

A Practical Process Guide to Issues Management

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The **Public Affairs Council** is the leading association for public affairs executives. It provides information, training and other resources to its members and their employees to support their effective participation in government, community and public relations activities at all levels. Council members work together to enhance the value and professionalism of the public affairs practice and to provide thoughtful leadership as corporate citizens.

Executive Summary

Issues for Public Affairs Managers

The effective management of emerging issues has never been more important to the success of business organizations than it is today. An increasingly global marketplace means that corporate performance in one region of the world directly impacts its regulatory burden, brand image, reputation and financial well-being not only there, but across the globe. To head off crises and take advantage of emerging business opportunities, you need an effective issues management process.

The good news is that your issues management process does not have to be complicated or expensive in order to be effective. This paper lays out a simple framework you can implement right now to identify issues and develop responses when there is still time to influence the final outcome. The three key steps in the issues management process are:

- Issue identification
- Issue prioritization
- Strategy development and action planning

The issue identification process is managed by a cross-functional issues team of mid- to senior-level people from across the organization. The team’s mission is to identify any actual or perceived gaps between stakeholder expectations of how the company should perform and its actual performance. These gaps represent the issues facing the organization.

The next challenge is to prioritize the list of identified issues, so that you focus your efforts on those issues that matter most. The issues team does so by rating the potential impacts of an issue on the company’s reputation or financial well-being on a scale from “High” to “Low,” based on a set of objective criteria. The team also rates the relative urgency of the issue, using a similar scale and set of criteria. Each issue is then plotted on a simple matrix matching its impact and urgency scores. Relative priorities are then assigned to each issue based on where it falls in the matrix.

The final step in the process is strategy development and action planning. The issues team begins by developing a clear picture of the current issue environment, generating a vision of success, and identifying what internal and external factors will either help or prevent the company from achieving its goals. It then develops an action plan for how it will manage each issue. While each action plan is unique, there are four broad actions you may take: ignore, react, participate or initiate. When overlaid onto the issue prioritization matrix, it becomes clear what the appropriate response is for each issue (see below).

		IMPACT →		
		LOW	MEDIUM	HIGH
URGENCY ↑	HIGH	Participate	Participate/ Initiate	Initiate
	MEDIUM	React	Participate	Participate/ Initiate
	LOW	Ignore	React	Participate

Low Priority
 Medium Priority
 High Priority

In the end, issues management is about preventing issues from becoming full-blow crises. It's about making smarter decisions, mitigating risk and exploiting opportunities. As such, it is invaluable to every business organization. The process described in this paper will help you achieve these goals and increase your value to the company's bottom-line.

About the Author

David G. Laufer is president and founder of Forum Strategies & Communications. David has over 20 years of business experience in government affairs, communications and issues management.

As vice president of state government affairs for the Philip Morris Companies, David led a nationwide department of over 40 government affairs professionals. He also served as a member of the senior leadership team for the global corporate affairs function at Philip Morris. Before joining Philip Morris, David worked as an analyst for Control Risks, Ltd. in London, and as an assignment editor and night news manager at CBS News in New York.

He is indebted to numerous clients and colleagues, with whose collaboration the tools and techniques presented in this report were developed, applied and evolved. As David puts it, "It just proves again that good issues management is a team sport."

What Are “Issues” and Why Do We Manage Them?

Ever ask yourself, or have your boss ask you, these questions:

- Why are we always putting out fires?
- Where do all these crises come from?
- How do we get ahead of the curve?
- How can we turn these challenges to our competitive advantage?

In short: How do we do a better job actually *managing* our issues, instead of being managed by them? To find the answer, we need to start with this question: What is an “issue”?

Public issues typically arise from an actual or perceived gap between company performance and important stakeholders’ expectations of the company in terms of its:

- Products
- Processes
- Policies
- Practices
- Programs

Be they shareholders or NGOs, stakeholders will be looking for areas in which results that affect them have not been as promised, as expected or as desired. And they will look to hold the company accountable. That’s an issue. Whether those groups and the concerns they raise (i.e., their issues) are material to the company will determine whether they become *your* issues.

An issue’s potential outcomes can have a significant impact on your company’s regulatory burden, reputation or financial well-being. Well-handled issues present opportunities to build awareness and trust among key constituencies in the company's identity, reputation, policy and legal positions. However, when issues are handled incorrectly, your company faces the very real risk of litigation costs, a drop in share price, additional regulations, and the loss of reputation and consumer acceptance.

The difference between taking advantage of opportunities and suffering additional costs lies in the timely identification and prioritization of issues, and the development of appropriate responses. That’s issues management in a nutshell: a disciplined, institutionalized process to identify issues and develop responses when there's still time to influence the final outcome.

