

2016 EU Public Affairs Benchmarking Survey Report

— SUMMARY



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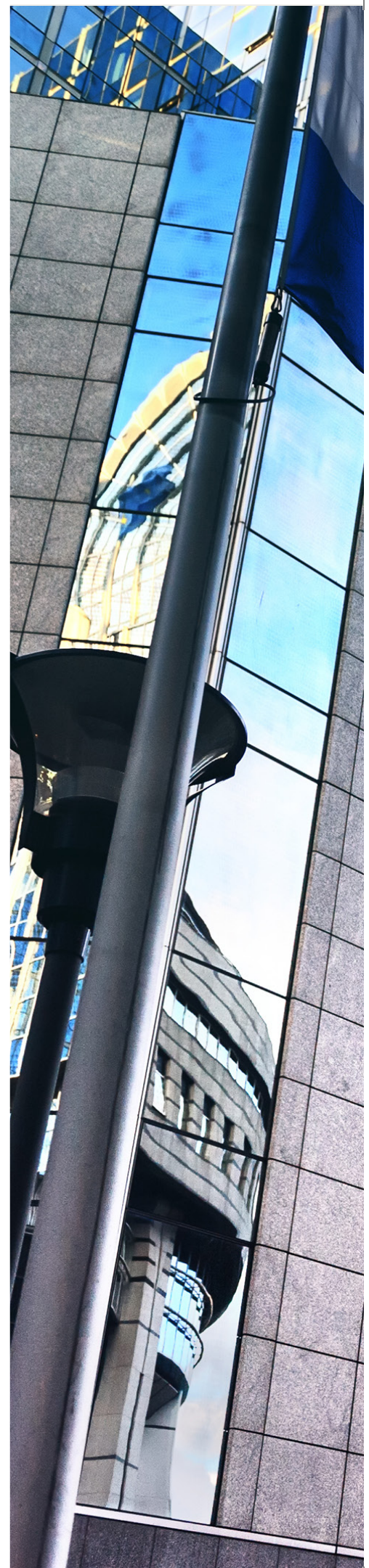
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Introduction

The *2016 EU Public Affairs Benchmark Survey* is the most comprehensive benchmarking report available on trends in EU public affairs management, structure, budgets, staffing and strategies.

It is published by the Public Affairs Council, which is both nonpartisan and nonpolitical and is the leading professional association for public affairs executives. Its nearly 700 member companies and associations work together to enhance the value and professionalism of the public affairs practice and to provide thoughtful leadership as corporate citizens.

This is the summary version of the report. It contains a selection of findings from the survey. The full report is available to members of the Public Affairs Council and can be downloaded here: <http://pac.org/eur/2016-eu-pa-benchmark-survey>. If you have any questions, please contact András Baneth at +32 496.20.14.16 or at europe@pac.org

Executive Summary

Due to a lack of data and research, public affairs professionals in Europe have often faced difficulties in benchmarking their performance, resources or reporting structure.

To help practitioners overcome this challenge, in the spring of 2016, the Public Affairs Council conducted a comprehensive survey to find out what works best in Europe and at the EU level. This report summarizes this survey's conclusions.

Here are a selection of the key points from the executive summary of the full report. The full list of highlights is available to PAC members only in the full report.

