Five Strategies for Measuring the ROI of Government Affairs

| Report on Your Policy Landscape

Quorum

Contents

Measuring the contributions of the government affairs team is a challenging task, as its work spans engagement of internal stakeholders, external stakeholders, and government officials. In this white paper, we identify five leading ways government affairs teams are measuring their ROI:

Dollars:
The Financial Impact of Government Affairs

Dollars: The Financial Impact of Government Affairs

Measuring government affairs by dollars saved or earned through policy outcomes show the clearest impact on an organization's bottom line, but can also be one of the most challenging to accomplish. Measuring the financial impact of policy outcomes typically requires the aid of the business unit to provide analysis of a given policy—something that isn't feasible in every organization and may not be feasible if a team deals with multiple issues in a year.

Here are **TWO EXAMPLES** of how organizations measure ROI of their government affairs teams by analyzing the financial impact of their work:

EXAMPLE 1: Using an Excel Model to Calculate Financial Impact

One major manufacturing company uses a financial model in Excel to calculate the dollar value of its work on a given policy. In the Excel formula, the organization lists each product that it sells and the cost of that product. This way, when a policy is introduced, the government affairs team can determine how many products the policy will affect and calculate the dollar value of that policy on the business. Then, the organization sets a target as a percentage of the cost calculated by the formula for how much they are willing to spend in support or opposition of a policy.

EXAMPLE 2:
Partnering with the Business Unit

A major retailer partners with the business unit so that whenever a policy is proposed, the business unit will calculate the impact of that particular policy. For example, if there were a proposed policy in a particular state to allow liquor sales on Sundays, the business unit would determine the potential income of selling liquor on Sundays in that state, and the government affairs team then determines what resources it will contribute to engaging on that policy.

BEST PRACTICE: Using an Excel Model to Calculate Financial Impact

The best practice for coordinating ROI of government affairs with the business unit is for the business unit to use its budget to pay for the services of the government affairs team to engage on a particular issue. After calculating a proposed impact of a given policy, the business unit can determine to what extent it wishes the government affairs team to engage and pay for the government affairs team to bring on an issue expert or grow the team.

Measuring ROI by Financial Impact with Quorum

While calculating the dollar value of a given policy requires the work of the business unit, tracking and prioritizing issues based on that calculated dollar amount is simple with Quorum. Using Quorum's Issues Management function, map out the primary issues of your organization. Then, assign the relevant bills, regulations, tariffs, or other policy priorities to each issue.

For each bill, regulation, or policy in a given issue, add a custom field for the financial impact of that policy. Then, use Quorum Sheets to make a spreadsheet of bills with columns for the financial impact. By sorting from highest to lowest dollar value, your team can prioritize which policy priorities to spend the most time and resources on.

Rate of Preferred Legislative Outcomes

Rate of Preferred Legislative Outcomes

A second 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.

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.

To analyze this metric, build or purchase a system to track legislation and regulations. Then, tag each bill or regulation that falls under one of your key issues with "Support", "Oppose", or "Watching". Track the legislation or regulations as it moves through the process and mark if your preferred outcome was achieved—bills and regulations you supported passed or those you opposed failed.

At the end of the year, break down the rate of success by different variables to glean relevant insights. For example, was your team better at defeating bills you opposed than moving bills you supported through the process? Did you have more success on one issue than another? Was a particular member of your team especially effective in the legislation they worked on? Most importantly, measure how your efforts this year changed from last year.

What factors in your team's control did you change that may have resulted in a new outcome, such as which issues you prioritized over others or which engagement strategies you took on. Then, consider what external factors may have changed the outcomes in a way that was out of your control, such as the timing of elections or a major event that changed the priorities of the legislatures.

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Measuring ROI by Legislative Outcomes with Quorum

With Quorum, tag bills by stance as part of your legislative or regulatory tracking workflow, then at any time easily pull graphs broken down by each preferred variable. This is achievable in three simple steps.

As a bill or regulation is introduced, set a stance, priority, and issue on that particular policy. With each bill and regulation tagged to a stance, priority, and issue, you can easily create graphs at the click of a button covering analysis such as "What was the breakdown of our stances on the bills we worked on this year?", "What percent of bills we supported made it to each stage of the legislative process?", "In what issue did we support the most bills?", or "How many bills that we supported were a high priority, medium priority, or low priority?".

