



Public Affairs Forum of India

Measuring Policy Response and Action

A Guide For Practitioners

Knowledge Partner



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Foreword

By PAFI President



Deepshikha Dharmaraj

President, PAFI and
Chief Executive Officer,
Burson Group India

As public affairs professionals, we serve as a vital conduit between policymakers and stakeholders that drive economic and social progress. Our work facilitates a seamless exchange of ideas, aligning priorities and addressing concerns. Over the past decade, public policy initiatives have grown across diverse industries. PAFI remains steadfast in its mission to strengthen and expand the public affairs ecosystem in India.

In this context, I am proud to present our latest report, *“Measuring Policy Response and Action: A Guide for Practitioners.”* This pioneering study introduces a robust model for evaluating the effectiveness of public

affairs functions and the value they bring to organisations. At the heart of this effort lies the **PAFI Model to Assess Policy Response (P-MAPR)**-a first-of-its-kind framework designed to help businesses in India respond to and evaluate policy risks effectively.

Developed with insights from industry experts and extensive survey data, P-MAPR is designed to assess the impact of policy changes, evaluate internal resilience, and gauge advocacy strategies against a set of key performance indicators to measure the efficacy of an organisation's public policy strategy.

The model reflects the inherent dynamism of public affairs strategies, whether shaped by domestic shifts or global geopolitical complexities. It integrates a wide range of relevant indicators while remaining flexible enough to meet the unique needs of various sectors represented by our members.

Our previous report, *“Public Affairs in India: An Evolving Landscape,”* highlighted the rapid development of public affairs in the country. It revealed that 64% of respondents had established a public affairs function within the last 15 years, and nearly half expressed a need for better metrics to demonstrate the value of this function.

The current report builds on these insights to offer a framework for creating robust mechanisms to evaluate public affairs strategies, empowering professionals to navigate an ever-evolving policy landscape with confidence.

A word of thanks to Maj. Ranjeet Goswami (Retd.), Managing Committee Member, PAFI and Global Head, Corporate Affairs, TATA Consultancy Services Ltd, for leading the project from the front. We deeply appreciate Koan Advisory Group, our knowledge partner, for their invaluable support in this initiative. Special thanks are also due to the core group for the project drawn from the breadth of PAFI's membership, who generously contributed their time and expertise in shaping this effort.

As India progresses towards its vision of becoming a developed economy by 2047, we hope this report and the P-MAPR framework serve as vital tools in positioning the private sector as an integral pillar of sustainable and inclusive growth.

Note from Ranjeet Goswami



Major Ranjeet Goswami (Retd.)

Managing Committee Member, PAFI
and Global Head of Corporate Affairs,
Tata Consultancy Services Ltd (TCS)

The public affairs function is becoming increasingly important as businesses operate in complex and hyperconnected environment. The function today handles various responsibilities – evaluating policies, maintaining relationships with policymakers, and engaging with a multitude of influencers. A strong strategic approach to public affairs ensures that an organisation's interests are protected.

Towards the above, Public Affairs professionals offer a unique combination of skills to their respective organisations. While the study of Public Policies is well-established, the role of Public Affairs in business organisations is relatively new. With global aspirations

and increasing geopolitical unpredictability, businesses have increasingly recognised the need for this function in recent decades.

Although each country or industry has its unique regulatory requirements and processes, the impact on businesses in terms of revenue growth, ease of doing business, and market access remains relatively consistent across sectors. While organisations often compete within markets, Public Affairs professionals frequently advocate for shared industry interests. This underscores the importance of effective communication within the profession, ensuring alignment with policymakers and a clear evaluation of policy impacts to advocate for meaningful change.

The current report and framework proposed aims to establish a foundation for developing a suitable system to evaluate the impact of policies and the efficacy of the Public Affairs function within a given sector, industry, or organisation. It also provides Public Affairs professionals with a structured method and a set of common standards to communicate the policy impact to organisational leadership and highlight the efforts needed to shape policies to meet organisational needs.

I would like to extend my sincere appreciation to the PAFI leadership, particularly Ajay Khana, T.S. Vishwanath, and Deepshikha Dharmaraj, for their unwavering support. I am sincerely grateful to Dr. Deep Pal for his trust in me and his steadfast support in bringing this effort together. I also wish to thank the industry members and colleagues for their valuable time and inputs in finalising the framework. My profound thanks to my organisation and its leadership, for entrusting me to head the function globally; this experience has significantly deepened my understanding of regional distinctiveness from a policy perspective and enabled my professional growth on a global scale. Lastly, on a personal note, designing the framework has been an immensely fulfilling experience and a meaningful contribution to the Public Affairs Profession.

The success of this framework depends on the extent of its adoption. If organisations across sectors and countries adopt the designed scale to discuss policy or regulatory changes, and if governments find it useful to evaluate the impact of policy for important industries, this collaborative effort can yield transformative results. The framework is designed to be modular, allowing professionals to select part(s) of the scale as needed or use the entire framework to plan advocacy and communicate outcomes. I hope this effort serves as a valuable resource for public affairs professionals and policymakers.

Happy reading!

Executive Summary



Government policies play a crucial role in shaping the environment in which businesses operate and evolve. Public policies impact business operations, strategy, and growth potential in each country or region. Shifts can sometimes be sudden and unforeseen, making it difficult for organisations to prepare adequately. Trade tariffs, sanctions, geopolitical instability and civil society movements can impact supply chains and market access, and therefore, business operations and strategy.

The Russia-Ukraine conflict exemplifies a recent adverse geopolitical event with global economic impacts. The conflict has persisted for two years, affecting supply chains worldwide, including those connected to India. Similarly, the extensive and prolonged disruptions in supply chains due to the COVID-19 pandemic and corresponding policy responses were largely unforeseen.

Uncertainty about globalisation's future is also due to socio-economic risks that were less

prominent a decade ago. The evolving services sector, emerging technologies, increased machine integration in human society, changing global demographics affecting labour markets, and the wavering efficacy of multilateral organisations like the World Trade Organisation (WTO) add to the dynamism that businesses have to respond to today.

In this context, the Public Affairs Forum of India (PAFI) has researched how companies are preparing to deal with uncertainty and the crucial role that policy professionals play within specialised internal teams. This report presents the **PAFI Model to Assess Policy Response (P-MAPR)**—a methodological public affairs response framework. This is informed by an expert survey among public policy professionals, used to develop a framework for measuring the impact of policy changes, assessing internal preparedness, translating strategy into action, and ultimately evaluating the efficacy of the response. The model aims to achieve two goals:

- Serve as a tool for businesses and their public affairs teams to **respond to policy changes influenced by domestic as well as geopolitical forces**;
- Provide businesses with **post measurement tools** based on key performance indicators (KPIs) to evaluate the efficacy of their public affairs function.

Our survey indicates the importance of the public affairs function, with 65 percent of teams reporting directly to the CEO. Half the respondents reported having integrated public affairs functions, while a third reported that this function is closely integrated with strategic planning. Many respondents simultaneously report a lack of understanding of the public policy ecosystem among internal stakeholders as a most pressing challenge, which exemplifies the need for internal tools like the four-part framework proposed in this report.

The final section of this report delineates a strategy based on four pillars:

Pillar I: An Impact Assessment of a given policy change on a business, that can be used to arrive at a composite score.

Pillar II: An Internal Preparedness Score for internal understanding of policy changes, stakeholders, and the consonance with an organisation's priorities.

Pillar III: Advocacy Planning aimed at communicating with various external stakeholders, including regulators, government departments, trade associations, and civil society.

Pillar IV: Post Evaluation that allows public affairs (PA) professionals to juxtapose relevant responses from the first three pillars against KPIs to analyse the efficacy of the advocacy strategy.

We have tried a modular approach in designing the framework so that it can be used in parts or entirely as per the needs of the business organisation or its leaders. Some variables

involving bilateral relations and presence in multiple geographies may only be relevant to larger organisations, which SMEs can discount while preparing their assessment. We hope it benefits various readers beyond public policy professionals across companies. In our uncertain world, all business sizes and most business functions-sales, marketing, communications, and corporate social responsibility-gain from engaging with public policy frameworks.

PAFI Model To Assess Policy Response (P-MAPR)



Impact Assessment Model	Internal Preparedness Score	Advocacy Planning	Post Evaluation
• Impact quotient • Predictability quotient • Alignment quotient • Effect quotient	• Genesis of change • Stakeholder identification • Industry support and alignment • Narrative/POV alignment	• Political Leadership • Administrative or Executive Branch • Trade Associations • Civil Society	• Revenue Loss Due to Policy Impact • No Surprises on Policy Front • Alignment Quotient Effectiveness • Stakeholder Relations • Engagement in Committees • Collaboration with Regulatory Changes • Collaboration with Business Units • Reputation Management • Policy Wins and Losses • Crisis Response Time • Building Industry Consensus

Section I: Public Policy In The Face Of Disruption

Businesses typically assess key domestic indicators when operating within a market. This involves monitoring local competition, evaluating parameters such as ease of doing business, and ensuring the stability and transparency of the regulatory environment. Observations of infrastructure and logistics capabilities, alongside relevant policies, are critical in determining operational efficiency. Additionally, political stability and economic forecasts are essential for broader risk assessments. Social determinants, including workforce availability, cultural dynamics, technological advancements, and environmental regulations, also impact business operations. Conversely, the focus on external elements is generally restricted to a country's trade agreements, import-export regulations, and currency fluctuations.

Recent global realignments and geopolitical tensions highlight that external changes can significantly impact businesses. Trade tariffs, sanctions, and political instability disrupt supply chains and market access, as seen in the Russia-Ukraine conflict and Middle East tensions affecting energy prices and freight movement. In India, border skirmishes influence foreign policy and trade regulations.

Economic downturns, commodity price fluctuations, and inflation can raise business costs. The COVID-19 pandemic disrupted supply chains and labour markets. Environmental factors such as climate change and natural disasters pose increasing risks, exemplified by floods impacting infrastructure and operations. Social and cultural shifts also affect workforce availability and consumer behaviour. These interconnected risks can severely affect businesses, especially when unexpected.

“The interplay between global politics and economics is shaping a new era of business challenges. Political instability, sanctions, and evolving multilateral agreements redefine market access and operational feasibility, leaving businesses increasingly dependent on robust public affairs strategies to mitigate risks and align with shifting regulatory landscapes. In this scenario, organisations cannot do without a measurable matrix that allows them to understand the impact of their strategies.”

Rahul Sharma,
Managing Director,
US India Business Council (USIBC)



Exogenous determinants play a significant role in shaping business strategies. However, they are not the only factors driving change. Shifts in labour markets due to technological development, such as AI and automation, and evolving social expectations, like demands for sustainable and socially responsible practices, have gained attention. Regime changes at union and state levels following elections often result in shifts in industrial, agricultural, and welfare policies. Judicial decisions can influence public policy by affecting data privacy and environmental regulations. Additionally, civil society movements have prompted governments to amend key legislative decisions.

Over the last couple of decades, India has witnessed a significant evolution in its approach to governance and Public Affairs (PA). Post-2010s, this has been marked by a shift towards greater transparency, inclusivity, and responsiveness. The work of PA professionals has widened in scope as, within organisations, this function has increasingly been positioned as a strategic one. The role has changed from public affairs being involved solely as a liaison to public sector stakeholders to a comprehensive one that encompasses advocacy, stakeholder engagement, narrative building, coalition management, corporate affairs, and corporate communications.

