Public Affairs Strategic Planning

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Today's Discussion

- Situational analysis:
 - -SWOT
 - Stakeholder analysis
 - Assess staff, structure and other resources
 - Benchmarking
 - Issues management process
- Mission, Vision, Planning
- Plan Components







Trends in Strategic Planning

- Overlap stakeholder analysis with issues management in plan
- Plans are 3 years, max
- Long-term is the aspirational, not the plan
- Don't plan for every scenario
- Engage many stakeholders in the process



• <30% of executives said their external affairs group had the organizational setup and talent necessary to succeed

 Three organizational principles leading companies apply to decrease problems, increase value

> McKinsey Quarterly: Organizing the governmentaffairs function for impact, 2013



1.) Clarify Scope and Structure

- Top companies excel at economic analysis and stakeholder engagement
- Tasks like identifying issues early and gathering compelling international benchmarks anticipate broader range of outcomes
- Understand and map stakeholders



2.) Orchestrate Activities Across the Business

- Stay connected to business; never get isolated
- Proactive issue identification and early engagement
- Function = "broker of intelligence"
- Ex. Host ongoing roundtables to help colleagues in other functions understand/address/respond to regulatory issues



3.) Build Talent and Accountability

- Leaders coordinate effectively across business units, getting – and keeping – respect and attention of senior management
- Cross-pollinate talent with rotation programs moving staff between PA/business units
- Ex. PA training for every C-Suite executive upon promotion
- Clear metrics





SWOT: Considerations

- Situational assessment
- Ask internal and external stakeholders
- Ground rules (helpful to have facilitator)
 - -Open
 - Candor
 - Discourse: there is no right answer
- Highlight strongest in each category
- Plan may turn weaknesses to strengths; threats to opportunities



Stakeholder Analysis

- Prioritize where time and resources go
- Are you focusing in the right places?
- Stakeholders are internal and external constituencies
- Can analyze by segment (EU Commission officials or legal department) or specific individuals (Commissioner Valdis Dombrovskis or Deputy Chief Legal Counsel)



POWER + LEGITIMACY + URGENCY

(seven Ds)

Latent (possess 1 attribute):

- 1. Dormant power, but no legitimate or urgent claim
- 2. Discretionary legitimate claims, but no power to influence
- 3. Demanding urgent claims, but neither power nor legitimacy

Expectant Stakeholders (possess 2 attributes)

- 4. Dominant stakeholders have powerful and legitimate claims
- 5. Dangerous stakeholders have power and urgent claims, but lack legitimacy
- 6. Dependent stakeholders lack power, but have urgent and legitimate claims

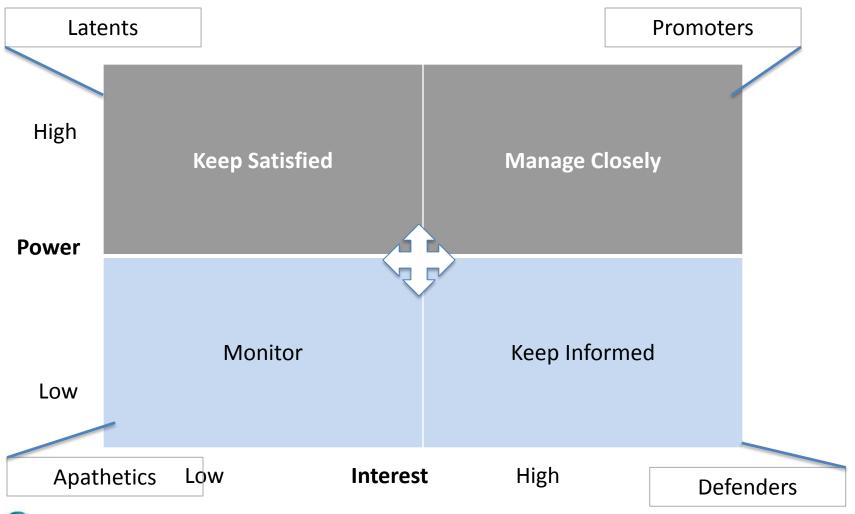
Definitive Stakeholders (possess 3 attributes)

7. Have legitimacy, power and urgency

Joep Cornelissen, Corporate Communications



Stakeholder Prioritization





Staff Assessment: Competencies



PA Team Self-Assessment: Public Affairs Competencies

- Ethics
- Policy expertise
- Grassroots mobilizing
- Political education
- Coalition management
- Social media
- Public/media relations
- Issues management
- Direct lobbying
- Market-specific knowledge

