Government Relations: Looking Ahead
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To get a better grasp on the function, we had in-depth conversations with government relations leaders at some of the most well-known and heavily regulated companies in the world (with combined annual revenue in excess of $1.6 trillion). Our findings demonstrate that, although the function has already established itself as a major facet of public affairs, there is still plenty of room for evolution and growth.

What struck us most: an emphasis on broad, proactive strategy. As one top government affairs leader put it, there’s a distinction between “fighting fires” and “fire prevention.” Issues and crises will always arise, and a strong tactical skill set – relationships and policy knowledge – is needed to navigate those urgent, often unforeseen challenges. But those at the top are painting a much bigger picture and figuring out how issues like global team structure, return on investment, and right-sizing internal and external headcount fit into their long-term plans.

There was a significant emphasis on more proactive efforts (team-building, professional development, research and thought leadership) as opposed to issue-specific, reactive efforts. As one respondent put it: “It’s no longer just about the crisis of the day. Regulations, taxes and entry into new markets are the issues I see most.” Major companies are playing the long game when it comes to GR efforts – both here and abroad.

Another key finding: one size does not fit all. There is no one clear trend in any of these strategic areas. Department sizes vary from five or fewer to well over 100. Opinions run the gamut as to how much or how little an organization should rely on industry associations. Some respondents are cutting investment in outside consultants while others (nearly 1/3 of those we spoke with) are relying more heavily on them. To a great extent, this difference in opinion tracks department size, with departments of less than 20 relying more on outside help and those with 100 or more being more self-sufficient.

This adds up to a golden age of experimentation in government relations, particularly given the current political landscape. There is a real appetite to figure out what works best now – and what will work best in the future. As a result, data and measurement – making the business case – is more important than ever. And tailoring hiring decisions to the unique needs of a given organization can add a great deal of value over the long run. We believe a thoughtful approach to hiring the right talent at the right time is the best way to approach this environment of uncertainty – and promise – for government relations.

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In Their Own Words

What Government Relations Leaders Are Telling Us

I don't need weathermen. Don't tell me a storm is coming. Tell me how you'll address the storm. It's all about building reputation in advance of when you need it.

We don't take partisan positions. We tie our positions to the business case.

I always ask: What is our unique interest in this? What is the value and import to the company?

If we can't add outsized value to the bottom line of the company, we're doing something wrong.

We don't take partisan positions. We tie our positions to the business case.

If you can't communicate the policy effectively, it won't work. And you need policy substance behind communications. You need to hit the ground running. The business won't wait for you to catch up.

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If you can't write it on the back of a business card? Social media is becoming more important than lengthy position papers.

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Companies have to get even more creative and sophisticated regarding engagement with the external environment.

I always ask: What is our unique interest in this? What is the value and import to the company?

If we can't add outsized value to the bottom line of the company, we're doing something wrong.

I seek to solve a problem my internal partners didn't even know was coming, and then tell them it's solved.

Don't communicate the policy government to corporate, you need to hit the ground running. The business won't wait for you to catch up.

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The government relations function is becoming more integrated globally. We found that, in the vast majority of companies surveyed, each of the regions and issue areas are closely tied together or trending in that direction. The main variable is where manpower and budget are invested. Not surprisingly, the “center of gravity” and global structure tend to depend on where the organization is headquartered: in the U.S. or abroad.

For U.S.-based companies (or ones where the U.S. is the major profit center) state and federal operations tend to be robust and highly integrated. They are complemented by market-specific efforts globally, with particular emphasis on Europe and Asia as cohesive regions. By contrast, companies headquartered outside the U.S. tend toward more integrated global leadership with boots on the ground in every major market, even though this structure can create a degree of overlap and duplicated effort at the regional and global levels.

Under either approach, effective collaboration is key: “As long as you have strong linkage, the reporting line is not incredibly important.” Flexibility and creativity in both structure and approach are key as the strategic and geographic reach of the function expands.
Our respondents were almost unanimous in touting the importance of alignment across the entire spectrum of corporate / public affairs functions (marketing, regulatory/legal, external comms, CSR and GR), with that integration being of particular benefit for long-term planning. However, this can create tension and internal competition as to which function is the driver, particularly with marketing and legal. Regardless, government relations leaders agree that buy-in from internal partners and proactive information-sharing is necessary for success. This is particularly true at the brand level and within business units, where a premium tends to be placed on autonomy. There is a strong sense that this integration and collaboration occurs more naturally at the corporate level.

Respondents most consistently pointed to the importance of tying measurable value to the bottom line. Corporate reputation and license to operate concretely impact profitability, and a more effective case can be made when the functional outcomes are examined holistically. With increasingly sophisticated digital strategies and tools, this data is more accessible than ever.
Our proprietary salary data for government affairs executives in the private sector shows managers earning packages in the mid-$100,000 range, with directors in the mid-to-high $200,000 range and senior-most executives often earning double or triple that amount. Naturally there is overlap at the extremes, with some senior directors earning in excess of the average for VP-level roles. At the same time, some senior-level professionals earn salaries more typical of C-level roles – a testament to the value certain companies are now placing on government affairs. That said, we do not see significant correlation between industry or company size and total compensation for these roles.
Other Data Points From Our Discussions

Job Titles – What’s In A Name?

Job titles tend to indicate the seniority of and value placed on a given role, but respondents downplayed their importance. The more telling factors include: the reporting relationship and access to top executives, resources dedicated to the function, and demonstrated belief in the business importance of the GR leader’s contributions. Recognition by conferring a prestigious title is a positive sign of commitment to the function, but not the be-all, end-all.

That said, most of the top government affairs leaders we surveyed are at the VP level. SVPs are also common in these roles, but Executive Directors are less common. Government “Affairs” and “Relations” are both popular functional titles, with the former having a slight edge. “Global” remits are also quite common, particularly for respondents whose companies are headquartered outside the U.S.
There’s an ongoing debate in the field about whether external relationships or policy chops matter more. Though both are crucial, we consistently heard that “what you know” tends to matter more than “who you know.”

Most respondents pointed to previous government experience – either on the Hill or in a presidential administration – as a plus. However, many also noted the challenge of transitioning to a corporate setting; culturally, it is very different and requires more proactive effort to “make a case” versus primarily responding to requests.

The C-suite relies on government affairs professionals to solve real world problems. As in other areas of public affairs, tying outcomes to the bottom line is getting both easier and more essential. Increasingly, government affairs professionals are expected to be business leaders first and functional experts second. There may be different paths to achieving that goal, but the substance and results need to be there.
For nearly 30 years, Heyman Associates has been committed to assisting organizations in building out government relations and public affairs functions, from the director level to the C-suite. Our D.C. network includes current and former congressional staffers; White House and federal agency veterans; and senior leaders across the Fortune 500, key industry associations and global nonprofits.

To learn more about our firm’s expertise in this area, please contact our Chief Operating Officer Maryanne Rainone.

Heyman Associates has offices in New York and San Francisco. We also work closely with sister firms who share our focused, relationship-based philosophy: Taylor Bennett and GK Personalberatung in Europe and our joint venture in Asia, Taylor Bennett Heyman. An unparalleled depth of knowledge built over decades has made our firms the leaders in placing senior-level communications professionals across industries and geographies. We routinely develop and implement truly global staffing strategies for some of the most recognizable brands in the world.