In this dynamic and multifaceted environment, businesses must engage with entities domestically and internationally to safeguard their interests. PA teams are crucial as they

serve as a bridge between the business community and policymakers. In India, PA plays a vital role in influencing policy decisions through consultations with policymakers, shaping public perception, and fostering mutual understanding between organisations and the society in which they operate.

Governments can help mitigate the effects of disruptive scenarios by providing financial support, diplomatic backing, and strategic guidance to businesses operating in volatile conditions. Beyond immediate government support, businesses should also recognise and leverage opportunities arising from policy shifts, such as free trade agreements (FTAs), new industry standards, or changes to compliance requirements in areas like data privacy.

The impact of policy or regulatory changes on businesses can be categorised into three groups: direct, indirect, and induced or consequential impacts (Figure 1).

Figure 1: Types of Impact of Policy Changes on Businesses



Given the heterogeneity of impacts, businesses must also seek to understand the channels and mechanisms through which they can engage with governments. These include direct advocacy, formal partnership, continuous communication, and leveraging of industry associations. Figure 2 expands on these channels and mechanisms.

Figure 2: Channels for Businesses to Engage with Governments



The interface with government organisations, through various channels, is often best managed by individuals or teams knowledgeable in both business and relevant policy frameworks. These individuals may be PA professionals with strong communication skills, political awareness, and the ability to navigate complex bureaucratic processes. Senior executives or business leaders can also effectively liaise with government officials, particularly in high-stakes situations or when strategic decisions are involved.

PA teams are generally responsible for conveying a business's stance on policy issues to governments, regulatory bodies, and external stakeholders such as think tanks, trade associations, and research organisations. Their responsibilities include monitoring the policy environment, analysing potential risks and opportunities, advocating for favourable policy outcomes, building coalitions with stakeholders, and ensuring compliance with changing regulations.

Figure 3: Responsibilities of Public Affairs Teams



**Depending on the levels of regulatory complexity in a given industry, this is sometimes a distinct function*

The responsibilities of PA teams vary in complexity depending on the regulatory environment, industry requirements, and geographic scope of a given business. For instance, businesses in regulated industries such as pharmaceuticals or finance may require a dedicated compliance function. At the same time, companies with global operations may need to address diplomatic and international trade considerations.

Due to the increasing globalisation of businesses, many companies are expanding the role of PA teams to include international policy advocacy. This function becomes more critical as it navigates the intersection of domestic policies, international agreements, and geopolitical trends. Multinational corporations often manage multiple regulatory demands across regions. PA teams play a strategic role in addressing these challenges and leveraging opportunities that arise from global policy shifts.

“Public affairs has evolved into a strategic function that connects the external environment with business aspirations. In a dynamic and ever evolving world as ours, a well-structured and effective Public Affairs function can ensure that businesses can navigate and adapt to regulatory, social, and political changes, without disruption.”

Kishore Jayaraman,
President, Rolls Royce, India and South Asia

Policy advocacy and response can be complex and multi-layered in global companies. The PA function in these organisations ensures alignment between corporate objectives and international policy trends, such as trade agreements, environmental regulations, or digital privacy standards.



Figure 4: Common Policy Objectives in Global Organisations



Global businesses typically pursue a range of objectives in addressing complex and multidimensional challenges. These include shaping international trade policies, ensuring adherence to diverse regulatory frameworks, promoting sustainability initiatives, and participating in multistakeholder dialogues. Figure 4 illustrates some common policy objectives global organisations pursue to mitigate risks and seize opportunities in an increasingly interconnected world.

The structure of the PA function within a business is influenced by various factors, such as industry, a company's size, the location of the headquarters, and the prevailing regulatory environment. These aspects also determine the size and structure of the team. Additional considerations include whether the function is shared or dedicated (Figure 5).

Figure 5: Considerations for the Public Affairs Function in Single-Sector Companies



Variations in team structure and goals arise when a business or group operates in multiple industries or sectors within a single country or region. In such cases, the differing policies affecting each industry or sector may require a centralised team with subject matter expertise. Figure 6 highlights some considerations related to this.

Figure 6: Considerations for the Public Affairs Function in Diversified Companies





The PA function has become vital for businesses navigating the complexities of modern environments, shaped by both domestic and global factors. These teams are crucial for managing the direct impacts of policy changes on the one hand and informing policies on the other. This role is intricate for global enterprises, necessitating a careful balance between local and international policy advocacy.

Recent research on the PA function globally highlights a field in transition in response to a changing world. It is still a matter of debate on how PA professionals can better measure and communicate their impact, navigate pressing challenges such as geopolitical risks, and improve access to decision-makers. Existing studies have explored best practices in various global markets. Additionally, the field's evolving structure and future direction reflect a response to the complex demands of modern business and governance.¹

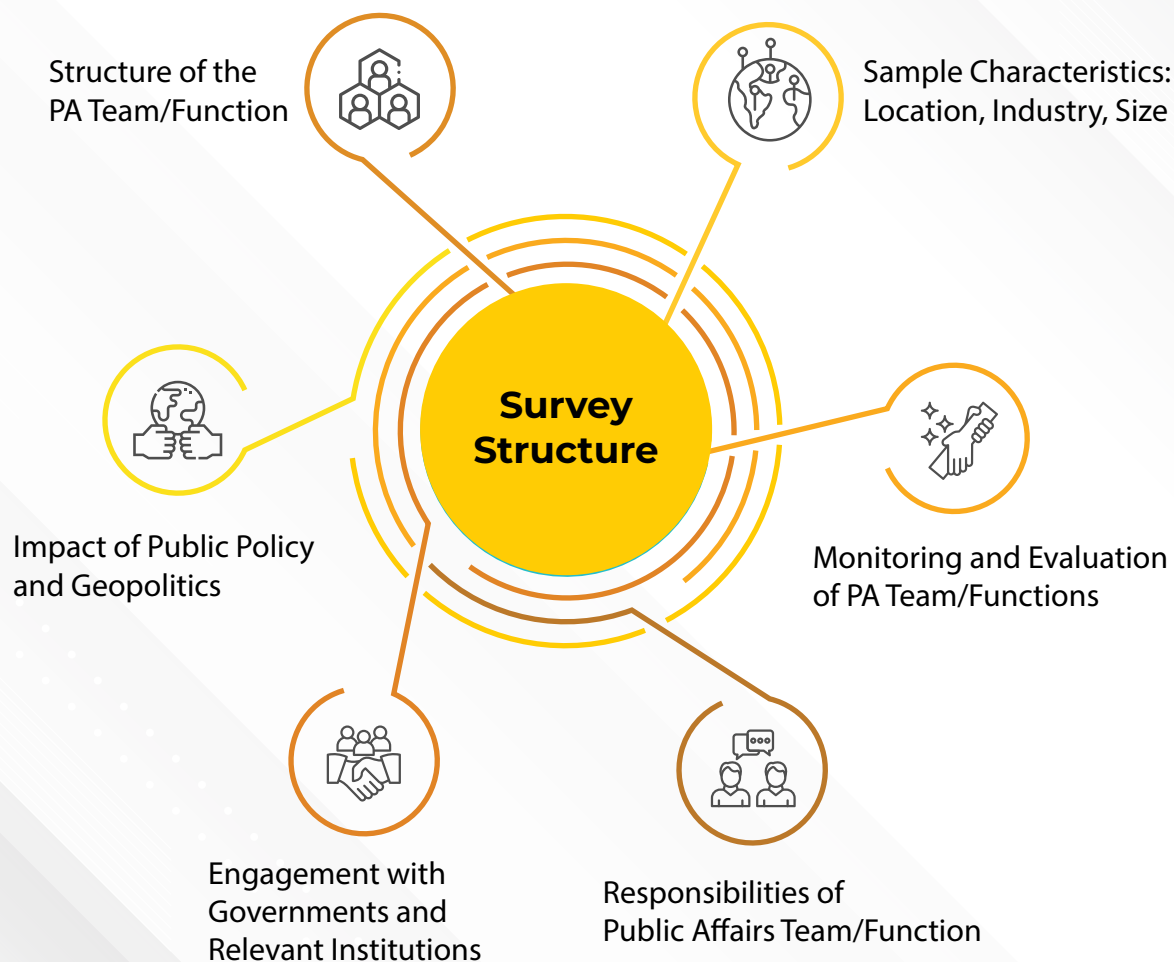
Our research raises many of the same questions in the Indian context. The subsequent section examines how businesses structure and manage their PA teams in response to an ever-evolving policy landscape. It uses a survey among PA teams to highlight current practices, key challenges, and strategies businesses employ to engage with policy. Drawing from the survey results and interviews with key informants, the final section proposes a framework for enhancing public affairs responses, accompanied by Key Performance Indicators (KPIs) to evaluate the effectiveness of the function.

¹ See for example, *Foundation for Public Affairs, Measuring and Communicating the Value of Public Affairs (2023)*; *Saïd Business School, Oxford-GlobeScan Global Corporate Affairs Survey (2024)*; *FTI Consulting, What Keeps Public Affairs Leaders Up at Night? (2023)*; *Andrews Partnership, Corporate Affairs Leaders Study (2024)*; *Public Affairs Council, The State of Corporate Public Affairs 2023-24 (2023)*.

Section II: Survey Of Businesses

This section builds on the indicators introduced earlier in this report by using information gathered in a survey of PA stakeholders of domestic and multinational companies. The survey covers several dimensions, including the structure and size of public affairs teams, their reporting lines, key responsibilities, and the broader challenges faced in navigating the public policy ecosystem (Figure 7). Additionally, this section delves into how PA teams engage with internal stakeholders, such as c-suite leaders and board members, as well as external stakeholders, such as the governments, regulators, and other institutions; the impact of policy changes on businesses and the ability of PA teams to prepare their organisations; and most importantly, metrics used to evaluate PA functions.