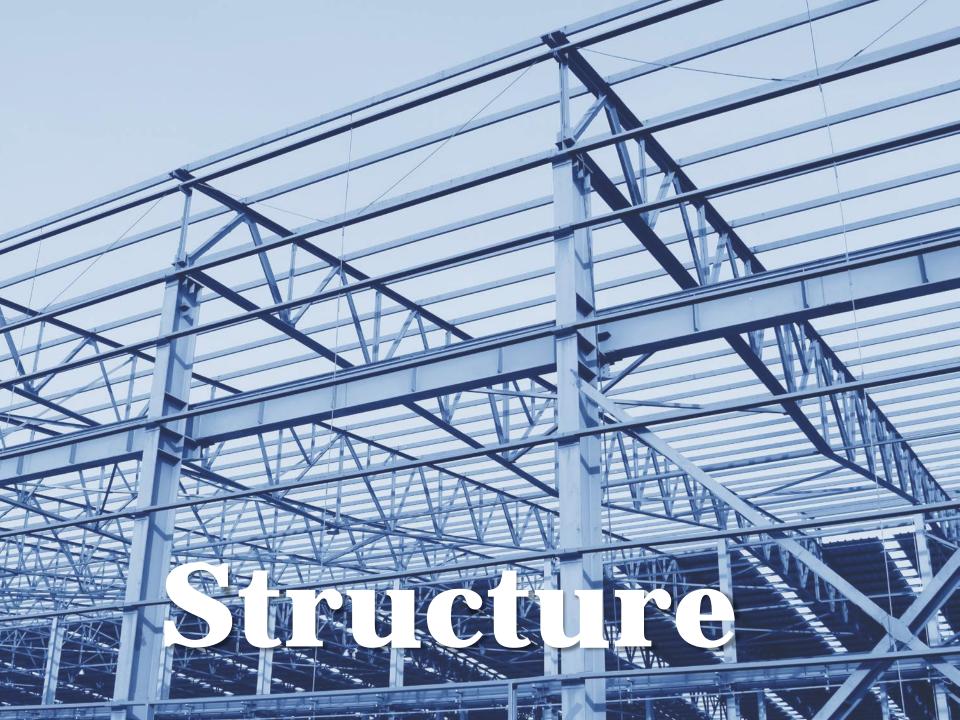
- Thought leadership
- Internal communications
- Senior executive engagement/comms.
- Storytelling ability
- Engaging influentials
- Third-party advocates
- Managing consultants
- Maximizing associations
- Regulatory affairs



PA Team: General Skills

- Public speaking
- Facilitation
- Negotiation
- Business writing
- Networking/relationship building
- Gravitas/professional presence
- Budgeting
- Research, analysis & synthesis
- Overall business acumen
- Cultural nuance/understanding





Other Assessment Considerations

- Evaluate consultants and contract lobbyists
- Assess association effectiveness
- Evaluate coalitions
- Internal communication processes
- Leveraging other internal departments
- Internal stakeholder satisfaction surveys



Benchmarking

- Staff, structure, budget, reporting relationships, responsibilities, processes...
- Quantitative and qualitative input
- Industry peers, competitors, same size organization or scope, best-in-class
- Consider focus groups or anecdotal feedback
- State of Corporate Public Affairs survey





Value of Issues Management

- Understand and monitor emerging issues
- Avoid crisis and reputational damage
- Be proactive vs. reactive
- Tackle legislative or regulatory issues before they impact business
- Provide demonstrable ROI to the rest of the organization



Issues Management

1. Follow a process

- Identify and analyze issues
- Prioritize
- Execute
- Evaluate

2. Use an open architecture

Build a model permitting input and evaluation by others.
 An issue life cycle is dynamic, so be flexible.

3. Get leadership commitment

- It's more important than process and design.





Vision

- Where and who do we want to be in 5, 10 years?
- Can be aspirational
- Does it tie to the org-wide vision?
- Ex. Lead the industry, be the go-to resource on..., serve as the environmental assessment arm of the enterprise



Mission: Value Proposition

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

Protect the industry's reputation, freedom to operate and position among key stakeholders.

Proactively monitor and manage our business environment by affecting public policy and building a strong reputation, while educating and finding common ground with stakeholders.



- Be first called on for biotech issues
- Lead with integrity and trust
- Value peers by seeking feedback, coaching and support
- Exhibit **innovation** with policy opportunities, anticipate challenges and forecast solutions
- Forge strategic relationships
- Advance communication that fosters alignment across enterprise
- Demonstrate business acumen with outcomes that impact ROI





McDonald's Public Affairs

Vision

Enable
McDonald's to
transform
potential issues
into
business/brand
opportunities

Mission

Relationships and protocols to identify and manage issues

Role

Subject matter expert on issues management

Facilitate core team

Clearing house for issues



Goals of the Strategic Plan





Goals of a Plan

- Assist in goal achievement for organization
- Maximize opportunities; mitigate risks
- Identify emerging issues before they're at your doorstep
- Best use of resources and TIME
- Evolve the function to the most proactive, forward-facing environmental scan and business resource it can be



PA Plan Commonalities

- Role & Mission
 - Who are we? Why we're here.
- Values, Vision & Strategy
 - What do we care about? What is success? Where are we going? The plan.
- Tactics
 - Achieving the goals; priorities
- Metrics, Evaluation & Improvement Loop
 - Measures & accountability



More Plan Considerations

- Are highlighted SWOT components included?
- Do priority stakeholders factor in prominently?
- Is issue management process efficient for future needs?
- Do all plan components lead back to business objectives/goals? Link to vision?
- Are our resources aligned with this plan?
- How do we define success at each stage?



Most Common Measures

Performance Measurement Tools Used

Objectives achieved	93%
Internal stakeholder satisfaction	66%
Legislative wins and losses	65%
Costs reduced/avoided	63%
Revenue created	41%
Employee involvement	35%
External stakeholder satisfaction	28%
General public perception/attitude	28%
Return on investment	28%
Volume of activity	28%
Other	8%

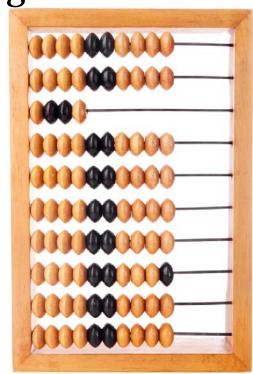
2014-2015 State of Corporate Public Affairs



The Distinction

- Counting vs. Measuring
 - Internal/local reference point vs. global reference
 - Where we are vs. where we're going
 - What data is vs. what it means

- Outputs vs. Outcomes
 - Inputs and outputs are activities
 - Outcomes = value produced
 - It's about moving the dial



Focus Should be on Outcomes

Inputs	Outputs	Outcomes
5 newsletters; on time; on budget	Readership	Impact on behavior; increased understanding of issues
PA blog 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







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