This paper will describe what an effective issues management process should look like, develop a framework for assessing issues and determining appropriate responses, and provide you with tools you can use right now to achieve success.

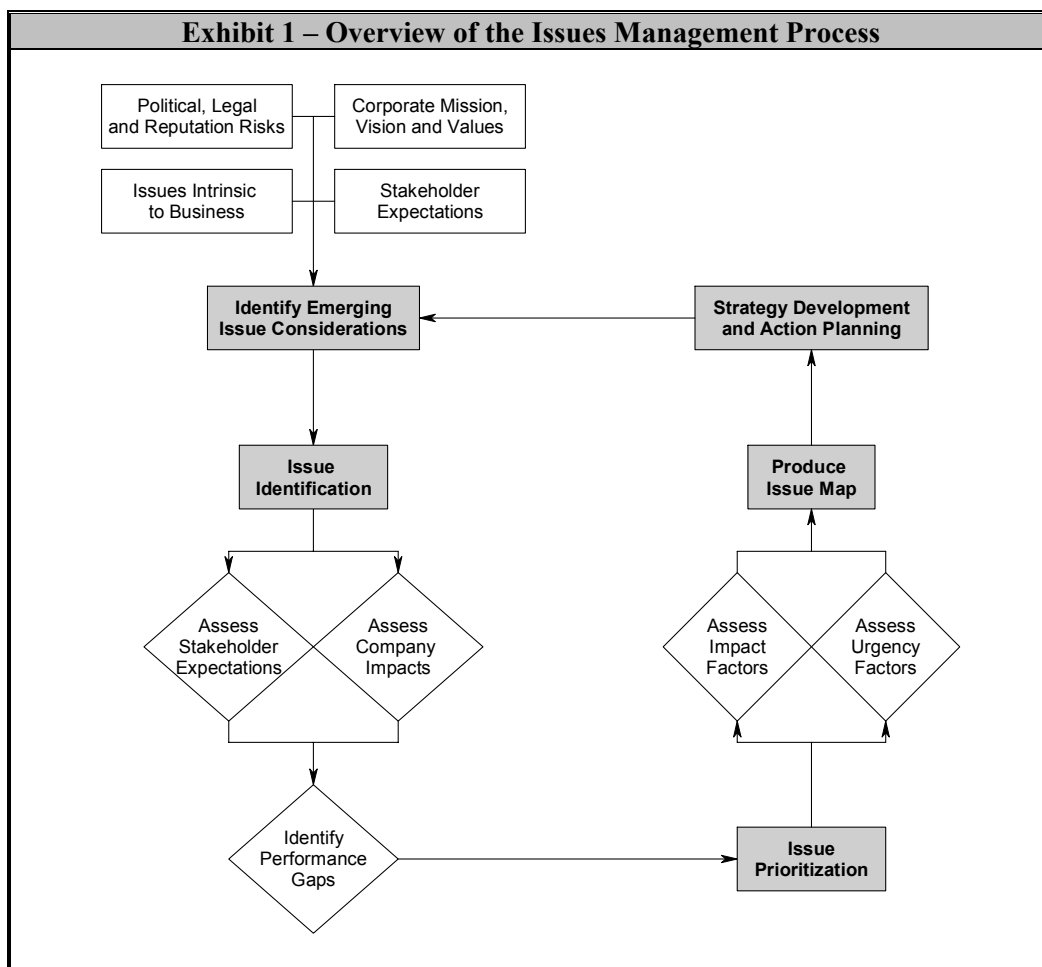
Overview of Issues Management Process

A good issues management process will capture both an “inside-out” analysis (i.e., as seen from the perspective within your company) and an “outside-in” analysis (i.e., as seen from the point-of-view of external stakeholders). It ensures not only that all potential issues (the “dots”) are identified, but also that the dots are connected in way that helps you recognize linkages and take action to prevent crises from occurring.

The issues management process begins with an assessment of both the issues intrinsic to the business (e.g., package labeling in a food manufacturing business) and any emerging issues considerations. These are the dots, meaning the areas which may give rise to early recognition of a potential risk or opportunity facing the company.

How do you identify them? Issue scanning (e.g., scouring the trade press, scientific literature, analyst research, print and broadcast media, blogs, regulatory releases, etc.) is one approach. Many other important emerging issues considerations stem from the business itself, such as the direction senior business leaders express for the company (and the ways in which their priorities may shift), which are often embodied in the company’s mission, vision and values statements. Other considerations come from: priority issues and opportunities intrinsic to the business; compliance risks; political, legal, and reputational risks, opportunities and trends; and, critical societal and stakeholder expectations of the company.