Figure 7: Structure of the Survey

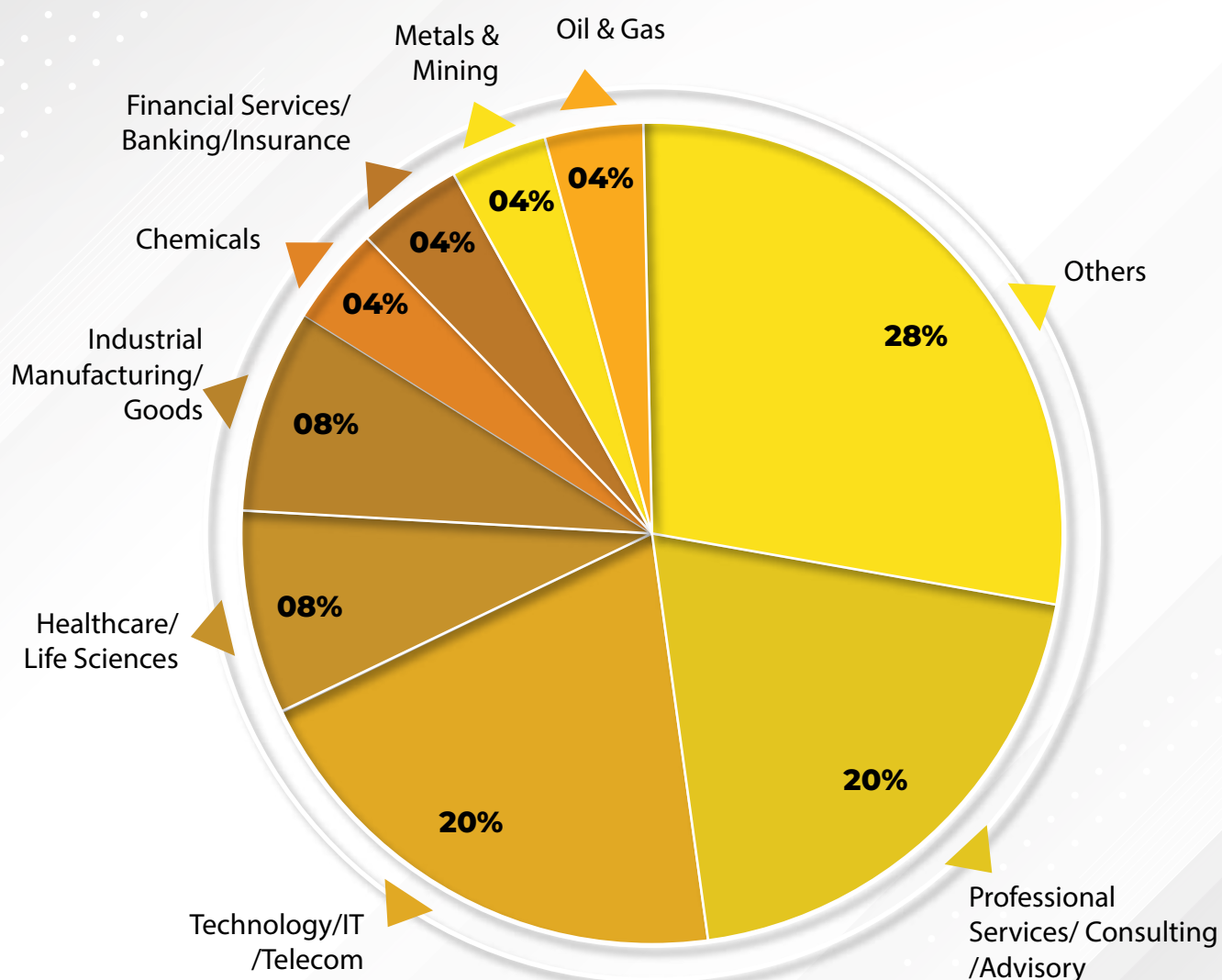


Sample Characteristics

Of the businesses surveyed, 64 percent are headquartered in India, while the remaining are headquartered elsewhere. The participating companies come from diverse industries (Figure 8). The Technology/IT/Telecom and Professional Services/Consulting/Advisory industries are the most represented, each accounting for 20 percent of the sample. The 'Other' category accounts for 28 percent and includes cases where the survey respondents belong to business categories not included in the stated options.

Figure 8: Industry Representation

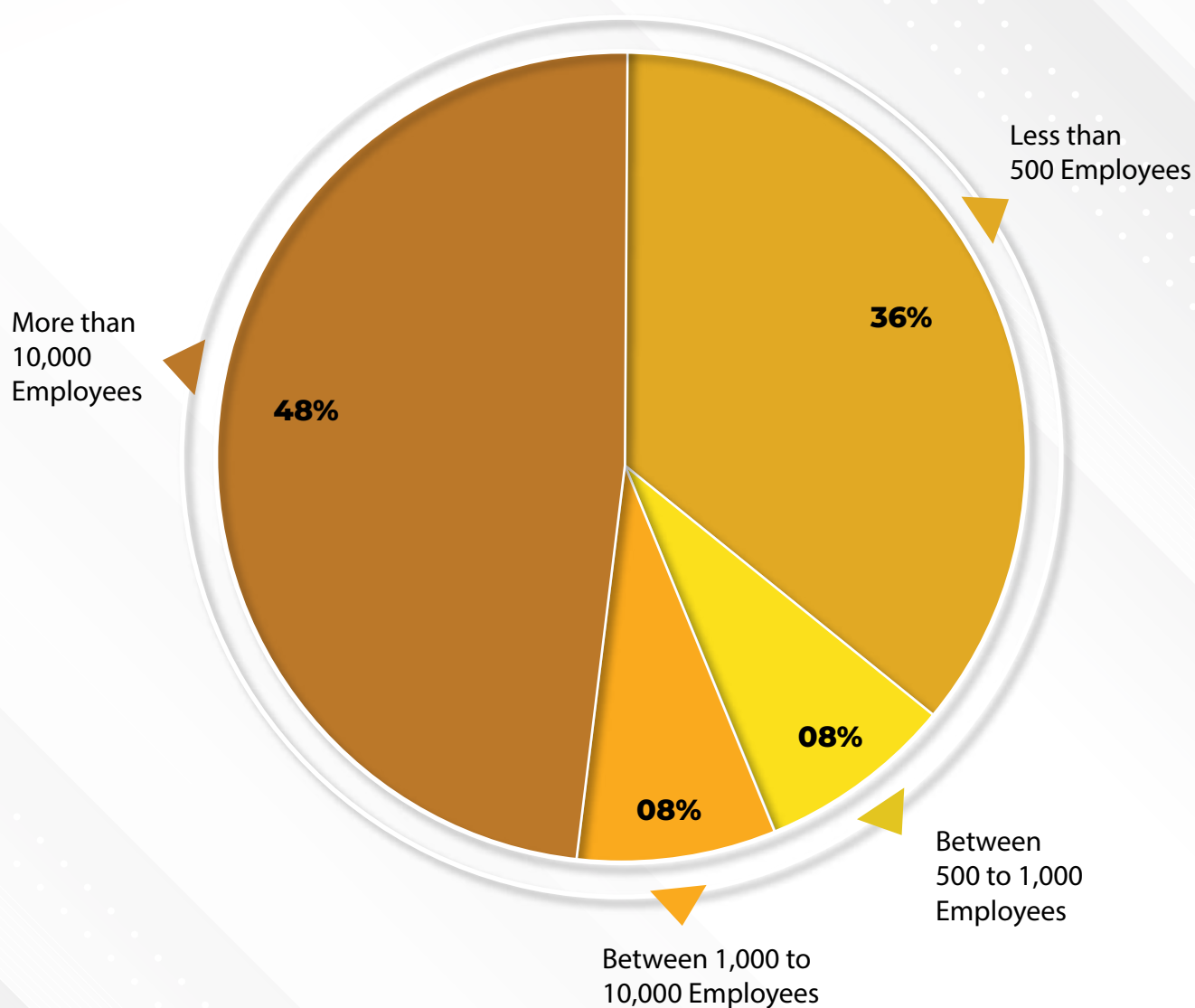
Q. Which industry does your organisation operate in?



Forty-eight percent of the companies surveyed are large companies and reported having more than 10,000 employees (Figure 9). Conversely, 36 percent have fewer than 500 employees, eight percent fall into the 500 to 1,000 employee range, and an equal percentage in the 1,000 to 10,000 range.

Figure 9: Size of the Organisation

Q. What is the size of your organisation?



Structure Of Public Affairs Team/Function

Respondents were asked about the size of their PA teams and reporting lines to assess the basic structure of this function. Thirty-nine percent have PA teams with more than 20 employees (Figure 10), indicating a strong focus on this function. Twenty-two percent have smaller teams with fewer than five employees, while another 22 percent have teams of six to 10 employees. Even though the size of public affairs teams shows a varied distribution, it correlates positively with company size (Table 1).

Table 1: Size of the Organisation vs Size of Public Affairs Team

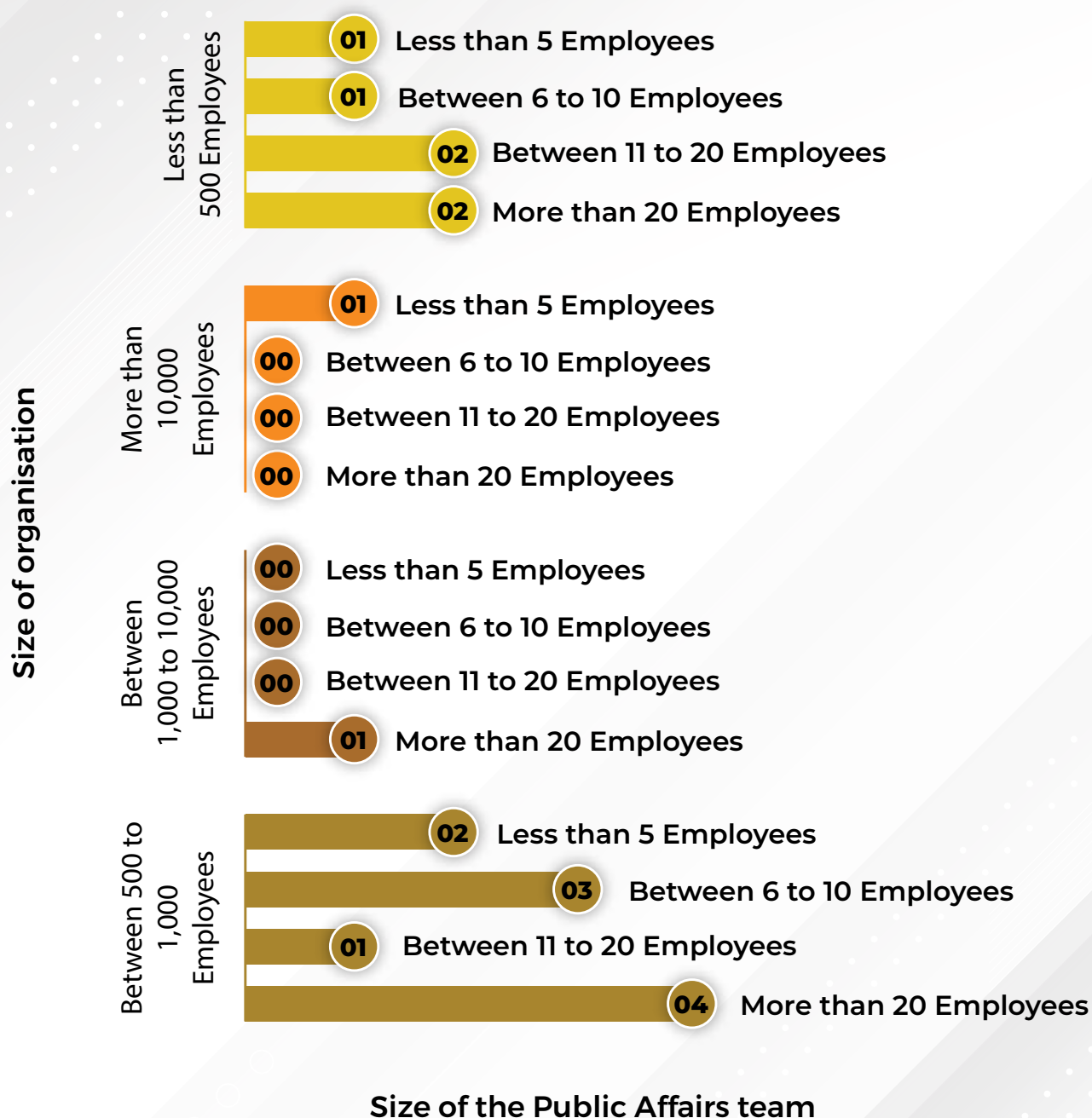
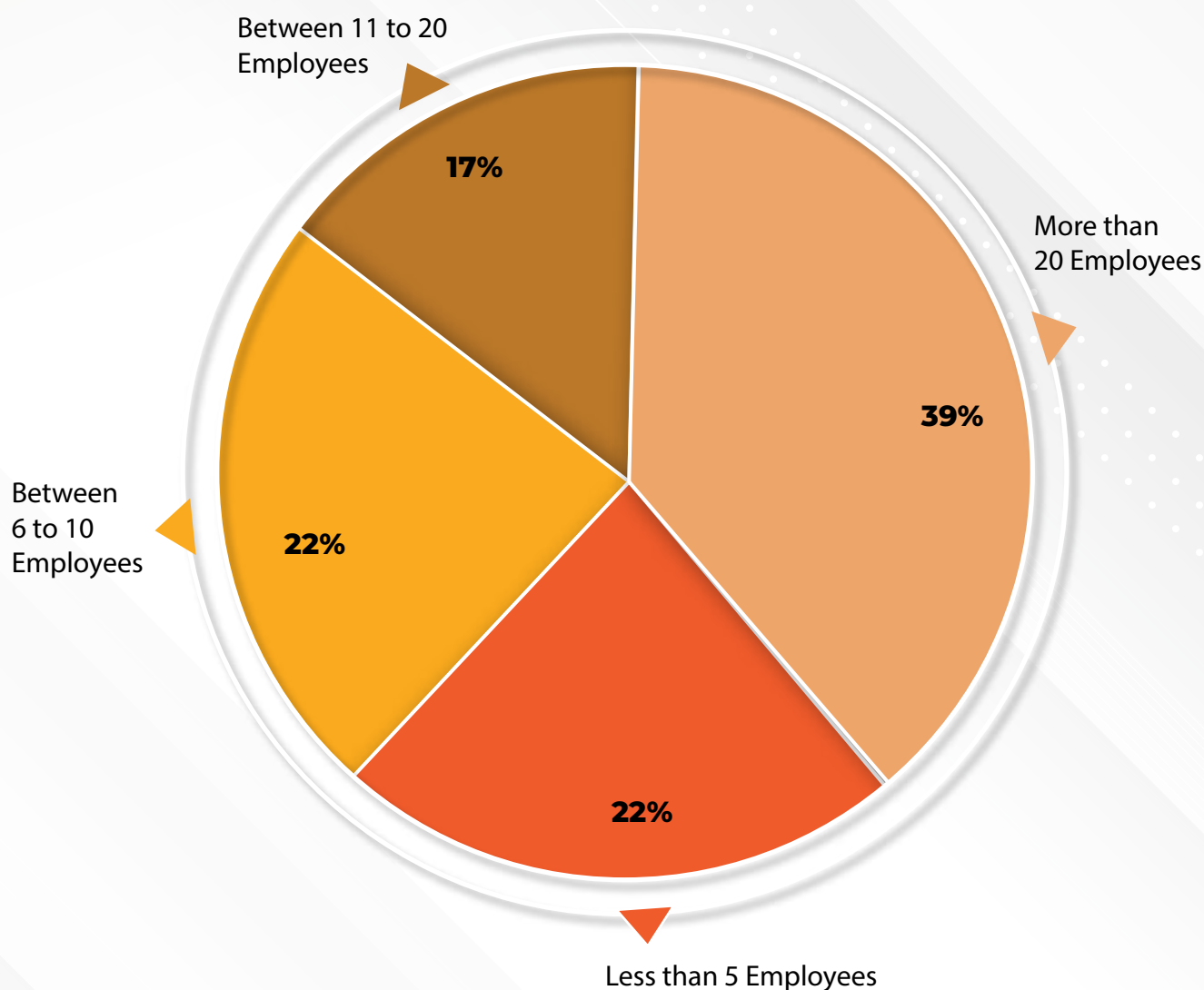