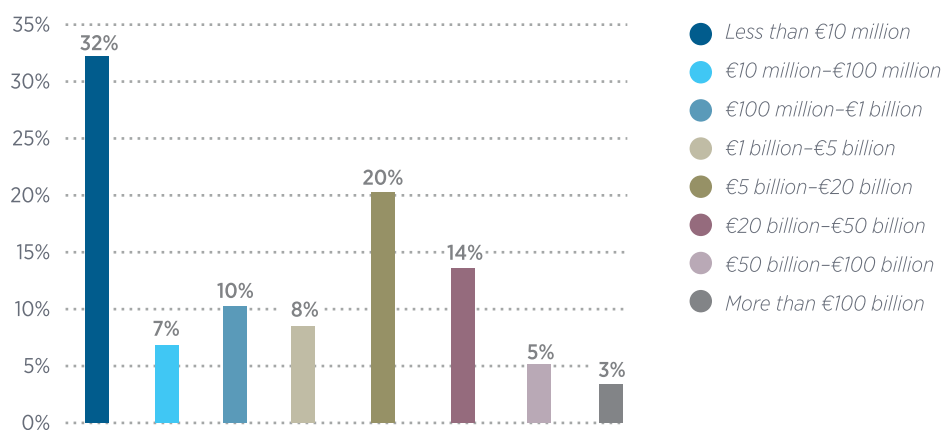
- Half of the responding organizations have little to no budget for hiring public affairs contractors. Those that do plan to use contractors tend to allocate about one-quarter of their total public affairs budget to contractor hire.
- By far the most popular use of contractors is for direct lobbying of EU institutions.
- Almost 50 percent of organizations look to trade associations extensively to advance their public policy agendas.

Profile of the Survey Group

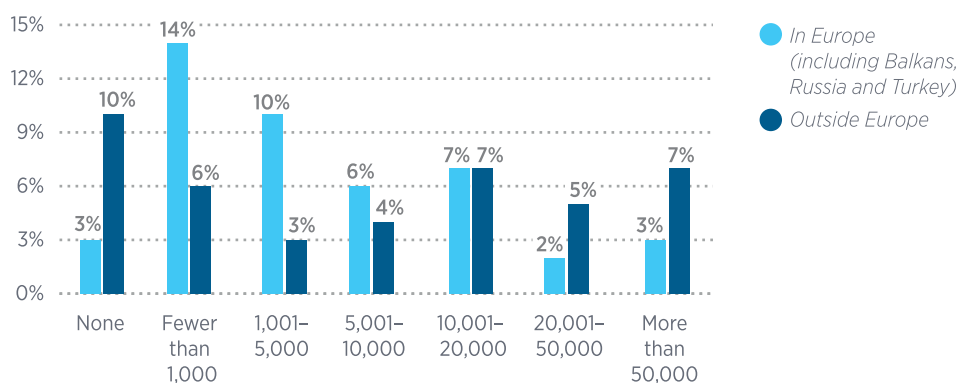
The Public Affairs Council invited European public affairs professionals to participate in the survey in June 2016. Between 23 June and 17 July, a total of 61 usable responses were received.

The respondents can be grouped based on revenue, employee numbers, and industry and manufacturing sectors:

WORLDWIDE REVENUE BREAKDOWN OF RESPONDENT COMPANIES

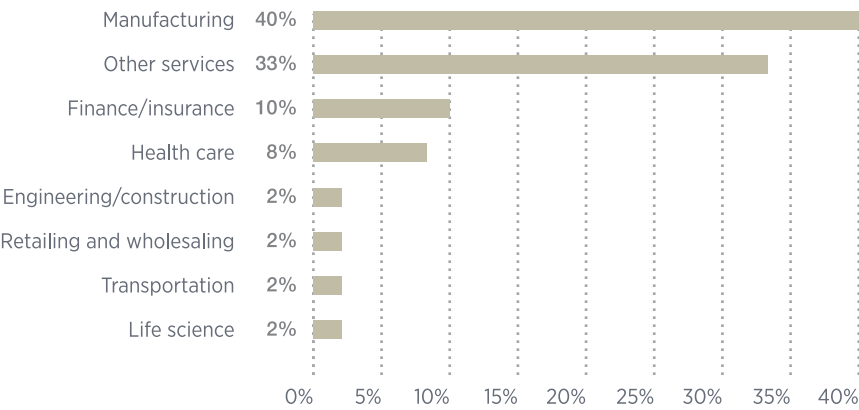


EMPLOYEE NUMBERS

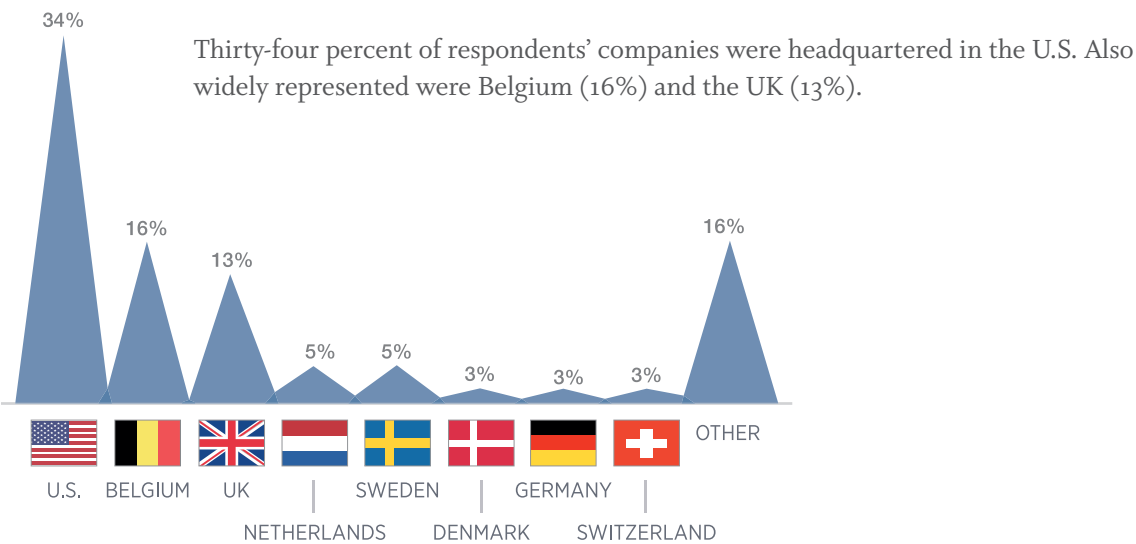


PRIMARY INDUSTRY SECTOR

Survey respondents represent many different industry sectors, but by far the largest categories are manufacturing (40%) and other services (33%).



LOCATION

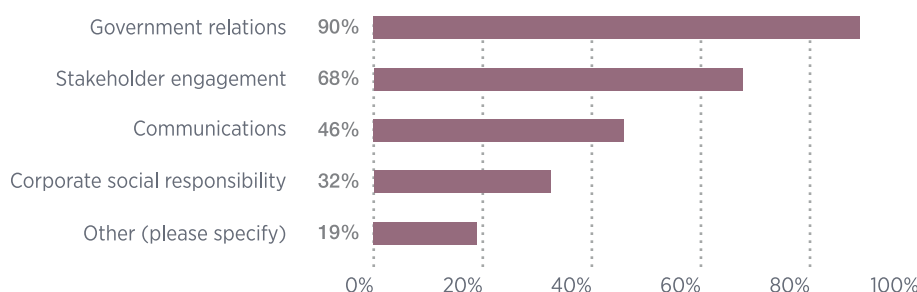


Findings

ORGANIZATION OF THE PUBLIC AFFAIRS FUNCTION

Government relations dominate the public affairs function. Advocacy is certainly regarded as the primary role of the function, but over two-thirds of public affairs departments also have responsibility for stakeholder engagement. Communications and corporate social responsibility are also key aspects of the public affairs role.

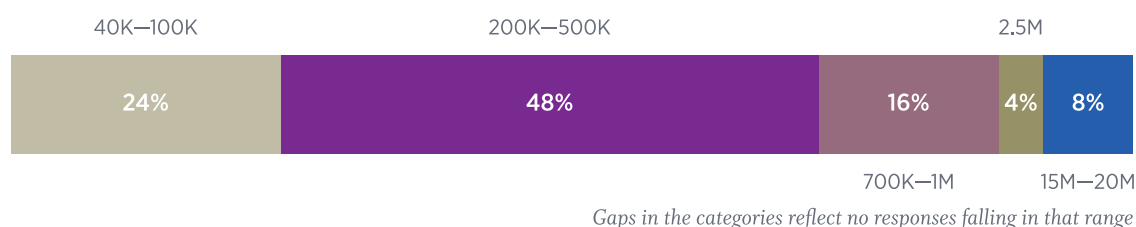
DEPARTMENTAL FUNCTIONS:



