

Welcome!

Strategies to Prove
ROI at your Organization

What Are Other GR Teams Doing?

Most Common Measurement Tools According to PAC's 2017/2018 "State of Corporate Public Affairs"

Performance Measurement Tools Used

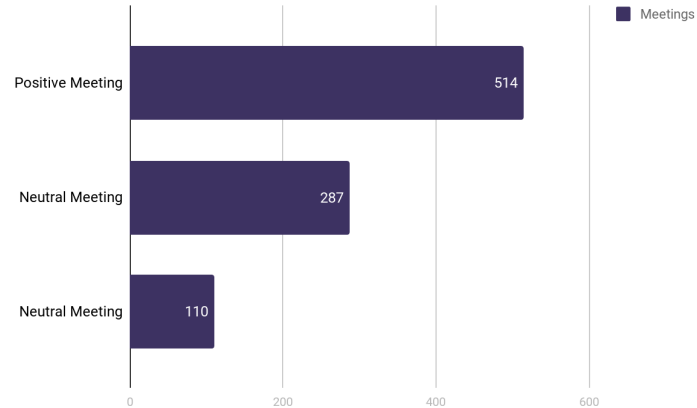


1) Objectives Achieved

Annual Objectives:

1. Change section 580 of the US Tax code
2. Provide 30% of company power from sustainable energy
3. Pass legislation in the top 30 key states allowing online notarization

A fortune 500 government affairs team tags each of their teams meetings to the CEO's company objectives and reports back on the number of meetings they have done to advance each objective.



2) Internal Stakeholder Satisfaction

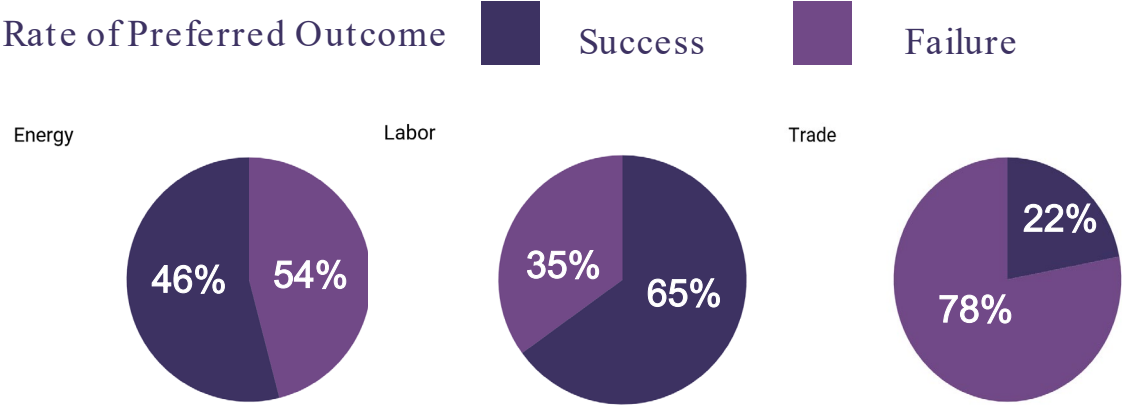
- Keep internal leadership informed to make them better aware of government relations activities
- Ensure government relations plans align with company business plan and marketing
- Increase awareness of government relations activities with employees
- Improve alignment between supplier government relations activities and company government relations activities
- Coordinate internal company assets (corporate giving, political action committee, foundation grants) with government relations priorities
- Expand company grassroots activities for government relations purposes
- Increase training of internal assets for public policy purposes
- Ensure timely and accurate reporting of government relations activities to corporate decision makers and interested parties.

[Source: The Conference Board](#)

3) Legislative Wins and Losses

One strategy for measuring ROI of government affairs is measuring the rate that you achieve your preferred legislative or regulatory outcomes and how that rate changes by issue and year over year.

On which issues did we see the most success?



This strategy works best at the state level where you're working on higher volumes of legislation or regulation and at the federal level if the issue has many parts in separate pieces of legislation or regulation.

3) Costs Reduced and Avoided

The System of a Fortune 500 Global Manufacturer

Use an excel model to calculate the financial impact of a given policy on specific products. They have a default percent they are willing to spend to try and prevent or gain the financial impact.

Product A: \$10 profit per unit, 1000 units sold per year, \$5 loss per unit with proposed policy. \$5000 loss if passed, willing to spend up to \$1000 to fight.