Download each of the graphs with another click and you can easily build a report to share with your leadership team or C-suite to show the work you've done over a given period and what successes you've had.
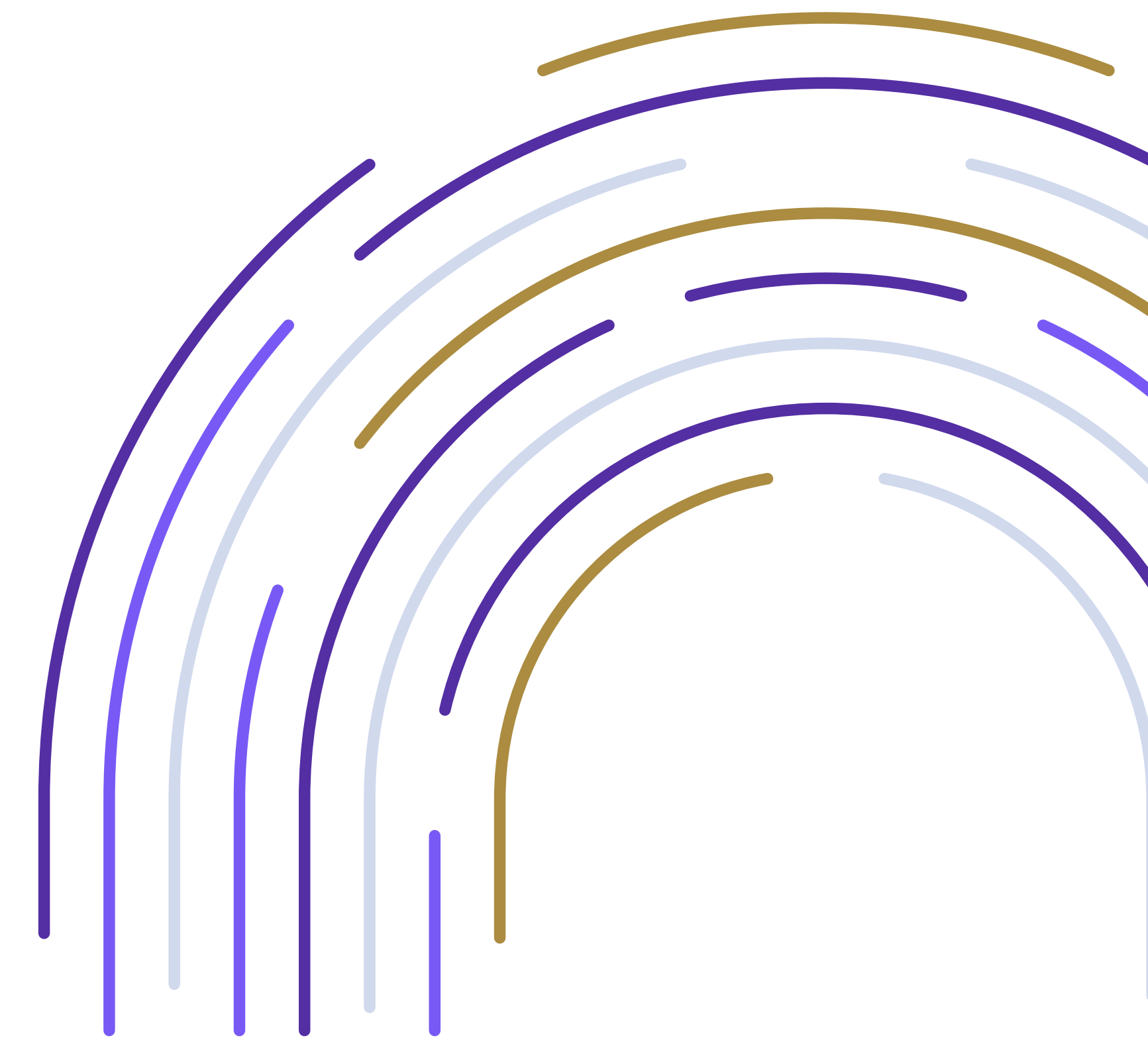
In which issues did we see the most success in the rate of preferred outcomes?

See below for an example of the insights you could share with your c-suite with this reporting method.