All these form the well-spring of new issues with which the company will have to contend.



Of course, many companies have well-developed processes in place to articulate each of these considerations. The dots are identified. However, they are often not connected to each other. For instance, R&D might be aware of a trend in biotech that does not yet rise to the level of corporate planning, but that public affairs or government affairs realizes will pose an inevitable challenge to the business in the future. That’s where your issues management program comes in.

In order to ensure that you are capturing the right issues and prioritizing them so they can be managed effectively, you should form an issues team that is cross-functional in nature. The team should analyze the impact and urgency of potential issues in order to develop a set of priority issues for the company to manage. These issues, in turn, inform and shape numerous corporate decisions and responses. For example, the use of a new technology and its potential benefits and risks may be identified as a coming issue for a business. That could well trigger:

- A set of policies and procedures that govern how the new technology will be integrated into existing processes and products.
- Internal systems to implement, measure, and monitor adherence to the new guidelines and practices.
- New positions and messages that the company will need to articulate, new stakeholders to interact with and new audiences to communicate with.
- A revised public policy and advocacy agenda.

As the company begins to interact across all fronts, both internally and externally, more feedback and intelligence will be gathered about the issue: the types of business risks and opportunities; the identity and motives of protagonists and antagonists; and, a finer understanding of the expectations key stakeholders have of the company. All this information gets fed back into the issues process, and the cycle begins again.

The next several sections will provide more detail on how each of the steps in this process work.

Issue Identification

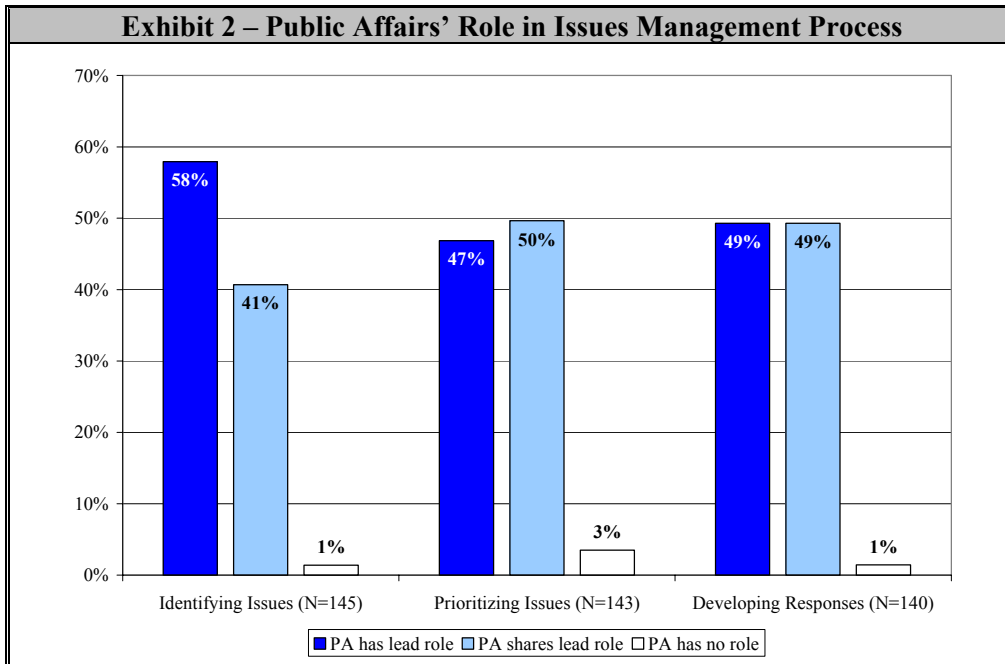
This part of the discussion will focus on identifying *emerging* issues, rather than on issues already intrinsic to a business. Intrinsic issues are those that typically “self-identify” (e.g., food safety issues to a food business) and are often already subject to scrutiny as part of a company’s existing regulatory or compliance process.

So what are emerging issues and how can you identify them? In short, they can come either from outside the business (e.g., social, political, legal or economic trends), or from inside the business (e.g., as the result of a new product, process or other business-initiated impact). They are identified through your corporate planning process and SWOT analyses.

Earlier we said that issues arise where there is an actual or perceived gap between company performance in a given area and important stakeholders’ expectations of the company. Therefore, issue identification starts with an examination and understanding of the:

1. **Impacts** created by the company’s products, processes, policies, practices and programs.
2. **Stakeholder expectations** of how the company will perform in those areas.
3. **Performance gaps** (if any) between stakeholders’ expectations and actual corporate impacts.