Figure 10: Size of the Public Affairs Team

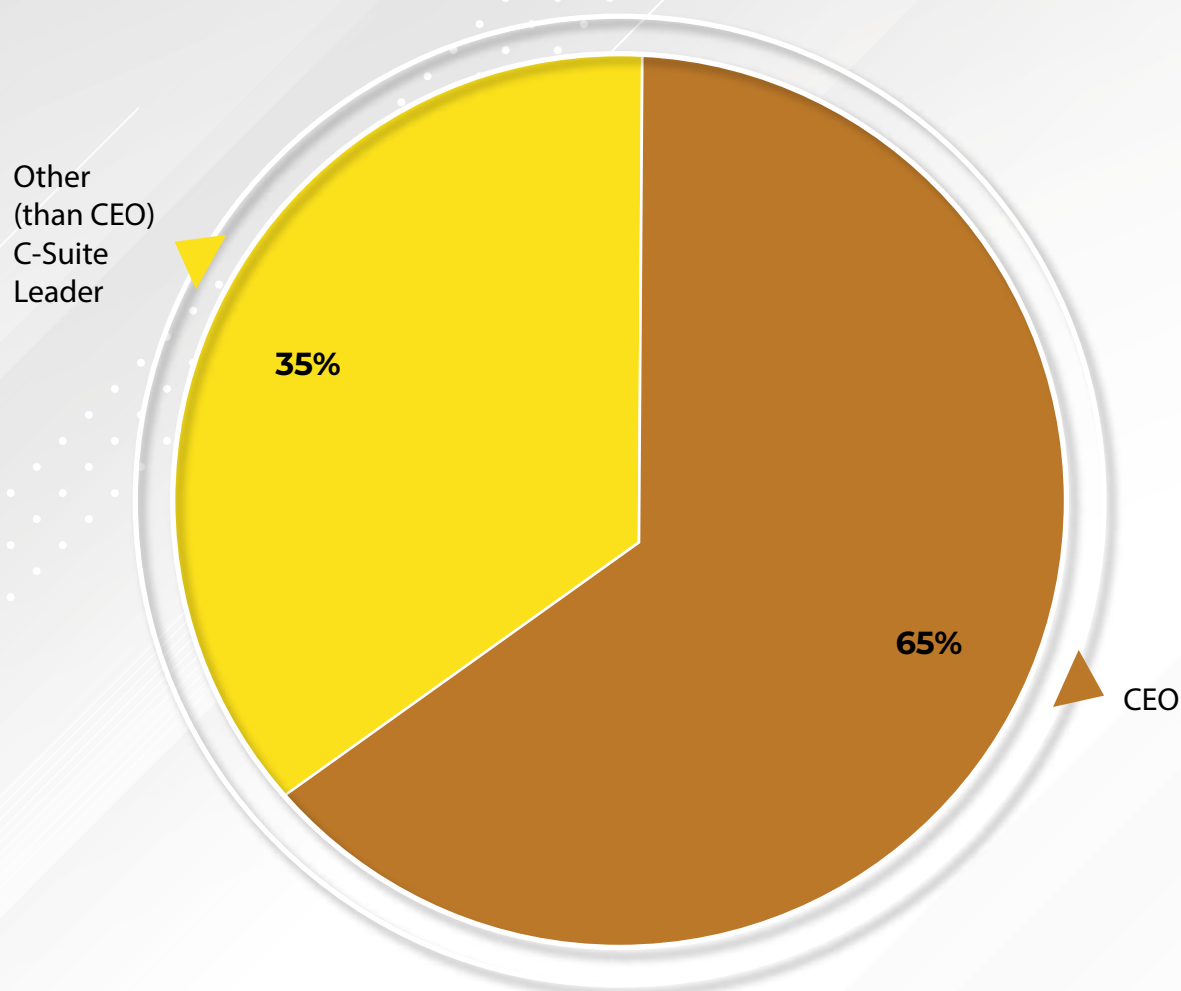
Q. What is the size of the Public Affairs team within your organisation?



We found that in 65 percent of cases, the PA teams report directly to the CEO, while in the remaining 35 percent of cases, they report to other c-suite leaders (Figure 11). Many teams within Indian companies (73 percent) report to their CEO. A direct line to the CEO and other business leaders reaffirms the strategic importance of the PA teams.

Figure 11: Reporting of the Public Affairs Team

Q. Who does the Public Affairs Function report to?

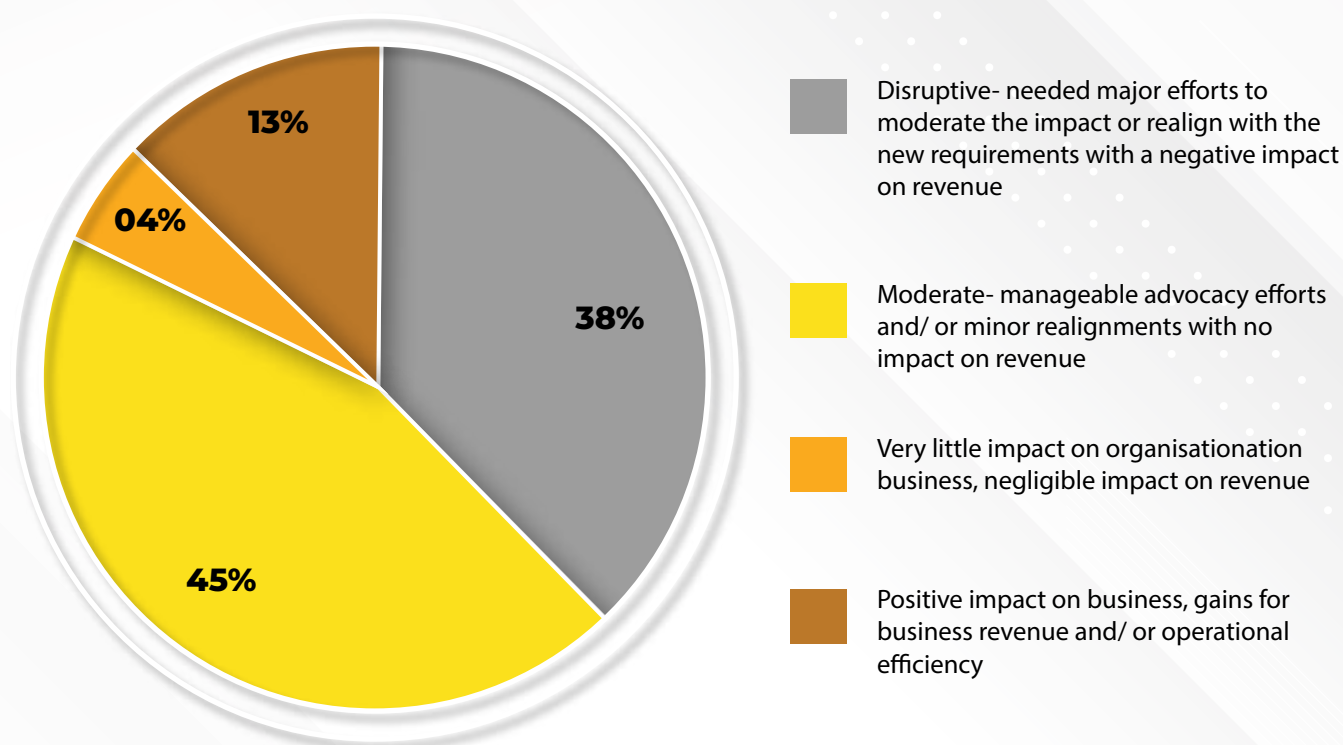


Impact of Public Policy And Geopolitics

We asked respondents about (a) the gains or losses that their companies have experienced over the past three to five years due to public policy; (b) which areas (i.e. finance-related, IT-related, trade-related, etc.) of public policy are most important to them; (c) whether discussions about these issues take place in the boardroom; and (d) what methods they use in gathering information related to a policy change and assessing its impact.