Energy

54% 46%

Trade

22%

78%

Labor

35%

65%

Environment

29%

71%

■ Success   ■ Failure
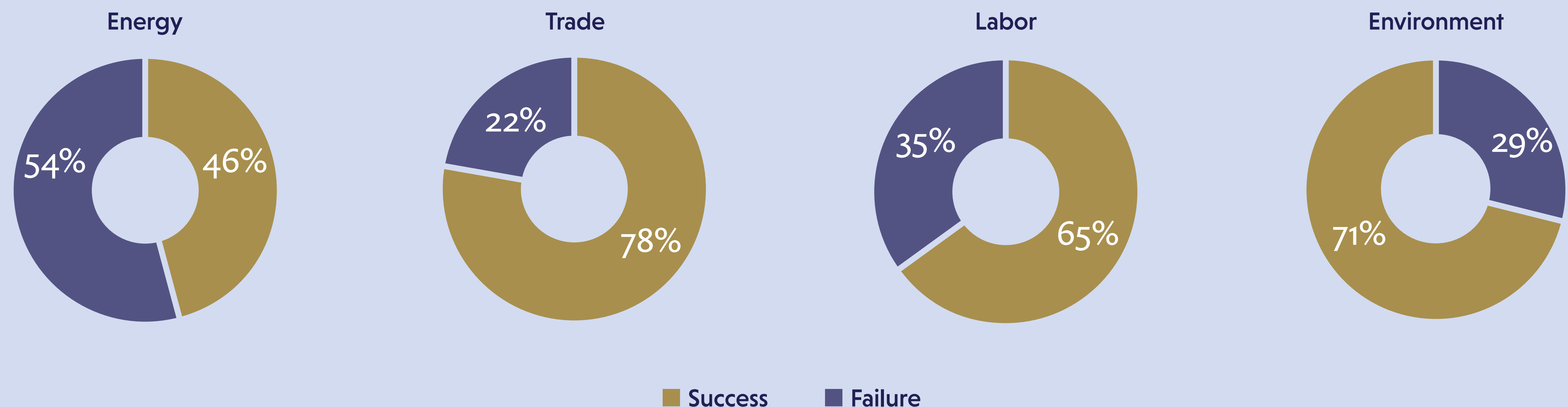
Stakeholder Scoring

Stakeholder Scoring

A third strategy for measuring the return on investment of government affairs is reporting on your ability to strengthen relationships with stakeholders.

To do this, you first need to map your organization's stakeholders by tiers. Organizations use varying terminology to map their stakeholders—while we'll refer to the tiers as "Support", "Neutral", "Detractor", other organizations use "red", "blue", "green", "Tier 1", "Tier 2", "Tier 3", or some other hierarchical system. Having clean data to start the year is critical to use this system to report out on your success at the end of the year.

It's up to your organization how you want to determine what qualifies a stakeholder for a particular tier and whether you wish to use qualitative or quantitative metrics to assign a stakeholder to a tier.

Qualitatively, someone may be a Supporter if they know and recognize your team if you were to run into them at an event, they know your organization's top issues, and they'll return your phone call if you contact their office. A neutral stakeholder may fit into one of those categories—like recognizes you at an event— but not the others. A detractor may not check any of those boxes.

You may also map your stakeholders using a quantitative system. For example, you could assign points based on different activities, such as attending one of your events, sponsoring a bill on one of your key issues, or mentioning your issue a certain amount on social media.

At the beginning of the year, see where your stakeholders stand and how that compares to the beginning of the year. How many neutral stakeholders moved to champions? How many detractors are no longer detractors? Then analyze the activity you had with new champions or new neutral stakeholders to see what strategies worked over the course of the year and how you can replicate those.

## Measuring ROI by Stakeholder Scoring with Quorum

Use custom fields on a stakeholder's profile to visually represent what tier they are in. Then, use Quorum Sheets to track your engagements with that office. Add their tier as a column in the sheet, then add additional columns based on the system you've implemented to determine someone's tier.

If you're using a qualitative system, you could make each column one of the factors listed above—knows our team, knows our issues, and answers our calls. Then use a checkbox in each category. As you check the boxes for each column, update the tier in the tier column and it will automatically update throughout the site.