BUDGETS

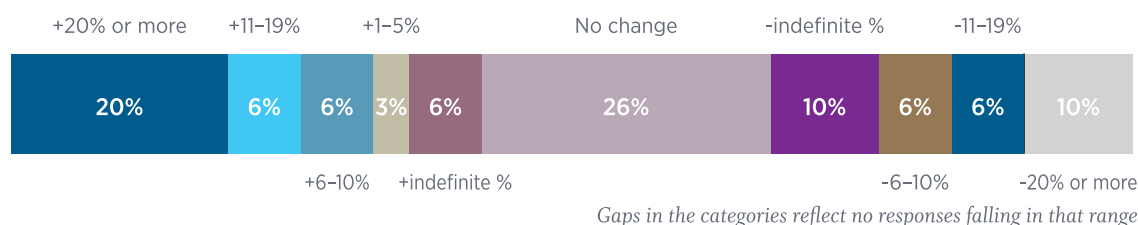
Of those organizations that have a budget for European public affairs, a quarter of them have a budget between €40k and €100k, and half have a budget of between €200k and €500k.

PERCENTAGES OF THOSE WITH A EUROPEAN PUBLIC AFFAIRS BUDGET:



While almost 20 percent of companies have increased their public affairs budgets by more than 20 percent over the past three years, 26 percent have seen no increase at all. Thirty-two percent have seen budgets decreased over this period. In all, 42 percent have seen budgets increase.

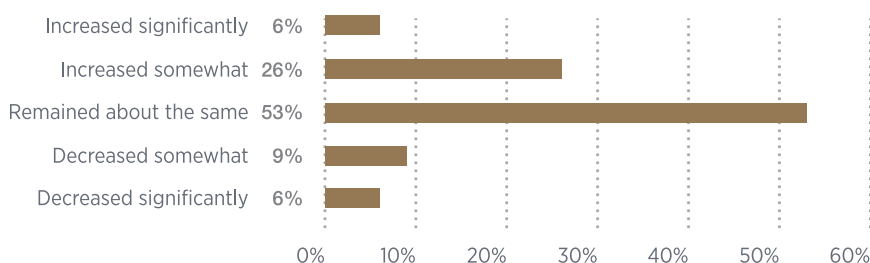
CHANGE IN WORLDWIDE PUBLIC AFFAIRS BUDGET OVER THE PAST THREE YEARS:



NUMBER OF PUBLIC AFFAIRS STAFF

In over half of organizations, the full-time equivalent number of staff has remained static over the past three years. Thirty-three percent have seen growth, 15 percent a decrease.

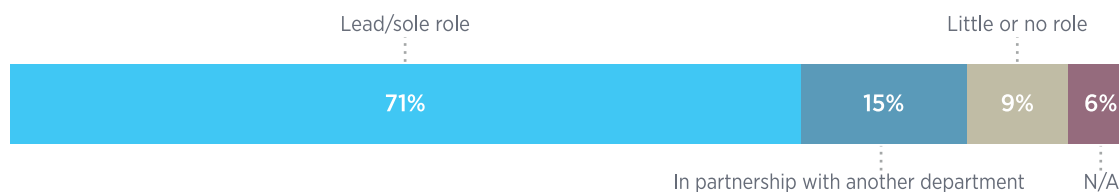
CHANGE IN THE NUMBER OF FULL-TIME EQUIVALENT PUBLIC AFFAIRS STAFF IN THE PAST THREE YEARS:



PUBLIC AFFAIRS FUNCTIONS

Public affairs departments are most often expected to take a lead role in EU-level government relations. However, when it comes to national- or regional-level government relations, public affairs professionals tend to work more in partnership with other departments. The following charts provides details of the levels of involvement of public affairs departments for various functions.