Figure 12: Impact of Policy Changes on Businesses

Q. What has been the impact of the policy changes on your organisation in the last 3-5 years?



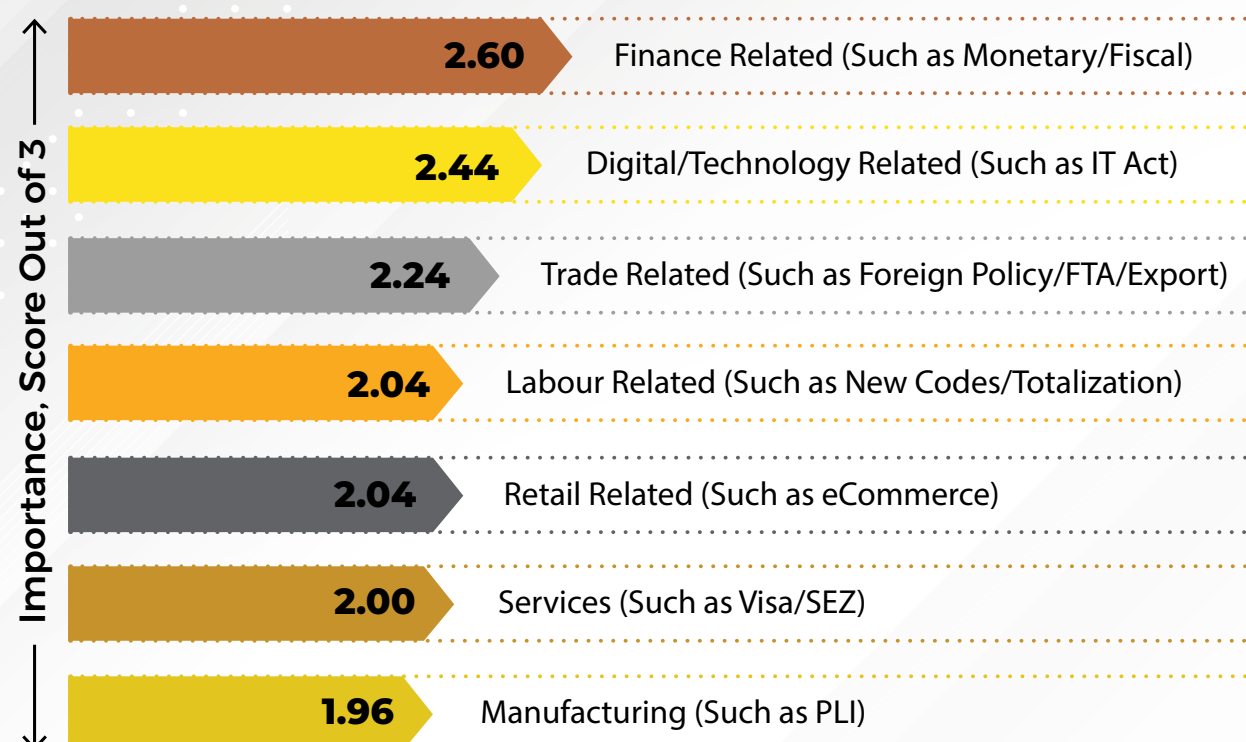
When asked about the impact of policy changes in the last three to five years, 38 percent of companies stated that these had had a negative impact on revenue (Figure 12). For 45 percent, the impact was moderate and did not result in significant financial losses. **Finally, 13 percent found that the policy changes had a positive impact and led to an increase in revenue and/or an improvement in operational efficiency.** This shows that companies have varying degrees of resilience and adaptability to policy changes, with four out of five companies finding them non-conductive to growth.

Policy areas that companies find particularly important include finance, technology, trade, labour, retail, services, and manufacturing. Respondents had to rate the importance of these seven areas from low to high. We converted these ratings into a scale from 1 to 3 to better illustrate the relative priority that companies accord to each policy area.

Companies accord the highest priority to finance-related policies, scoring 2.60 on 3 (Figure 13). Digital and technology-related policies are also important, with a score of 2.44. Trade-related policies follow closely at 2.24. Labour and retail policies are of moderate importance, at 2.04 each. Services and manufacturing policies are seen as less important, at 2.00 and 1.96, respectively.

Figure 13: Relative Importance of Policy Areas

Q. Rate the importance of the following policy areas for your organisation:



Note: Respondents rated the importance of seven policy areas (finance, technology, trade, labour, retail, services, and manufacturing) on a scale of low to high. These ratings were converted into a simplified 3-point scale (1 = low, 2 = moderate, 3 = high). This allows for easier comparison across areas, with finance scoring the highest (2.60), indicating its top priority, while services and manufacturing scored lower.

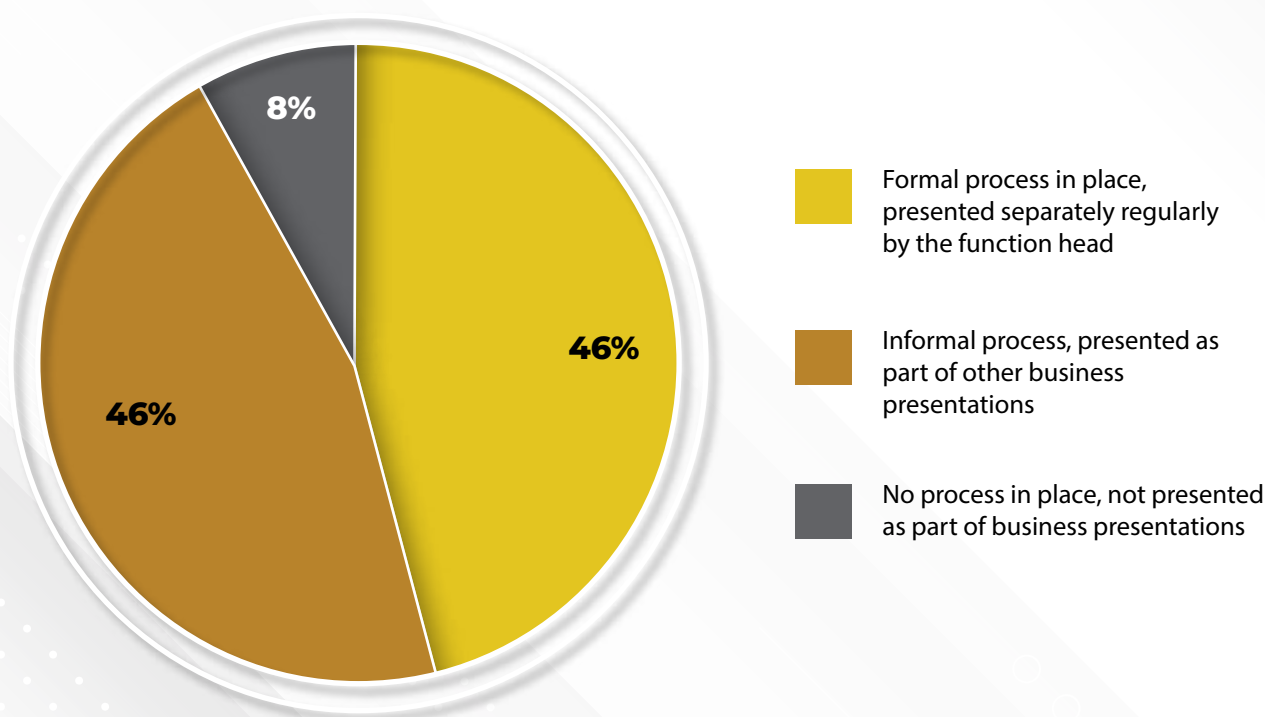
Companies likely prioritise financial and technology policies because these policies are ubiquitous across sectors. Trade, labour, and retail policies are moderately important, reflecting their relevance to a few industries. While important, services and manufacturing policies are accorded a lower priority, perhaps because these tend to have industry-specific impacts.



A company may have many functional teams, from sales and marketing to policy and compliance. To determine if PA is essential, we asked respondents whether public policy is an issue discussed in the boardroom. Almost half (46 percent) of companies have a formal process for presenting policy-related issues at the board level, indicating a structured approach to informing senior management (Figure 12). Another 46 percent address these issues informally at other business presentations, indicating the simultaneous prevalence of other formal approaches for internal communications. **Only eight percent have no process for discussing public policy issues in the boardroom.**

Figure 14: Geopolitical and Public Policy Matters in Boardroom

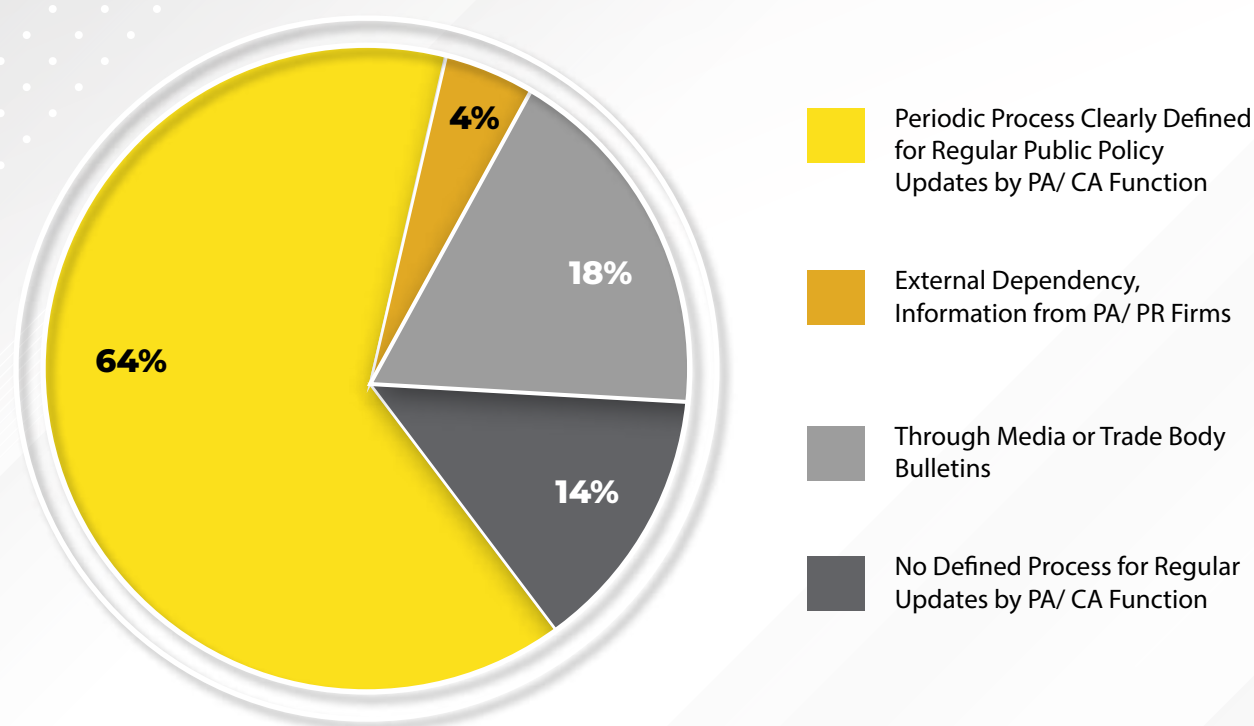
Q. Is there a formal process at the Board of Directors level for presenting/discussing the impact of geopolitical and public policy matters?