If you're using a quantitative system, make a column with the tier, then add columns for the metrics you're using to calculate a score (number of engagements with your team, number of mentions of a particular issue, number of bills sponsored on your issue). Use math columns to either weight the score towards a particular category or sum each of the metrics you're using to get a master score. As a stakeholder earns enough points (or loses points) to change tiers, update the tier column and it will update throughout the site.

Then, visualize your stakeholders to see a breakdown of how many you have in each category and compare to the previous year.

Were our targets champions, neutral, or detractors?

Champions	Neutral	Detractors
514	287	110
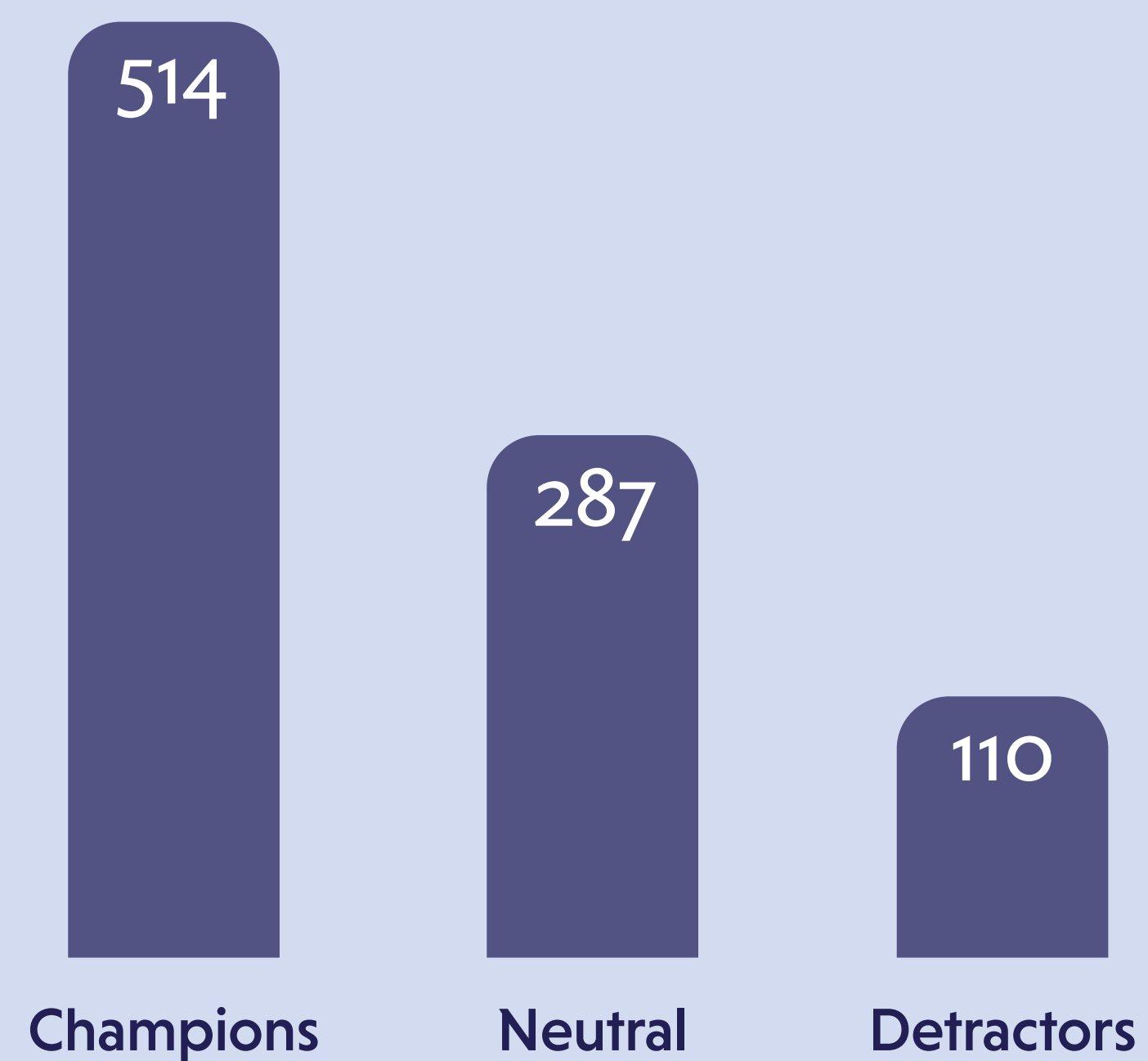
Meeting Tracking— with Data

Meeting Tracking— with Data

Many believe that tracking meetings is not a valuable way to measure government affairs ROI, but when augmented with additional data, tracking meetings can be a valuable indicator of how the work you're doing is moving the needle on the issues you care about.

