we alone in this?
 - Who else has been affected?
 - Who could be a beneficiary?
 - Possible allies in sight?
 - Proud, but lonely. (The common risk of been isolated).





Creating a strategy & answering questions:

□ Stakeholder Mapping

Select and place the actors according to their role as:

- <u>Decision makers</u>: President, Senators, Deputies,
 & Local Congresses
- Influencers: Political Parties, Secretaries of State,
 Governors, Supreme Court, Chambers and
 Business Associations, Unions
- Peripheral: Media, opinion leaders, universities and research centers, grassroots, district leaders etc.



Now, for the answers:

- □ Key actors
 - How to find them?
 - How to approach them?
 - What to say & how to say it?
 - What are the deliveries?
 - What is the follow up to do?

3 Vital Actors:

- The Champion
- The President of the committee
- The Technical Secretary



"As neurons, politicians are interconnected through networks"





What happened with the security law?

Chronology at house:

- Filed on February 9, 2012.
- <u>Dictated firs</u>t reading on March 6, 2012,
- Adopted as opinion to discussion on April 10th, 2012.
 Here, in plenary session of the Chamber of Deputies it was approved in general and in particular with 253 votes in favor, 33 against and 6 abstentions.
- Turned over to the Senate on April 11, 2012.
- Approved by the Senate on April 25, 2012.
- Published in the Official Journal of the Federation on June 6, 2012.



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Summary: Main Public Affairs Challenges and Solutions

- Having a deep understanding on the issue.....
 by asking the right questions
- 2. Negotiating with public affairs "Institutional firms"... by knowing the "sharks on the water"
- 3. Finding strong allies... through strategic stakeholder mapping
- 4. Dealing with congressmen... by getting "enough muscle"
- 5. Building media relationships... by recognizing trusted voices



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Q&A