It is also essential to understand how companies obtain information about public policies (Figure 15). In 64 percent of cases, companies have a defined and regular process for updating information on public policy developments. Eighteen percent rely on the media or trade bulletins for information, while 14 percent lack a formal process. **Overall, these patterns reaffirm the centrality of public policy for companies since, in most cases, the flow of information about such developments is well-defined internally.**

Figure 15: Methods Used to Stay Updated

Q. How do your business leaders prefer to stay updated on aspects related to Public Policies?



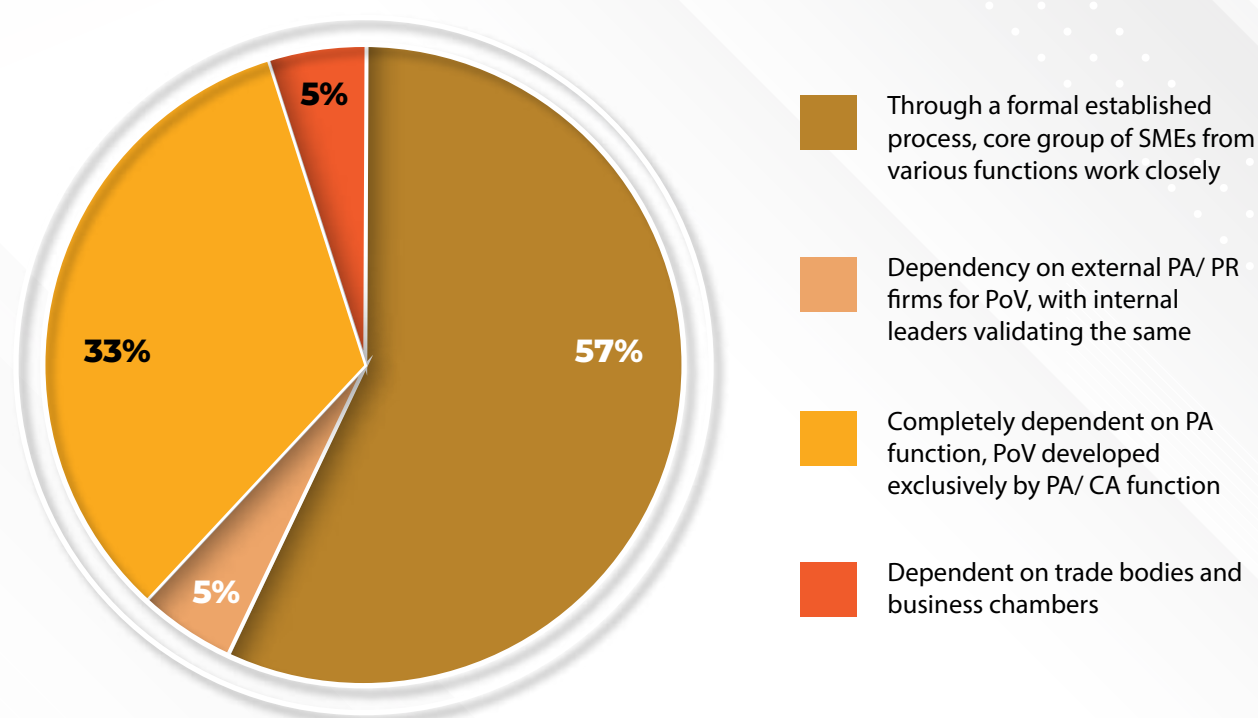
Note: PA is public affairs, CA is corporate affairs, and PR is public relations.

For policy impact analysis, 57 percent of businesses use a formal process involving professionals from different functions, indicating a comprehensive approach to understanding policy impact (Figure 16). Meanwhile, 33 percent entirely depend on their public affairs functions to analyse policy, and a smaller percentage rely on external public

affairs firms or trade bodies, indicating a range of approaches to assessing policy. **The responses suggest that internal public affairs teams are important in evaluating policy change in nine out of 10 cases.**

Figure 16: Methods Used to Assess the Impact of New or Evolving Policies

Q. How do your business leaders prefer to stay updated on aspects related to Public Policies?



Note: PA stands for public affairs, CA for corporate affairs, PoV for point of view, and PR for public relations.

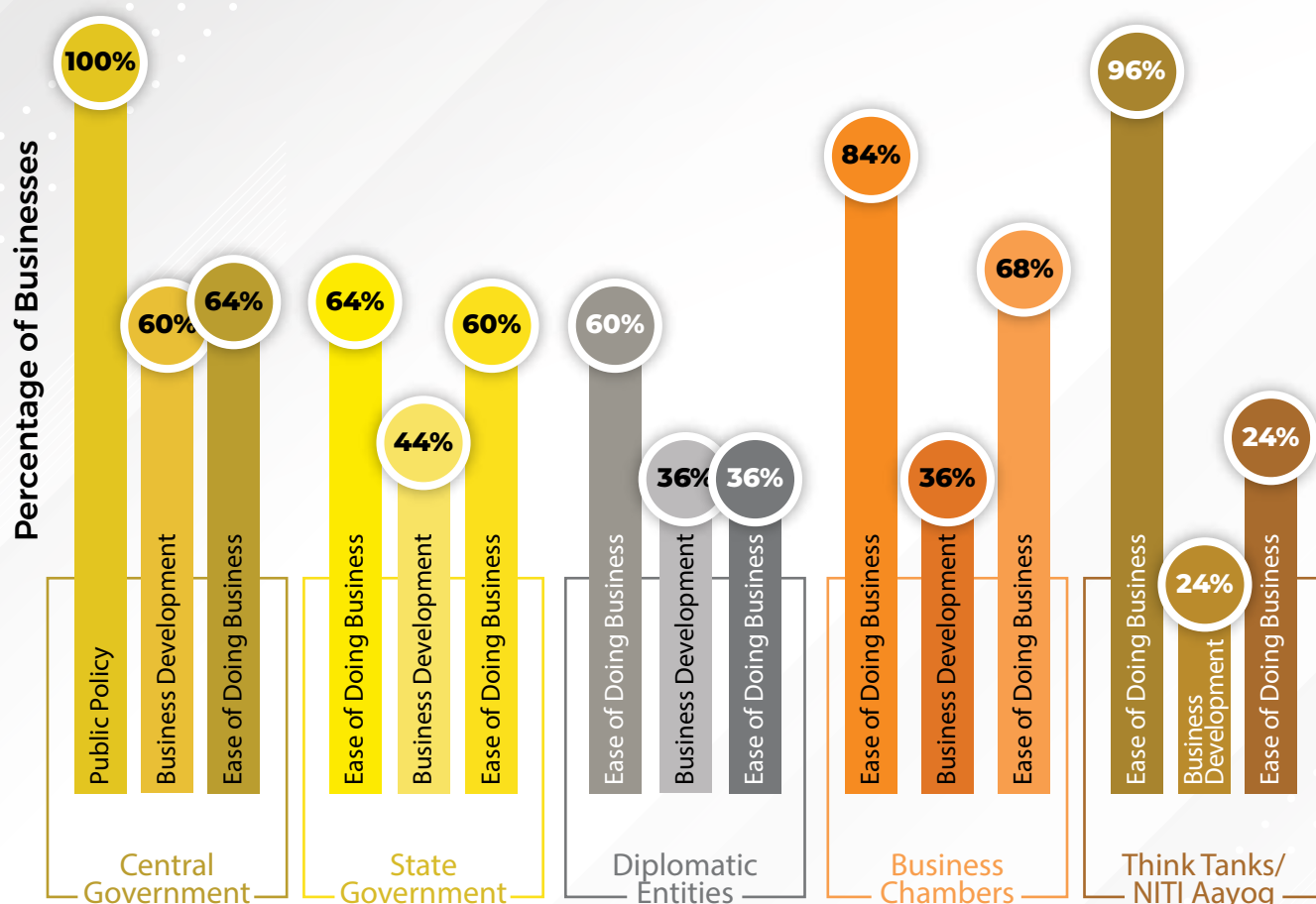
Engagement With Governments And External Stakeholder Institutions

Public policy is driven by different institutions – such as those within the central and state levels. This presents companies with the problem of choosing between preferred targets for institutional engagement. In addition to public policy, we include business development and ease of doing business (EoDB) as additional avenues for engagement to assess how likely companies are to engage external institutional stakeholders.

Engagement with central government is the strongest across all functions, particularly in public policy, where all businesses collaborate (Figure 17). This shows that the central government's role in shaping policies that impact businesses tends to be most important. As many as 60 percent of respondents reported collaborating with the central government for business development and 64 percent for EoDB, indicating a strong influence of the central government across all surveyed parameters.

Figure 17: Engagement with Stakeholder Institutions

Q. Which government entities does your organisation work with? If so, could you describe the nature of the collaboration and its outcomes?



Government & Other Institutional Organisations and Nature of Engagement

Collaboration with government think tanks/NITI Aayog is also important for public policy objectives, with 96 percent of respondents pointing to this. However, collaboration with

them for business development is significantly lower (24 percent). Such a result is natural, as government think tanks do not have executive powers.

As many as 64 percent of companies report working with state governments on public policy and 60 percent for EoDB, suggesting that the policy and regulatory environment at the state level is also essential to companies. However, when it comes to business development, engagement drops to 44 percent, suggesting that, for the surveyed companies, state governments play a lesser role in facilitating direct business expansion via channels like public procurement than the central government.

Companies collaborate with business chambers primarily for public policy (84 percent) and EoDB (68 percent), which underlines their role as advocates of the industry's interests and promoters of a business-friendly environment.

