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Strategic Communications

How Corporate Leaders Can Build Credibility As Policy Advocates

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While corporate leaders often express alarm over government oversight of and intrusion into business, many American CEOs also view the political climate of Washington, D.C., as impenetrable and unwelcoming, and are uneasy about becoming involved in policy discussions. A new survey, however, shows there is clear value for CEOs in taking a more active approach.

FTI Consulting found in its 2011 survey, *CEO as Statesman*, that institutional investors are eager for CEOs of their portfolio companies to become involved in debate about relevant policy issues. And they continue to feel this way, according to FTI's new survey, *CEO as Statesman II*. In fact, 85 percent of institutional investors say that Washington, D.C., is important to their portfolios, 78 percent want companies to be more vocal about policy, and 76 percent say that CEOs' engagement in policy discussions is a plus for the public.

Nonetheless, the new survey shows that CEOs are correct in believing that Washington can frequently be unwelcoming of their viewpoints. Both D.C. opinion elites and the general public are skeptical about the value of corporate leaders being involved in policy debates. Forty-nine percent of D.C. opinion elites and 56 percent of the general public worry that more active CEOs will negatively impact public policy by pursuing agendas that will benefit only them and their companies.

The survey also found that only 40 percent of D.C. opinion elites and 34 percent of the general public feel that CEO participation in public policy discussion is positive. The numbers show clearly that CEO commentary on hot-button political topics, such as immigration reform or same-sex marriage, are viewed negatively by investors, opinion elites, and the general public alike.

The good news for corporate leaders is that investors, opinion elites, and the general public agree on the positive value of CEOs' involvement in policy debates over certain critical issues, specifically job creation and education in the so-called STEM fields of science, technology, engineering, and math.

On the issue of job creation, 53 percent of investors, 76 percent of D.C. opinion elites, and 73 percent of the general public would like to see CEOs take an active role. Meanwhile, 61 percent of investors, 65 percent of D.C. opinion elites, and 61 percent of the general public would like to see CEOs involved in the issue of STEM education.

Given this consensus, it's obvious where CEOs should focus their energy in Washington. They need to realize they have an important role in addressing these issues, and that this role is valued not just by investors but by policymakers and the general public as well.

Washington and Wall Street will never see eye to eye on who is better positioned to solve such pressing problems as tax reform, deficit reduction, or entitlement spending. But there is a narrow region where policymakers, the public, and investors share a point of view.

To be taken seriously, however, CEOs need to realize that their influence will not outpace their companies' reputation: they must build that reputation before they can leverage it. In other words, when it comes to influencing policy, CEOs cannot simply "phone it in." They need to be frequently on the ground, building working relationships with policymakers.

Furthermore, corporate leaders must avoid the perception of being part of the partisan fray, or of arguing for what is perceived as a narrow company interest. Instead, to be perceived as broadly relevant, they must take a stand on behalf of their industry, the private sector, or the economy. Job creation and STEM education fall squarely within these parameters.

By building their D.C. presence and a reputation for statesmanship on issues of broad concern, companies can avoid the trap of coming to the policy game too late to influence the outcome. A consistent, well-executed civic engagement program increases the company's credibility with all stakeholders, improves access to policymakers and opinion leaders, and ultimately can help protect and enhance enterprise value.

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