To begin the issue identification process, you should convene a cross-functional issues team. The issues team will involve mid- to senior-level people. They should be both conversant with the issues facing the business and capable of making strategic decisions about them, with public affairs playing a significant leadership role (see Exhibit 2, on page 6). Members will typically represent a number of corporate staff functions, including: corporate affairs, sales, marketing, operations, business planning, legal and finance (see Exhibit 3, on page 6).



Source: *The State of Corporate Public Affairs Survey*, Foundation for Public Affairs, 2005.

There should always be an individual who is accountable for “owning” the process and running the team. In many organizations this person is called an “issue manager,” and in other cases he/she is a so-called “issue owner.” It doesn’t matter what you call this person. Just make sure it is someone in the department most impacted by the issue (e.g., sales, manufacturing, R&D) or who has the most expertise in the area.

Exhibit 3 – Corporate Personnel Involved in Issues Management

Departments and Functions that Share Issues Management Responsibility	Percent of Companies
Legal/General Counsel	85%
Operating unit/division managers	75%
Tax	47%
Corporate Public Affairs managers	43%
Communications	37%
Environment, Health and Safety	34%
Public Relations	31%
Human Resources	30%
Business development	26%

N=105

Source: *Corporate Government Relations Washington Office Benchmarking Project*, Public Affairs Council, 2006.

The team itself should have between 10 and 15 members. Involving more than that makes the process too difficult to govern; fewer than that and you lose the diversity of knowledge and viewpoints you need to effectively “connect the dots” throughout the company. Often these cross-functional planning sessions benefit from a facilitator who keeps the discussions on track, helps the group tease out and test their own assumptions, and who can add some outside perspective, if necessary.

Once constructed, the issue team begins by answering the following five questions:

- What are the impacts of a particular product, process, policy, practice, program or facility?
- What are the company/business unit’s critical goals and strategies?
- Which stakeholders are affected (both positively and negatively)? And in what ways?
- What are their primary concerns and objectives?
- Are there gaps between the company’s current performance and our stakeholders’ expectations?

The team’s responses to these questions can be charted using a template (see Case Study 1, below) to formally identify actual or perceived gaps between the company’s impacts and stakeholder expectations. The results are then used to prioritize your issues, which we’ll cover in the next section.

Case Study 1 – Issue Identification		
<p>As an example, take a consumer products company considering expanding its use of nanotechnology in certain personal-care products. (Nanotech involves the use of invisibly-small particles, “nanoparticles,” because of their chemical, physical or biological properties.) In this example, the company is interested in the potential of nanotech for improving the coverage and absorption of its skin lotions.</p> <p>Here is what the company’s issue team might reasonably have identified:</p>		
COMPANY IMPACTS/ CONCERNS	ACTUAL/PERCEIVED GAP?	STAKEHOLDER CONCERNS
Safety of nanotech in personal care products	Safety/risk of nanotech to the consumer and community	Consumer advocates: public safety and health effects; precautionary principle (i.e., consumers have zero-risk tolerance until product is proven safe) Community surrounding manufacturing facility: ability of company to contain nanoparticles
Education of workforce to master new technology	Adequacy of existing company occupational safety and health (OSH) practices	Employees: exposure, OSH issues
Benefits of nanotech in packaging	Protection of proprietary data	Regulators: compliance, data availability, transparency
Marketing ability to make product benefit claims based on the new technology	Depiction of benefits to consumers	Plaintiffs bar: scrutiny of any advertising claims purporting benefits

Case Study 1 (Continued) – Issue Identification

In all likelihood, the company’s issue team would have gone on to identify other “gaps,” but for purposes of this example, the four gaps identified by the team suggest four potential issues for the company to manage:

1. Document the safety and mitigate the risk of nanotech to the consumer and community.
2. Balance the need to protect trade secrets and maintain competitive advantage with mandatory regulatory disclosures and potential public communications.
3. Ensure the adequacy of company OSH practices to protect employees.
4. Maintain the ability to differentiate from other products and substantiate any claims made about benefits to the consumer.

Issue Prioritization

Obviously, not all issues are of equal importance to the company, nor are there unlimited resources to address each of them. What you need is a process to prioritize the issues you identify and help you allocate resources accordingly. Issue mapping is one approach that does just that. It involves three steps:

1. Weighing the nature and intensity of each issue’s impact.
2. Assessing the likelihood and immediacy of that impact.
3. Charting intensity and immediacy on a matrix and identifying relative priorities.