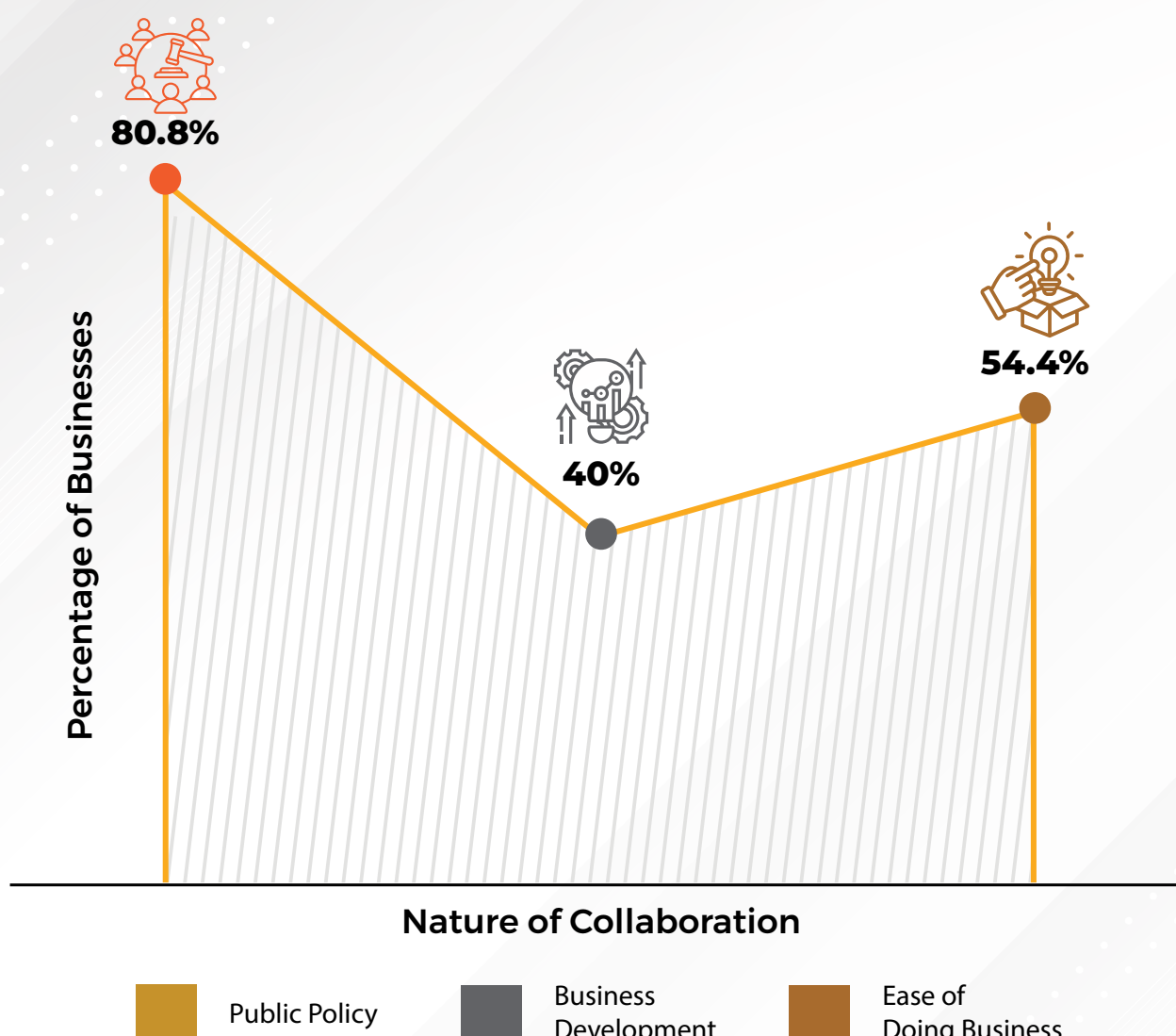
Companies engage with diplomatic institutions only when it comes to public policy (60 percent) but to a lesser extent when it comes to business development (36 percent) and EoDB (36 percent). This is likely because such engagements have a limited impact on domestic business activities.



Looking at the overall patterns, the engagement of companies with the government and other institutions is the highest for public policy, with 80.8 percent of collaboration (Figure 18). EoDB ranks second with 54.4 percent, followed by business development with 40 percent.

Figure 18: Collaboration with Institutional Stakeholders, by Nature of Collaboration

Q. Which government entities does your organisation work with? If so, could you describe the nature of the collaboration and its outcomes?



Alternatively, the preferred institutions for the three types of engagement can be scored out of 75 (i.e. 25 responses for each of the three functions). The central government tops the list of favoured institutions, followed by business chambers (Figure 19). State governments and think tanks/NITI Aayog are close thirds in the list of most preferred institutional organisations.

Figure 19: Importance of Governments and Other Institutional Stakeholders

Q. Which government entities does your organisation work with? If so, could you describe the nature of the collaboration and its outcomes?



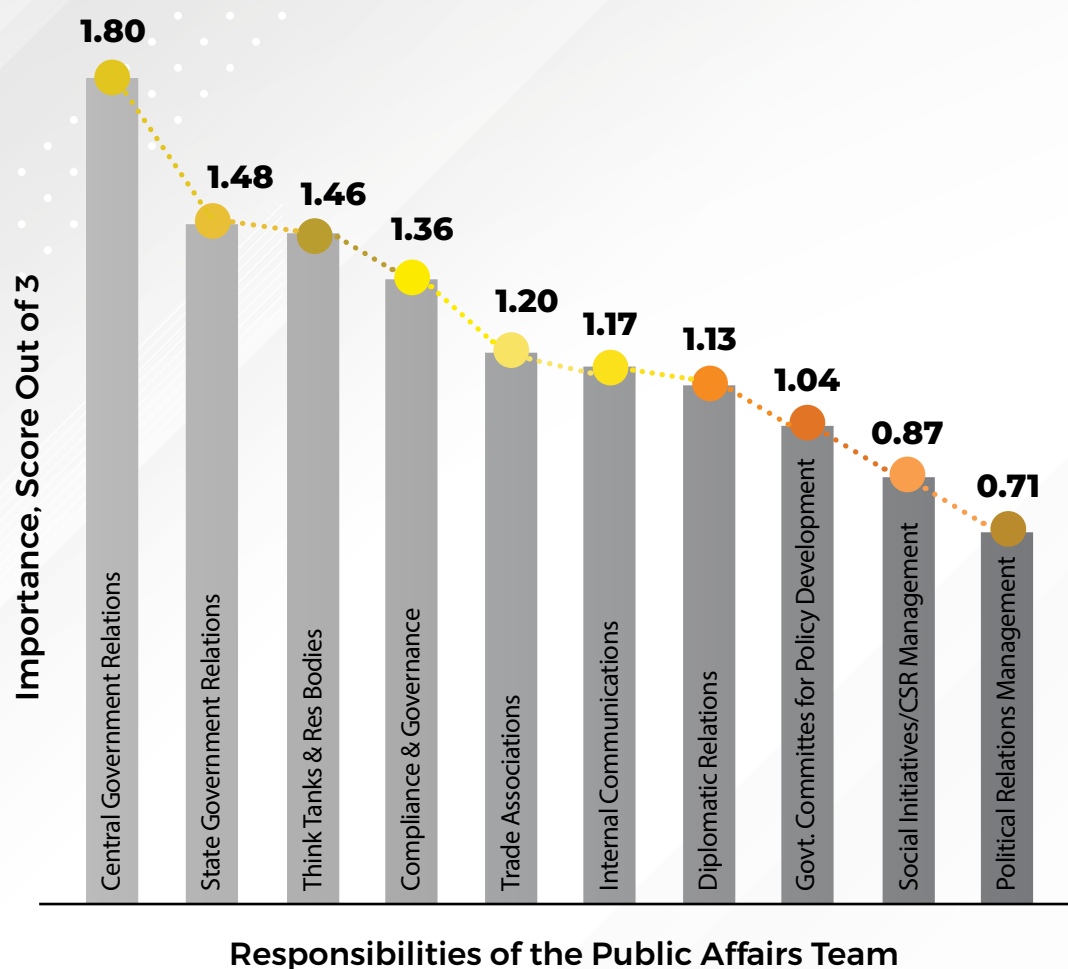
Responsibilities of the Public Affairs Team/Functions

In a multi-stakeholder environment where business is dynamically evolving, a company's public affairs team/function is often entrusted with multiple responsibilities. To shed light on this, we asked respondents about five parameters related to the PA team/function: (a) primary responsibilities, (b) responsibilities specific to the value chain, (c) responsibilities as part of a wider corporate community, (d) responsibilities in collaboration with other teams, and (e) responsibilities in strategic decision-making.

We first asked respondents to rate the engagement of their PA teams with governments and other institutional stakeholders as 'major,' 'moderate' or 'no involvement'. We summarise these ratings using a scoring system in which a significant role is weighted at three, a moderate role at two and no involvement at one. This gives us a composite overview of the priority levels in Figure 20.

Figure 20: Main Responsibilities of the PA Function

Q. Which of the following makes up most of your responsibility?



Note: Govt is Government, Res is research, Dev is development, Mgmt is management. Public affairs team engagement with government and other stakeholders was rated as 'major,' 'moderate,' or 'no involvement.' A weighted scoring system was used, where 'major' was given 3 points, 'moderate' 2 points, and 'no involvement' 1 point. This provides a composite score for engagement, with central government relationships scoring 1.8, showing its top priority, while political relations received a low score of 0.71.

We find that relationships with central government are a top priority for PA teams, with a score of 1.8 out of 3 (Figure 20). This is consistent with previous findings on the importance of direct engagement with central government in shaping the regulatory environment. This is followed by relationships with state governments and think tanks, with scores between 1.46 and 1.48. These are important for addressing regional issues and utilising expertise for policy advocacy.

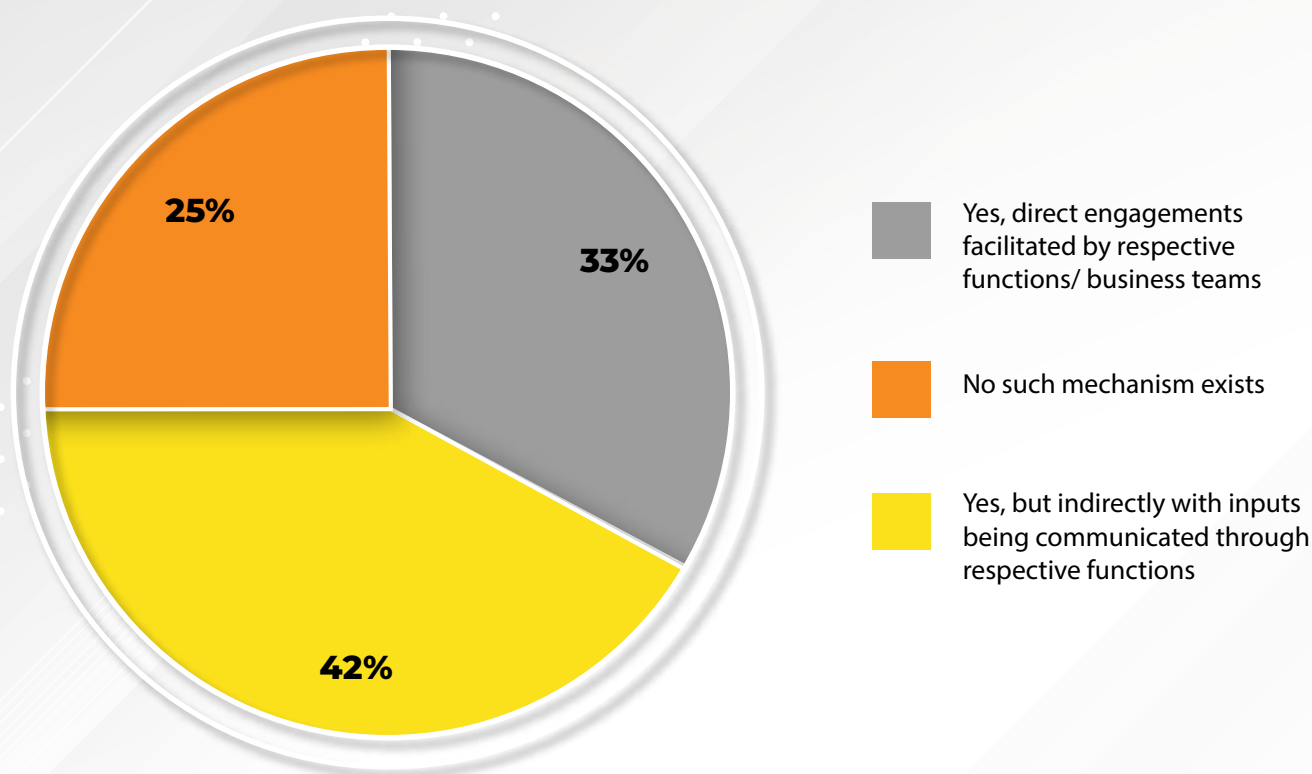
Compliance and governance are also important, with a score of 1.36. This emphasises the importance of adhering to regulations and risk management, as highlighted in the previous section. A lesser focus on trade associations, diplomatic relations and social initiatives indicates that these are of secondary importance to the public affairs teams. Strikingly, political ties are less emphasised, with a score of only 0.71.