Product B: \$20 profit per unit, 5000 units sold per year, \$2 gain per unit with proposed policy. \$10,000 gained if passed, willing to spend \$2000.

Member example

Jurisdiction	Issue	Status & Outcome	Position	Actions Taken	Business Impact
Direct Selling					
Arkansas SB 176	Pyramid Schemes	Passed - Favorable	Support	Grassroots letter campaign; 10 constituents sent letters	4,043 IBCs \$ 6.2M Wholesale
California AB 5	Independent Contractor Status	Pending - Favorable	Support	3 meetings with committee members	48,898 IBCs \$ 74.5M Wholesale
Connecticut SB 955	Independent Contractor Status	Pending	Support		2,628 IBCs \$ 4.9M Wholesale
Indiana SB 231	Independent Contractor Status	Passed - Favorable	Support		12,723 IBCs \$ 19.7M Wholesale
Iowa SB 4 / HB 262	Pyramid Schemes	Failed	Support		6,449 IBCs \$ 9.9M Wholesale
Oregon SB 679	Independent Contractor Status	Pending	Support		5,889 IBCs \$ 9.7M Wholesale
Pennsylvania	Pyramid Schemes	Pending - To be introduced	Support		14,846 IBCs \$ 24.1M Wholesale
Product					
California AB 60	Sunscreen	Failed - Favorable	Oppose		48,898 IBCs 19 SKUs containing Oxybenzone and Octinoxate Wholesale CA Total Section 1: \$75.7 % of Total Sales: 9%

4) Revenue Created

The System of a Fortune 100 Retailer: Partner with the Business Unit

Rather than using a prebuilt excel model for each product, this Fortune 100 corporation refers each policy that it flags as relevant to the business who calculates the projected impact of a given outcome.

The business unit then pays the government affairs team based on anticipated revenue impact.

5) Employee Involvement

To make the advocacy experience more engaging, Toyota used a grassroots gamification tools to create a unique advocacy experience. They customized the gamification experience with advocates progressing through various levels of ninja warriors.

In addition to the on-screen fun, Toyota is building a program to reward advocates who reach new levels with prizes like ninja stickers, foam ninjas and ninja t-shirts.



8) External Stakeholder Satisfaction

How S&P Global Measures the ROI of Government Affairs

- Team members log every interaction—meetings, phone calls, emails, events
- Tag meeting notes with issue and quality score based on stakeholder's level of influence and the stakeholder's level of support for the issue discussed
- Document necessary follow-up and notify team members by tagging them for relevant action items
- Use metrics to build reports for executives in a matter of minutes



Strategy: Meeting
Tracking—With Data

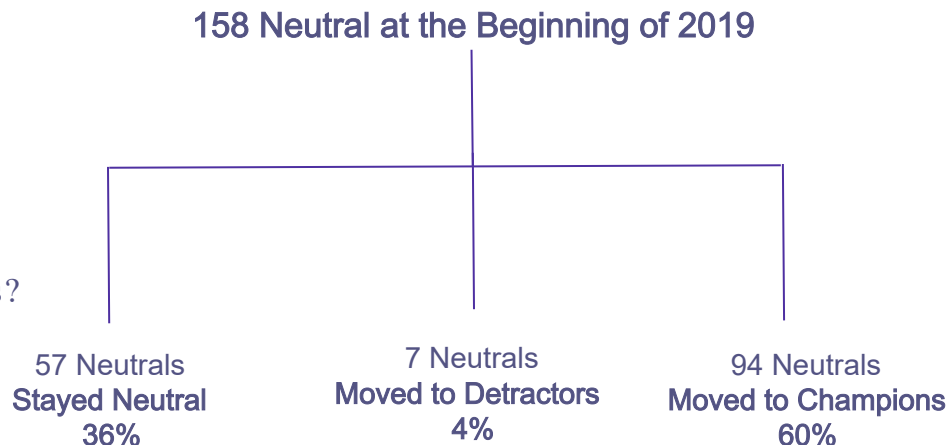
External Stakeholder Satisfaction

Two methodologies of stakeholder

scoring:

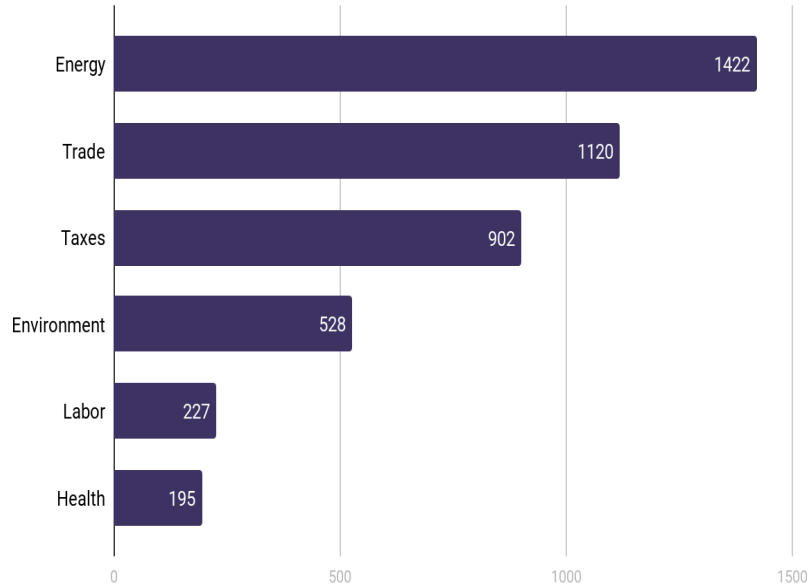
1. Tier System—Based on three criteria
 - a. Tier 3: Knows Our Team
 - b. Tier 2: Knows Our Top Issues
 - c. Tier 1: Answers Our Calls
2. Champion, Neutral, Detractor —Based on quantitative or qualitative methodology

How did our engagement
move the needle for detractors?

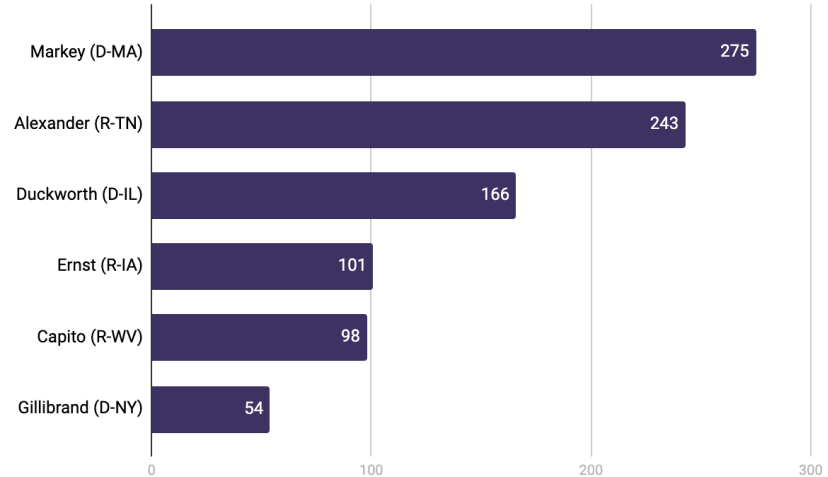


9) Volume of Activity

What issues did we meet on most often?



Did we meet with the right people?



Communication Keys

1. Prioritize Measuring Over Counting

1. 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

2. Outputs vs. Outcomes

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

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

Communication Keys


2. Spell Out the Impact of States

Legislation moves faster and is passed at higher frequencies at the **state** level than the federal level.

In 2016, state legislatures introduce 23 times the number of bills than the U.S. Congress does, totaling an average 128,145 bills per year and 3.1 million words per day while in session.

Between January 1 and June 30, 2016, state legislatures introduced 63,018 bills.

The 10 states featured here introduced the greatest amount of legislation during that time.



State	Number of Bills Introduced
New Jersey	6,347
New York	4,688
Illinois	3,481
Montana	3,066
Mississippi	2,759
Maryland	2,635
Hawaii	2,387
Tennessee	2,377
Georgia	2,241
Rhode Island	2,070

Other Key Considerations

3. Match Messaging to Your Audience

- a. Get early buy-in. Communicate often
- a. Map out internal communication vehicles
 - Annual review? Board calls? Newsletters? Division meetings? All staffs? Lunch & learns? Reports? Social media? Reports? Email memos? Scorecards
- a. Speak the language of leadership
 - Language of business? Customer service? Reputation? etc

Thank You