Now let’s look at each of these steps in more detail:

Assessing the Intensity of Issues: Impact Factors

The issues team first assesses the impacts that identified issues may have on the company and their intensity. In theory, there are four primary categories that these “impact factors” fall into:

1. **Reputation:** Issues impacting key constituents’ perceptions of the company’s values, commitments, behaviors and integrity.
2. **Finance:** Issues directly impacting the company’s revenue and profitability.
3. **Regulatory:** Issues impacting the company’s license to operate, access to markets, and the nature and timing of legislative or regulatory actions, fines and penalties.
4. **Legal:** Issues impacting current (or the potential for future) litigation.

Realistically, you’ll find that regulatory and legal impacts often come down to reputation or financial impacts. For example, increased regulatory burdens and fines add to the cost of doing business. They may also provide the benefit of increasing public trust and improving the company’s reputation. Litigation likewise represents a financial burden in legal fees and insurance costs, as well as reputation costs in terms of the potential loss of public trust and brand image. Therefore, reputation and financial criteria are primarily used when assessing the severity of issue impacts.

You’ll find that the process of assessing impact factors is part science, part art. It’s also one in which the diversity and knowledge of the issues team directly impacts the quality of the result. After all, capturing the nature and intensity of these impacts in an objective way is difficult – especially when you’re working with something as subjective as reputation. That makes it vital for the team to agree on a common set of criteria for rating each issue’s impact at the beginning of the process.

The team begins by identifying all the potential impacts of an issue by referring to data and existing research and making educated judgments about how a given issue impacts the company (both positively and negatively) in terms of:

- Bottom-line impact
- Shareholder value
- Potential for greater market access, cost reductions, product/process innovation
- Risk/level of harm to the public: personal injury, property damage, financial injury, fraud
- Level of reputation risk (loss/gain in public trust)
- Impact of potential legislation, regulations
- Potential for and severity of fines and penalties (both civil and criminal)
- Level of potential litigation relief: injunctions, compensatory damages, punitive damages

The team then rates how each issue impacts relevant impact factors based on a set of pre-determined criteria. For example, one set of criteria might look like the one below. Keep in mind that there is no single set of criteria that is appropriate for every company or issue. How you differentiate between “short-term” and “ongoing” stories will likely differ from other people. That’s to be expected. What is important is that your team develops its own set of criteria and definitions, and then applies each consistently in order to determine each issue’s relative impact.

Reputation Criteria

- Low Impact:** Relevant stakeholders have no expectations of the company on this issue; any impacts are short-lived and amount to a one-day story.
- Medium Impact:** Relevant stakeholders expect average performance of the company on this issue; impacts are more severe and will create a short-term story.
- High Impact:** Relevant stakeholders expect superior performance or significant effort from the company on this issue; impacts result in an ongoing story.

Financial Criteria

- Low Impact:** Costs can be absorbed or covered as a foreseen contingency.
- Medium Impact:** Costs can potentially impact market share or profitability.
- High Impact:** Costs can potentially impact shareholder results (e.g., stock price, earnings per share, etc.)

What happens if an issue has a high “reputation” score, but a low “financial” score? The answer is: it depends. Here’s where the art of issues management comes into play more than the science. The issue team discusses the issue and agrees on an overall impact rating that balances these different factors. There is no right or wrong answer here – just the group’s judgment on each issue.

Case Study 2 – Assessing the Intensity of Issues

Going back to our nanotech example, the issues team might assess the intensity of its four issues this way:

High Impact

- *Document the safety and mitigate the risk of nanotech to the consumer and community* – due to the integral nature of this issue to public and consumer acceptance and regulatory scrutiny.

Medium Impact

- *Balance the need to protect trade secrets and maintain competitive advantage with mandatory regulatory disclosures and potential public communications* – due to well-established new product processes for intellectual property protection, regulatory compliance and marketing communications. (In some circumstances, it might be considered “low” impact. In this case, however, analysts are scrutinizing this rollout as one measure of an anticipated annual business performance review.)
- *Ensure the adequacy of company OSH practices to protect employees* – due to the need to maintain the facility’s ISO certification.

Low Impact

- *Maintain the ability to differentiate from other products and substantiate any claims made about benefits to the consumer* – due to marketing research showing that nanotech-identified benefits do not resonate with consumers.

Assessing Likelihood/Immediacy: Urgency Factors

Next, the issues team assesses the urgency with which the issue must be addressed by the company. The urgency of an issue is the combination of its likelihood of occurring and its immediacy. Just like when evaluating impact factors, determining the urgency of an issue is as much art as science. Here’s why: Consider an event that is likely to occur, but which may not happen until some point in the distant future. Should the event be viewed as a “low urgency” or “high urgency”? Or how about an event considered unlikely to occur, but if it does it will happen in the near-term. What degree of urgency should an event like this have?

