

# A Business Case for Strategic Political Assessment

By Michael J. Kerrigan

Delivered at the  
Annual General Meeting of  
The Advocacy Group, Inc.  
London, England  
October 16, 1998

Recently, in the politics of business, the word "campaign" has been redefined, as lobbyists and corporate executives alike now apply the tools of electioneering and advocacy to the principles of business management.<sup>1</sup> Another corporate trend is a convergence of advocacy and marketing skills as lobbyists and business managers team on issues like corporate telecommunications and electricity deregulation campaigns. Clients increasingly view advocacy as an information business and lobbyists as "knowledge workers."<sup>2</sup> Corporations are making yet another innovative response to the age of networked intelligence by creating innovative campaign teams, including lobbyists. Clients perceive the campaign approach is a logical way to assemble and deploy multidisciplinary teams.

The companies now appreciate that the wider the scope of knowledge drawn upon in marketing strategy formulation, the wiser the decision. Clients recognize the political landscape is a key element in their market environment and that their competitive position can be aided by understanding and influencing this environment. An effective lobbyist will identify potential alliances whose political needs resemble the clients, and sources of opposition trying to influence the political environment. In addition to market intelligence, the lobbyist can influence decisions by political leaders in favor of a corporation's interest. In this capacity the lobbyist supplements traditional sales efforts. While the sales staff focuses on product issues, the lobbyist can translate a corporation's product or service offering into a decision that can provide an elected official leverage with a particular constituency. Since few decisions in government are made without consideration of the political impact, having an advocate that can both identify a political win, and then explain it to corporate and governmental leaders is an essential advocacy role supporting corporate initiatives.

To provide a robust resource and build a competitive advantage for business clients and gain membership on the campaign team, lobbyists must add yet another skill to their practice: strategic political assessment. Strategic political assessment is the comprehensive analysis of the intergovernmental legislative, regulatory, media and local environment necessary for senior management to decide what advocacy budgetary resources must be dedicated. To their detriment, strategic political assessment is a skill lacking in most clients' value chains. Add it, and the advocate adds value to his clients' ad hoc campaigns. Indeed, the political assessment skill can become a strategic imperative, an action that must be undertaken or the campaign will fail.

Strategic political assessments have been called upon by energy, entertainment, financial, technological and telecommunications clients in recent campaigns. In each campaign, the client's desire to improve the competitive position prompted an able analysis of the business situation. In each case, the company discovered a market opportunity, identified what needed to be accomplished to realize that opportunity, committed the resources to retain a campaign team and stood ready to execute their strategy. After each had maximized business value, a political value was added by teaming with a lobbyist. The earlier the lobbyist is consulted, generally the more value is added to the team. Historically, a lobbyist has added political value because he knew the entire local terrain. He knew what the real issue was, what the desired result was, who in the political process achieved the desired result, and what messages were conveyed to achieve the desired result.

Today, lobbyists continue to possess both positive and normative skills: they are at once an advocate and a counselor. However, in our age of networked intelligence, of political and corporate convergence, this is not enough. If a lobbyist does not know how to make a business case, how to maximize the value of finite corporate resources budgeted to a given campaign, he is of insufficient value to the campaign team.

To make the business case, the lobbyist makes a strategic political assessment by implementing the following techniques: proper alignment, core competency positioning, situation analysis, future scenarios, value chain analysis, benchmarking, and competitor analysis.

Today's lobbyists must make certain the political strategy is in alignment with the business case, that is, that the political strategy operates in harmony with the scope of the clients business. If the political strategy is inconsistent with the corporate culture, it will not receive the organizations commitment. When the political and business strategies are aligned, they are said to be in as state of "strategic fit." The optimum political assessment situation would be to have a high degree of alignment with the clients marketing objectives. Core competencies define where an organization must excel in order to maintain leadership, where the company makes a significant contribution to the customer's perceived benefits of the clients' service or product. Core competency provides the roots of a clients competitive advantage. The lobbyist must position himself so that his portfolio of skills supports that of a client's core competencies.

Situation analysis is the collection and analysis of information about the clients business. It is performed by identifying critical success factors and strength/weakness/opportunity/threat analysis (SWOT). The lobbyists adds value to the situation analysis by identifying his critical success factors: where his skills leverage strengths, eliminate weaknesses, exploit opportunities, and deflect threats.

Client scenarios are a structured way to define possible futures, understand the causation chain for each scenario, and develop options to deal with uncertainties. The lobbyists must identify where in the chain of events a governmental action can make or break a scenario. Given the dynamic nature of the political process, the lobbyist's input on pivotal political events can be particularly powerful in impacting the thinking of the campaign team.

Value chain analysis is a method of understanding the translation of client resources through processes into final products and services. The lobbyists must identify where he adds value in the clients internal business processes. Legislative and regulatory events often cause a bottleneck within a clients value chain. The lobbyists broad-based capabilities and political intelligence may assists the client in changing the design of the value chain.

Benchmarking is a process for comparing products and services, competencies and capabilities against those recognized as best in class. When clients decide to benchmark, the lobbyist convinces them to compare themselves against world-class competitors who maintain excellent advocacy capability. If a gap is discovered, the lobbyist asks whether their gap is due to advocacy competency.

Clients cannot take actions to foil the competitors' strategies unless they know the competition. Sun Tzu (The Art of War) says the prudent commander bases his plans on his antagonist's shape, and the wise general takes every possible measure to prevent the enemy from shaping him. The lobbyists, by helping clients understand their competitors politically, can develop elegant strategic moves to block them, change the rules to the political game and disable alliances.

The lobbyist earns his place among knowledge workers and onto the clients senior management team by offering sound strategic political assessments. The ability to also make a business case depends upon execution of these strategic techniques. A sound political assessment plus the ability to make a business case, together provide a sustainable competitive advantage for the client.

1. *Advocacy: When lobbying, political campaigning, and business management come together.* Michael J. Kerrigan  
Campaigns & Elections Vol. 1, No.1

2. *Lobbyists Turn to 'Adhocracy'.* Michael J. Kerrigan  
Legal Times Vol. XIX NOS. 32, 33