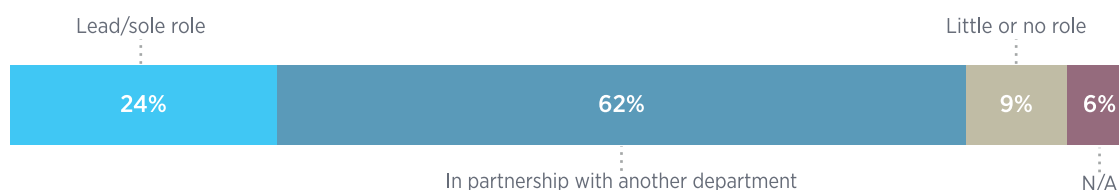
EU-LEVEL GOVERNMENT RELATIONS:



NATIONAL OR REGIONAL GOVERNMENT RELATIONS:



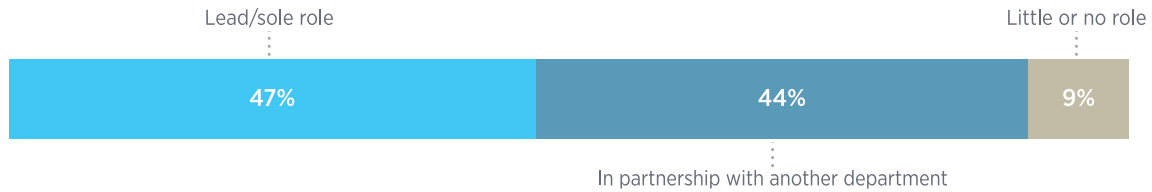
REGULATORY AFFAIRS:



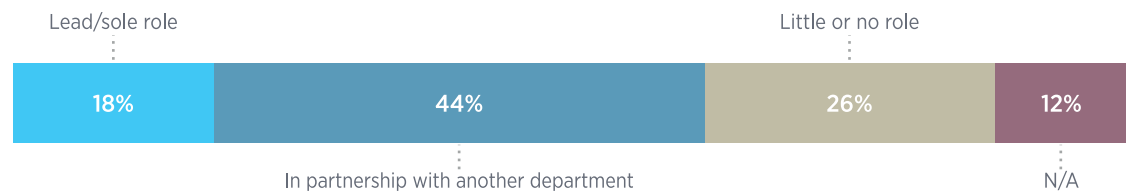
ISSUES MANAGEMENT:



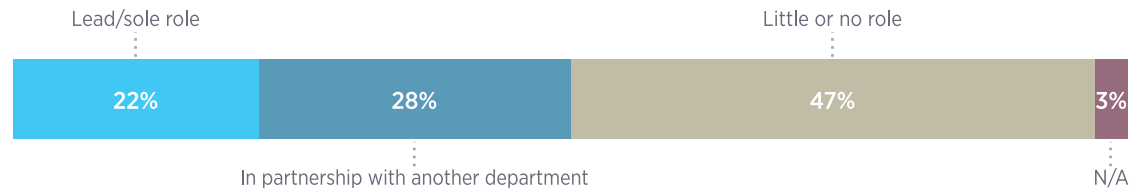
BUSINESS/TRADE ASSOCIATION OVERSIGHT:



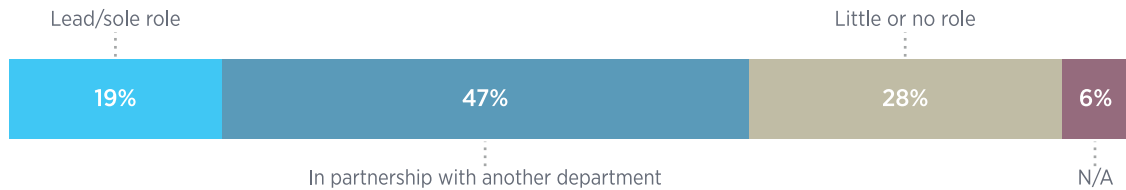
CORPORATE SOCIAL RESPONSIBILITY PROGRAMS:



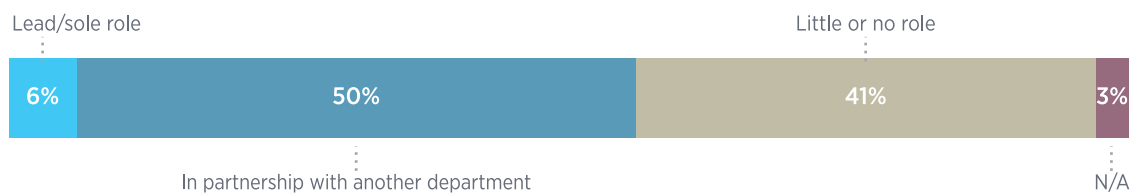
EMPLOYEE/INTERNAL COMMUNICATIONS:



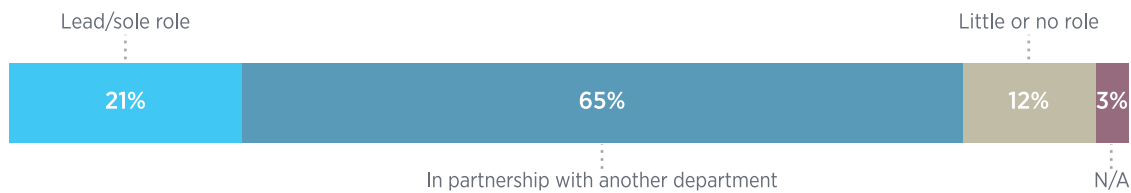
CRISIS MANAGEMENT:



BUSINESS DEVELOPMENT:



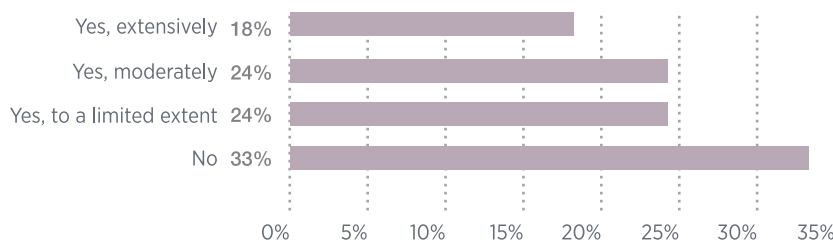
STAKEHOLDER ENGAGEMENT:



CEO INVOLVEMENT IN PUBLIC AFFAIRS

Two-thirds of respondents say that their CEOs have direct involvement in European government relations activities, with nearly one in five noting extensive involvement.

DIRECT ENGAGEMENT OF CEO IN EUROPEAN GOVERNMENT RELATIONS ACTIVITIES:



CHALLENGES AND ISSUES FACING THE PUBLIC AFFAIRS PROFESSION

Respondents were asked to briefly describe what they consider to be the two issues affecting the broader public affairs profession.

Issues with transparency head the challenges facing the profession, according to public affairs professionals. Other top concerns include the confusion about BREXIT and actual and perceived inadequacies of European institutions and governance. The reputation of the public affairs function, particularly lobbying, is another cause for concern. Closer to home, the major issue is how to communicate the value of the public affairs function internally.

OMISSIONS FROM THIS SUMMARY REPORT

The sections above contain a selection of results taken from the full report. Also, some sections have been omitted altogether from this summary. These include:

- Primary Manufacturing Sectors of Manufacturing Companies
- Reporting
- Use of Contract Lobbyists and Consultants
- Use of Trade and Business Associations
- Performance Measurement of the Public Affairs Function

To see these sections and to see the full results from all sections, members of the Public Affairs Council can download the full report from our website. You can find the download link here:

<http://pac.org/eur/2016-eu-pa-benchmark-survey>



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