As with impact factors, the answer will differ depending on the issue’s unique circumstances and judgment of the team. That’s why it is important for the team to also agree on a set of objective criteria for rating each issue’s urgency. The specific criteria your team develops will take into consideration one or more of the following:

- Company activity (past/present experience, future plans)
- Industry trends, peer and competitor information
- Regulatory trends and priorities
- Litigation trends
- Number and type of shareholder resolutions
- Financial analyst reports
- Media coverage
- NGO/advocacy group activities

In the end, your criteria for evaluating urgency factors might look like the following:

- Low Urgency:** No one else in the industry or other peer companies are yet impacted; concerned groups are not core stakeholders of the company; nexus between the issue and the company is tenuous; little to no exposure in trade press or academic forums.
- Medium Urgency:** More interest among concerned stakeholders; light to moderate exposure in media; positions of the major players are still evolving; the premium is on fact finding; nexus with the company is established.
- High Urgency:** Major relevant stakeholders have developed firm positions; the company is squarely in the middle of a public debate; the media is fully engaged; shareholder resolutions have been introduced at competitor companies; legislative and/or legal remedies are being proposed.

Case Study 3 – Assessing Likelihood/Immediacy

Our nanotech issues team might assess the urgency of its four issues this way:

High Urgency

- *Document the safety and mitigate the risk of nanotech to the consumer and community* – due to the fact that while nanotechnology is not a focal issue of consumer consciousness, interested and influential groups (e.g., regulators and NGOs) are staking out positions.
- *Ensure the adequacy of company OSH practices to protect employees* – due to the fact that the necessity of doing so is both highly likely and immediate.

Medium Urgency

- *Balance the need to protect trade secrets and maintain competitive advantage with mandatory regulatory disclosures and potential public communications* – due to fact that the evolving nature of the regulatory regime for nanotech has no set disclosure deadlines.

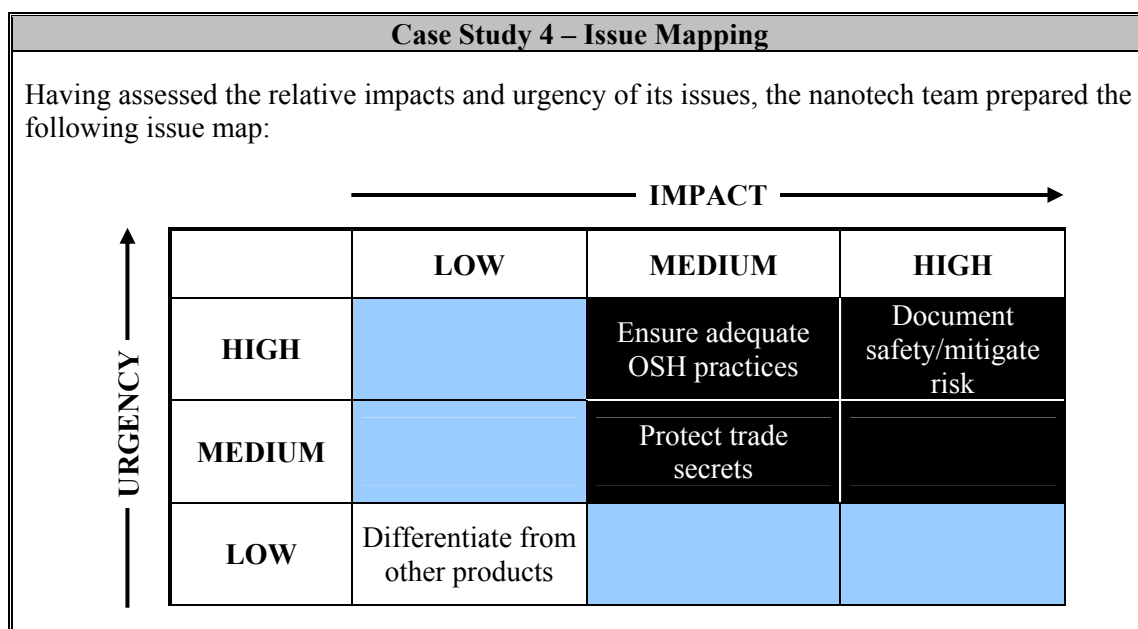
Low Urgency

- *Maintain the ability to differentiate from other products and substantiate any claims made about benefits to the consumer* – due to marketing research showing that nanotech-identified benefits do not resonate with consumers.

Putting the Issue Map Together

Having identified potential issues and assessed the impact and urgency of each, the issues team is now ready to prioritize them. It does so by plotting the impact and urgency ratings for each issue on a simple matrix (see Case Study 4, on page 12). The resulting issue map helps you assess the relative priority of your issues. Companies will typically focus on the four upper-right cells – ranging from medium/medium to high/high – as their priority issues.