There are several reasons to track meetings other than for proving ROI—to maintain institutional knowledge if an employee leaves the organization, to onboard new employees and catch them up to speed, and to make sure you don't cross wires if multiple members of your team are engaging the same stakeholders.

Proving ROI through meeting tracking is possible if you add tags to each meeting note, including what issues you worked on and the sentiment of the meeting. With this information, along with the knowledge of who was in the meeting, you can break down your meetings not only by how many you had, but what percentage of your meetings were positive, how that rate changes year over year, and if you are achieving your desired outcomes on the issues you meet about most frequently.

Then, analyze with your team what trends you can observe from the meetings with positive sentiment— was a certain team member involved most often? Did you tend to have positive engagements in site visits but less positive on Capitol Hill? Did your team meet the most with your priority legislators and in those meetings did they talk most about your priority issues? With this information, you can see how you did in the previous year and update your strategy for the coming year.

Measuring ROI by Meeting Tracking with Quorum

Quorum makes it easy to track meetings with its mobile app. By using Quorum Mobile, you can track a meeting and what was discussed immediately after it ends, rather than waiting until you get back to the office and possible forget key details.

To track a meeting, simply open the Quorum app and click the "Log an Interaction" button. Then, tag your meeting to the issue you discussed in the conversation and add a custom field for the meeting sentiment or other variables you want to track in your meetings. Use Quorum Sheets or the Notes Visualization tools to analyze the trends in your tracked meetings.
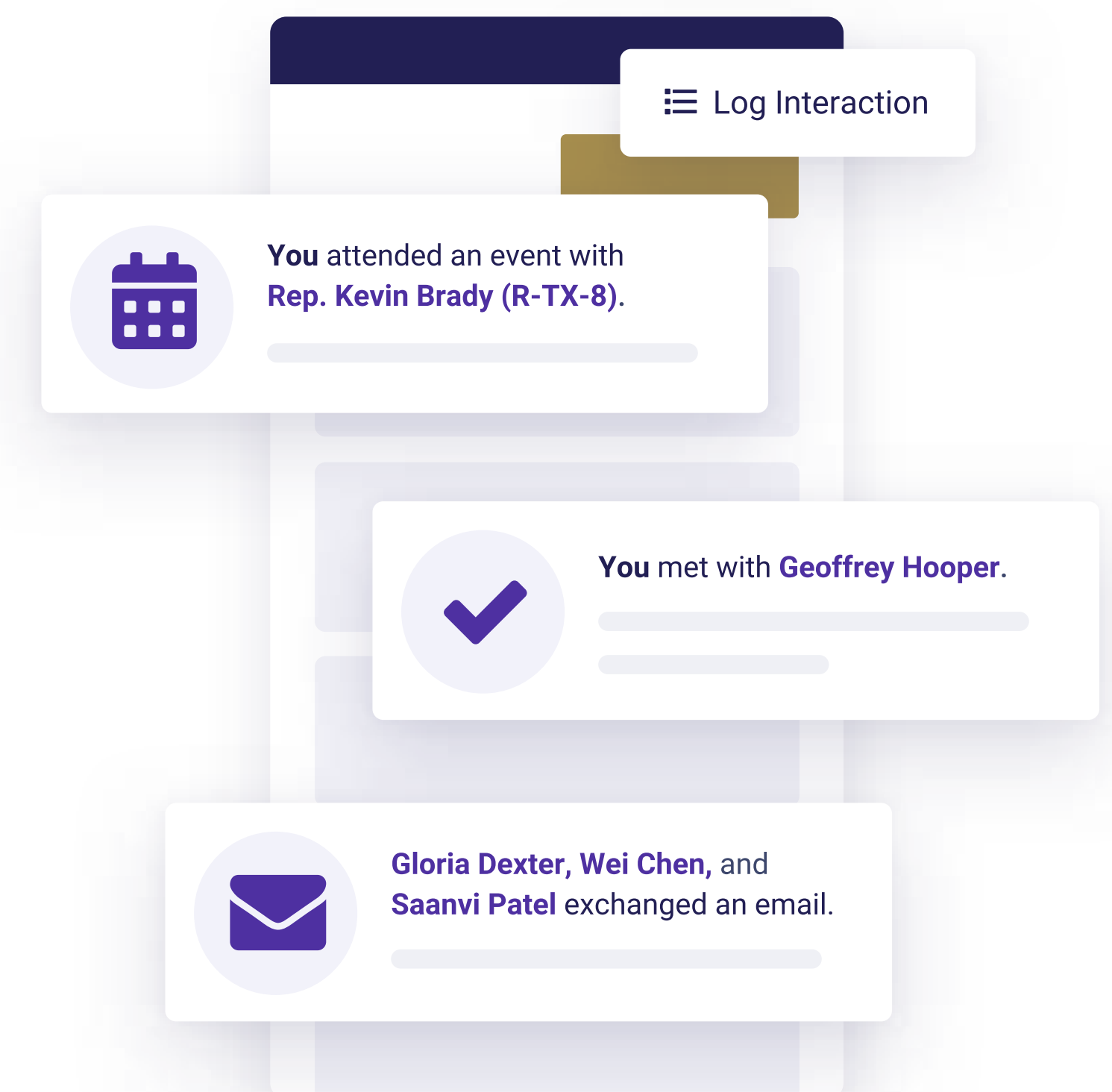
Quorum's mobile app allows users to log meetings on-the-go so you can save information immediately rather than waiting to get back to the office.

