



## **PUBLIC AFFAIRS SURVIVAL IN A DOWNTURN**

Article for EU Reporter website

In the spring of 2009 historians will record that there were three debates involving public affairs practitioners in Europe running simultaneously.

The first might be described as “Pre-Registration Tension (PRT)”. This involves the Commission pushing public affairs practitioners to register, while the public affairs function strives to fit their individual circumstances into an awkward system of registration with little guidance from the Commission. The more sophisticated practitioners may well believe that this is in any case a hollow exercise, more in the form of a pilot project than of an enduring institution, given that the discussions between Parliament and Commission may well result in a very different animal emerging by the spring of 2010.

The second debate might be described as “Pre-Electoral Tension (PET)”. This involves the advocates of tighter regulation attempting to politicise the issue ahead of the European Parliament elections. Against the background of President Obama’s actions in Washington, they continue to look for evidence of European practices that would justify an American-style response.

However in my view by far the most important and pressing issue for public affairs practitioners of all kinds in the spring of 2009 is how to respond to the downturn. We might characterise this as “Public Affairs Survival in a Downturn (PASD)”. This is of immediate and personal importance to every practitioner, be they working for a Trade Association, an NGO, a Consultancy or In-House. With the exception of a few fortunate companies such as MacDonald’s, most public affairs operations are hurting badly. Of course everyone maintains that their particular prospects are healthy, but in private, and after a few drinks, gloom is the order of the day.

It is for this reason that the ECPA has commissioned ComRes to focus this year’s State of Public Affairs Questionnaire ([www.publicaffairs.ac](http://www.publicaffairs.ac)) on the questions to which we would all like to know the answer if we could be assured that our colleagues were telling the truth. We therefore invite all public affairs practitioners to take advantage of the anonymity provided by the Questionnaire to give us the collective data in answer to the following questions. Has your public affairs budget increased, decreased or stayed the same in the last twelve months? What do you expect to happen to it in the next twelve months? How severely has the economic downturn affected your PA budget and headcount? When do you anticipate economic recovery being felt by your organisation? Have you abandoned any public affairs activities as a result of the downturn? Have you started any new type of activity? Do you think the downturn to lasting changes in public affairs practice? Has the downturn had differential impact in different parts of Europe? Has the downturn changed the practice of global public affairs? The Questionnaire will remain open until the 2<sup>nd</sup> March. We will then devote a substantial part of the ECPA Annual Conference to thrashing out our best recommendations on how to survive and prosper in the current unpleasant conditions.

There is a very good case to be made that organisations need public affairs more than ever in a downturn. I am grateful to Thomas Dubois, one of the Vice Chairmen of ECPA, for a stimulating exchange on the subject. He has found himself fire fighting throughout the autumn to ensure that redundancies were handled sensitively, legally and with the minimum damage to corporate reputation. Having avoided resort to the PANic button, how should one go about making the case for greater use of public affairs in a recession? How does one market public affairs inside a company, when every other function is also

demanding more resources? It helps if during the good times you were able to present public affairs as a long term generator of value rather than being looked upon as a disposable cost centre. Thomas observes that, in all the companies he's worked in, the CEOs who really understand this are those who have been through their own deep valley, be it by a media gaffe or a dawn raid. We concluded fairly early in our conversation that there were no new silver bullets for use in a crisis. Crisis tends to test the foundations that you laid down in normal times. Are you perceived by other management functions as engaged in the same war and speaking the same language as the rest of the company? Or are you seen as an external messenger from the outside world? Exactly how closely are you aligned with your colleagues in the organisation may only show up when you have to make hard choices. Success is often about focus. It is about understanding enough of the big picture to let go of the smaller stuff. Trade Association meetings and quarterly internal newsletters may just have to go. Thomas maintains that you need to look after the corporate reputation and concentrate on the big ticket items. Your success will depend on how quickly you can adapt to the predictable curves of management thought in a recession – denial, panic, over-reaction. Once you have survived this dangerous trio, the time should be right to look around to see if there are opportunities for public affairs that did not exist in the fat years. The rapid culling of corporate priorities may surprisingly leave room for public affairs initiatives that did not stand out from the crowd but which now seem attractive and do not demand heavy financing. The question should be, as always, how much value can we create? Until we learn to look for opportunities by scanning the external environment, rather than focusing on our internal product, we will not have learned one of the basic principles of Decision Mapping®. Doing a better thing in a recession may be wiser than trying to do the same thing better.

Last month I was part of an European Centre for Public Affairs discussion in Brussels on Managing Public Affairs in a Crisis. Jon Arthur, a very impressive social psychologist, working for Unilever, described how they have entirely reformed the company's response to crisis. Of his four points the first, "stay big-minded", echoes the views of Thomas Dubois. We must stay focused on the big issues and the long term. Beyond that he recommends the importance of imposing order on chaos as a key to avoiding panic. He points to the need to professionalise our response to crisis and to delegate authority to the relevant level. What is true in an individual crisis over a product withdrawal or the misbehaviour of a distant subsidiary must surely also be the case as an organisation struggles to survive in the downturn.

My strong advice to colleagues is not to worry about PRT. Go ahead and register using the ECPA Guidelines on Registering Intelligently. Don't get involved in PET. Serious practitioners have nothing to fear from the political bubbles that always accompany this stage in the five year cycle of the European Union. Imitate the better adapted small mammals. Respond if you are attacked but otherwise concentrate on the serious business of survival. It is a pleasing thought that this crisis should strike us on the two hundredth anniversary of Charles Darwin's birth. Survive and evolve should be our watchword.