While your issue map may not match what your team originally anticipated, it does reflect a prioritization of the issues that resulted from an analytical process. You can document the process and defend the results. This is critical when your team is called upon by senior management to make recommendations and defend its rationale. Moreover, as we will discuss in the next section, a similar map is used to present potential action options that ensure resources are allocated appropriately.



Strategy Development and Action Planning

Now that you have identified and prioritized your issues, your next step is to define the objectives, strategies and actions that will help attain the desired result on each of your priority issues. Once again, the following technique works best with a small group of cross-functional people conversant with the issues and with the internal and external resources available to deal with them. A part of this group may be from the team that prioritized our issues. However, the “prioritization” team and the “action” team need not be identical. What should remain the same is the person who “owns” the process and leads the issues team. Having the same leader ensures continued accountability, consistency and knowledge-transfer for the issues team.

Strategy Development

The strategy development process begins by conducting a situation analysis. This analysis can be narrow, concerning a specific, pre-identified issue, or applied more broadly to the business in general. It generally includes one or more brief business presentations from participants, then a discussion of critical facts about the current situation. The objective is two-fold:

- Give team members a common grounding in the issues facing the business, and
- Begin to build consensus about the economic, social and political factors impacting the business and the identified issues.

Once you have a good sense for where you are, the next step is to determine where you want to be at the end of the process. That requires you to generate a vision of success. To do this, your issues team should develop a scenario of best potential outcomes for the identified issues (even if they are stretch goals). It is important to focus on outcomes since they then serve as objectives around which to generate specific strategies. Your vision should also cover a reasonable time frame – say 18 months to three years. While the specific term is up to you, make sure it’s not so short that the vision becomes too tactical, or so far-off that it is purely aspirational in nature.

Case Study 5 – Generating a Vision of Success

Potential visions of success for our nanotech team might include:

- *Document the safety and mitigate the risk of nanotech to the consumer and community:* Accepted product-related testing and assessment methods are developed in concert with appropriate scientific and regulatory bodies. The public health debate and news coverage are balanced; consumers keep risks in perspective and are receptive to the technology.
- *Balance the need to protect trade secrets and maintain competitive advantage with mandatory regulatory disclosures and potential public communications:* Disclosures regarding nanotech are within the framework of existing regulatory principles that protect intellectual property.
- *Ensure the adequacy of company OSH practices to protect employees:* Effective systems are in place to protect workers; workers understand the technology, adhere to and trust the OSH systems.
- *Maintain the ability to differentiate from other products and substantiate any claims made about benefits to the consumer:* Consumers do not reject nanotech-based product claims; such claims are based on accepted methodology and do not expose the company to legal risk.

These visions quickly become the company's objectives. For example, the vision for "Document safety/mitigate risk" becomes the strategic objective: Develop accepted product-related testing and assessment methods in concert with appropriate scientific and regulatory bodies.

Next, you'll want to conduct a SWOT analysis. The first two elements are predominately internally-focused, the latter two, externally-driven. As your team conducts its analysis, it should address questions like:

- **Strengths:** What resources or capabilities (e.g., financial, employees, allies, compelling data, etc.) does the company have to respond to or shape public perception of the issue?
- **Weaknesses:** Are there substantive or procedural roadblocks (e.g., bureaucratic culture, inability to tap internal expertise, lack of internal expertise, people focused on other priorities, etc.) that need to be addressed before we can effectively manage the issue?
- **Opportunities:** What are the factors and trends in the current situation, or possible future developments, which the company can take advantage of to help reach its objectives?
- **Threats:** What are the factors and trends in the current situation, or possible future developments that can impede the company from reaching its objectives?

By the time you complete the SWOT analysis, your issue team should have a clear picture of the current issue environment (situation analysis), where it wants to go (vision of success), and the factors that can either help (strengths and opportunities) or prevent (weaknesses and threats) the company from getting there.

Your next task is to identify critical success factors, which are often pulled directly from the results of your SWOT analysis. Each of your strengths, weaknesses, opportunities and threats can be articulated as actionable items. For instance, the strength of "good in-house research" becomes an actionable item to "use in-house research effectively; disseminate information appropriately."

Chances are, though, for many issues there will be more critical success factors than there are resources to affect them. Therefore, the team needs to identify what, in its opinion, are the most essential factors to achieving its vision of success. A simple rule of thumb for narrowing down your list of critical success factors is the "but if" test: We could impact all other factors, but if we do not address this particular factor, we will not be able to achieve our vision of success.