Correlation Between Engagement & Legislative Activity

Correlation Between Engagement & Legislative Activity

Legislative Champions on Medicaid

Sen. Sherrod Brown (D-OH)

Quorum's spreadsheet tool allows users to compare various datasets side-by-side and visualize the correlation between their engagement efforts and the legislative results.

While tracking meetings with additional data like issue and meeting sentiment is a way to make your meeting tracking more valuable, you can take it a step further by measuring the correlation between the engagements you have with legislators and their activity within the chamber, such as their mentions of your issue on social media or their sponsorship and cosponsorship of bills on your issues. If you're successful, the more often you meet with a legislator, the more frequently (or less frequently in some cases) they will mention or sponsor the issue you care about.

To do this, build a spreadsheet of your stakeholders with columns for the number of engagements your team has and the legislative metric you've chosen as your main objective, such as sponsorships. Then plot them on a scatterplot to see if your work is creating a trend.

This strategy of measurement is especially effective if your objective is to raise the brand or awareness of your organization or the issue you care about, as the trends are easier to measure with mentions on social media, press releases, and newsletters due to the volume of statements that legislators put out as compared to the bills they sponsor.

Using Quorum Sheets, you can automate the spreadsheet of engagements and legislative statistics, then visualize the correlation between the two at the click of a button. If a particular legislator stands out as having an especially positive correlation between your engagements and their legislative activity, read through your meeting notes with that stakeholder to see what happened in those meetings and how you can replicate those trends moving forward.

Bottom Line

While measuring ROI is certainly challenging, by outlining your objectives on what outcomes you are seeking to achieve (for example, financial growth, policy change, brand recognition) and what internal strategies you are looking to re-evaluate (such as prioritization of issues, effectiveness of meetings), you can narrow the scope of what metrics and strategies for measuring ROI work best for your team.

To see how Quorum can make measuring ROI easier for your team, visit our website: www.quorum.us.

Quorum Stakeholder

Streamlined contact organization and management, so you can spend more time on meaningful engagement.

Log Every Interaction

From unexpected run-ins to meetings and fly-ins, record details of every interaction on the go with the Quorum Mobile App. Plus, customize every stakeholder profile to include unique details like dietary preferences, favorite sports teams, or anything else.

Get Personal

Engage with stakeholders using Quorum's integrated email and event management platforms that automatically personalize every message or invitation to its recipient. All responses, acceptances, or clicks are automatically recorded in their profile.

Easily Share Information

Collaborate across your team by tagging colleagues in comments, organizing contacts by owner or issue, and looking up the historical context of every relationship your team has had at a moment's notice. Then, build auto-updating reports to share and report out on your team's external engagement with leadership.

To learn more, visit www.quorum.us/stakeholder

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