Case Study 6 – Critical Success Factors

Examples of critical success factors in our nanotech illustration might be:

- Raise internal management awareness beyond R&D; get it on the radar screen of the executive management team.
- Increase trade association involvement and resources devoted to nanotech.
- Educate employees about the benefits and safety of nanotech.
- Better understand consumer concerns regarding safety.

The final step is to develop an action plan. For each of the critical success factors and each outcome identified in the vision of success (there can/will be overlap) the group needs to discuss what actions have to take place to make it happen.

The following section provides more detail on developing your action plan.

Identifying Action Options

The issue map you created as a way of prioritizing issues also lends itself as a tool that can help define a preliminary map of appropriate action options. Essentially there are four broad categories of action options available to you, ranging from inaction to proactively addressing the issue:

- Ignore:** Do nothing; re-evaluate the issue periodically (as appropriate).
- React:** Monitor; prepare position statements, media response, FAQs.
- Participate:** Actively participate in the debate to influence the trajectory of the issue, but do not necessarily take a leadership role; rely on trade association as public face; engage with other stakeholders to refine your advocacy positions.
- Initiate:** Initiate proactive efforts to shape an issue and its outcome by aggressively communicating; lobbying; building coalitions; and, activating allies.

Overlaying these action options onto the issue map helps provide guidance on the appropriate response for each of your issues (see below). Once defined, this map, alongside the issues map, becomes a useful guide to confirm that you are dedicating the appropriate level of resources and effort against a particular issue. Remember: the internal risks of wasting resources on a low priority issue are almost as high as the external risk you run by not devoting adequate resources to a high priority one.

		————— IMPACT —————→		
		LOW	MEDIUM	HIGH
URGENCY	HIGH	Participate	Participate/ Initiate	Initiate
	MEDIUM	React	Participate	Participate/ Initiate
	LOW	Ignore	React	Participate

Low Priority
 Medium Priority
 High Priority

Clearly there are significant nuances within the execution of each of these response options, but they are useful as ways to frame the potential, relative scales of activity. The options in this framework are also not absolute or mutually exclusive. Each company can tailor what it considers appropriate action options to its own culture, structure and resources. In all cases, however, the chart is meant to reflect a scale of how aggressive you are willing to be, and what resources you are willing to commit to achieve a particular outcome.

Case Study 7 – Identifying Action Options

Going back to our nanotech example, appropriate action options include:

Initiate

- *Document the safety and mitigate the risk of nanotech to the consumer and community:* As a High/High issue, the company is clearly not the only one with this concern. But the importance of this issue means that significant attention and resources need to be devoted to ensure that the outcomes are desirable. The company should consider taking a leadership role in educating allies, engaging with stakeholders and communicating on the issue to achieve the desired result. This is especially true to the extent that others are not doing so and the absence of action will jeopardize the result.

Participate

- *Balance the need to protect trade secrets and maintain competitive advantage with mandatory regulatory disclosures and potential public communications:* On the issue map, this one is rated Medium/Medium. The appropriate level of response is to closely monitor regulatory and legal developments that may affect the trajectory of this issue, participate in forums that will help determine outcomes on the issue by working through trade associations and other groups.

Ignore

- *Maintain the ability to differentiate from other products and substantiate any claims made about benefits to the consumer:* This issue was rated as Low/Low on the issue map. The framework suggests that an appropriate response, then, is to passively monitor, which is to say, basically keep an eye out for developments in the routine news and data gathering. Remember, the company is not planning to make any immediate claims.

Conclusion

We often see a crisis as an unforeseen event to which we must respond. On closer look, however, crises are frequently revealed to be symptoms of deeper organizational issues, such as insufficient understanding of external dynamics, inadequate planning or disengagement from key stakeholders. Issues management is the antidote.

Issues management is about not letting issues develop into a crisis. As we said in the beginning of this report, issues management is a disciplined, institutionalized process to identify issues and develop responses when there's still time to influence the final outcome. It is about making smarter decisions, improving the allocation of resources, mitigating risks and exploiting opportunities. As such, it is invaluable to every business.

There is no single, “right” way to approach issues management since the ongoing management of the process is really a reflection of the company’s overall culture and management styles. However, regardless of the specific approach taken, any system can benefit from some best practices, including:

- Assessing organizational capability.
- Ensuring that there are intelligence, analysis, management and response systems in place to provide reliable and accurate information to critical internal and external audiences.
- Specifying critical goals, action steps and milestones.
- Articulating performance management measurements and accountabilities.
- Conducting the process on an on-going basis and periodically re-evaluating issues and strategies.

The tools provided in this paper will help you apply these best practices to your own operations. You *can* manage your issues before they become a crisis. The challenge is laid before you, don’t wait until another crisis hits. Get started now!

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