Questions on economic value chains focused on three aspects: educating customers, suppliers, and partners on relevant policy matters. **The survey finds that 75 percent of companies have mechanisms to involve their PA teams to work with value chain partners to further symbiotic policy objectives (Figure 21).** This includes 33 percent facilitating direct engagements and 42 percent doing so indirectly. Only 25 percent lack any such mechanism, with no opportunity to influence their external stakeholders.



Figure 21: Educating Customers, Suppliers and Partners

Q. Is the PA/CA team involved in educating customers, suppliers, and partners on relevant policy matters?



In asking about the PA function's responsibility as part of a wider corporate community, we focus on the influence of trade bodies and business chambers on various aspects of their function. Respondents were asked to rate the impact as 'high', 'moderate', or 'no impact.' These ratings are scored as three, two, and one, respectively, as before.

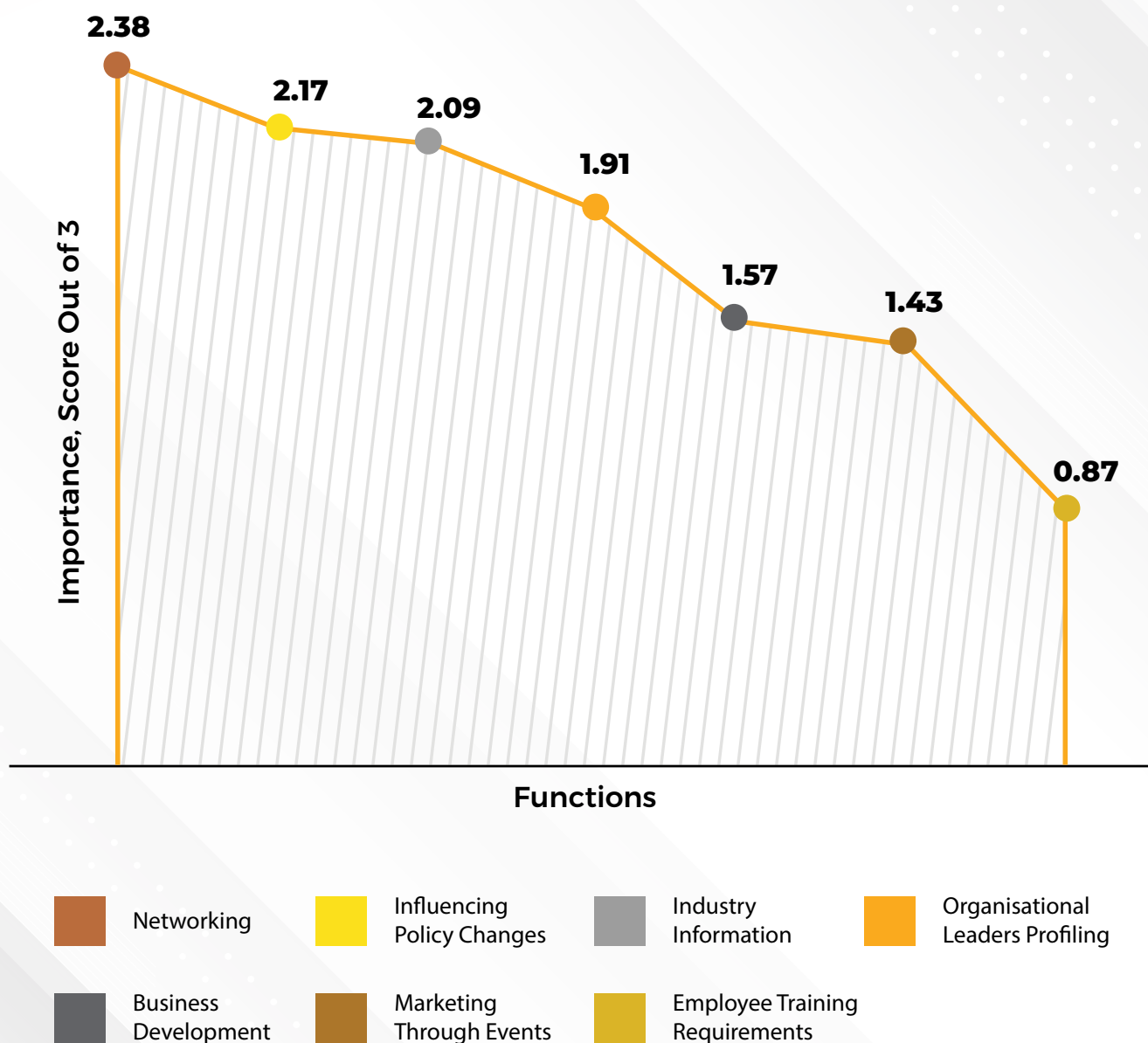
Networking is the most common feature of engaging with trade bodies and business chambers, with a score of 2.38 (Figure 22). This suggests that building and facilitating horizontal relationships is an essential function of PA teams of companies. Influencing policy changes is also a critical impact area, with a score of 2.17.

With a score of 2.09, the PA function also focuses on the flow of information with trade bodies and business chambers. **Aspects such as employee training requirements and marketing through events occupy a smaller share of the PA function, with scores of 0.87**

and 1.43, respectively. This may also represent an opportunity for growth since a coherent organisational response to policy events is often contingent on employee sensitivity across the board rather than just at the top levels or in specialised teams.

Figure 22: Impact of Trade Bodies and Business Chambers on Public Affairs

Q. Which government entities does your organisation work with? If so, could you describe the nature of the collaboration and its outcomes?

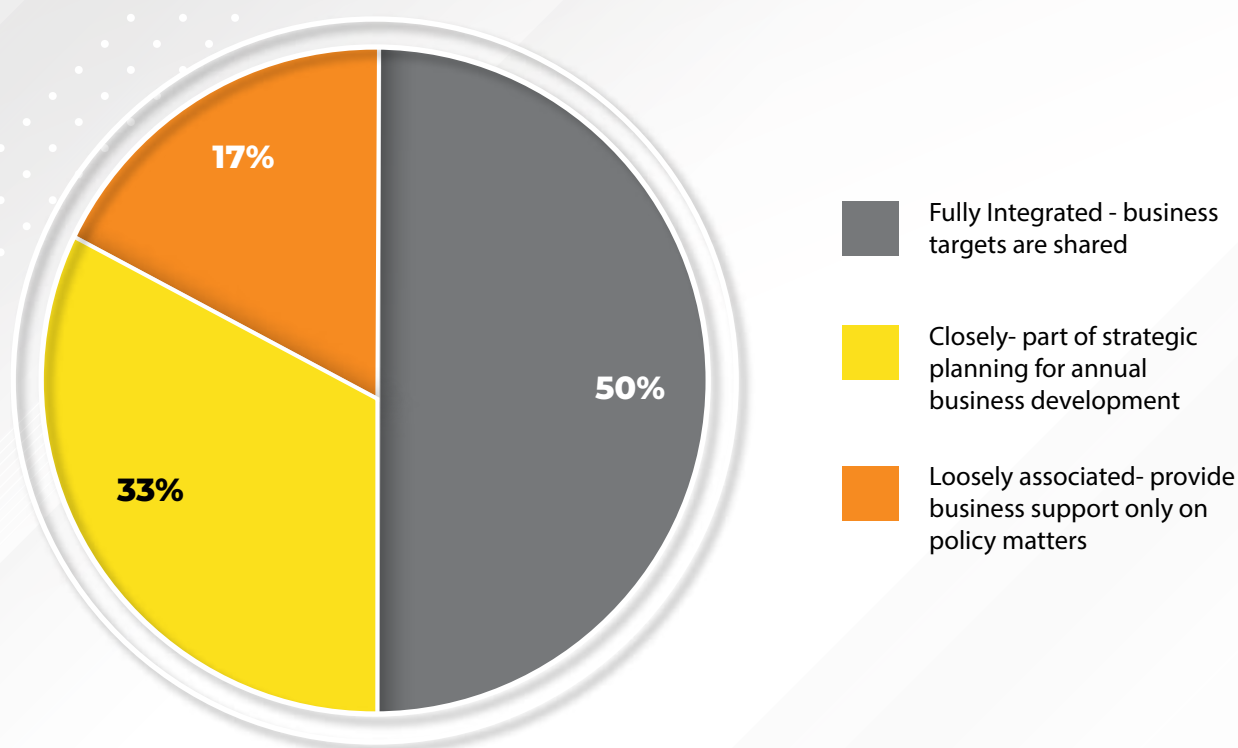


Note: The influence of trade bodies and business chambers on public affairs was assessed using the same 3-point scale (3 = high, 2 = moderate, 1 = no impact). Networking scored highest (2.38), signifying its importance, while employee training and marketing through events received lower scores, indicating secondary roles.

Next, we examine how PA teams are integrated with business teams (Figure 23). This integration can impact the effectiveness of public affairs strategies and their alignment with business objectives. **We find that 50 percent of respondents have fully integrated PA functions, while 33 percent are closely integrated with strategic planning functions.** This indicates that PA is a high priority in the business operations of companies. Finally, 17 percent of respondents report being loosely integrated with business teams.

Figure 23: Adjacency of Public Affairs Function

Q. How closely does the PA/CA function work with business teams?

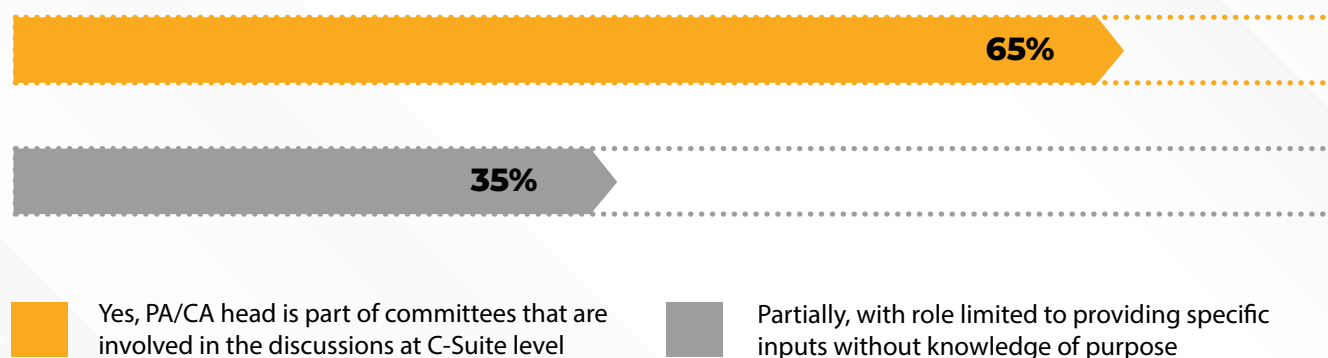


In Figure 24, we assess the centrality of PA teams. Companies were asked whether these teams are involved in strategic planning. In 65 percent cases, they are engaged in boardroom discussions about business expansion and investment, underlining their role. This includes all foreign MNCs participating in the survey and half of the Indian companies. In the remaining 35 percent cases, however, they are only partially involved. The PA teams are only peripherally relevant to corporate strategies in these cases.



Figure 24: Involvement of Public Affairs Function in Strategic Business Discussions

Q. How closely does the PA/CA function work with business teams?

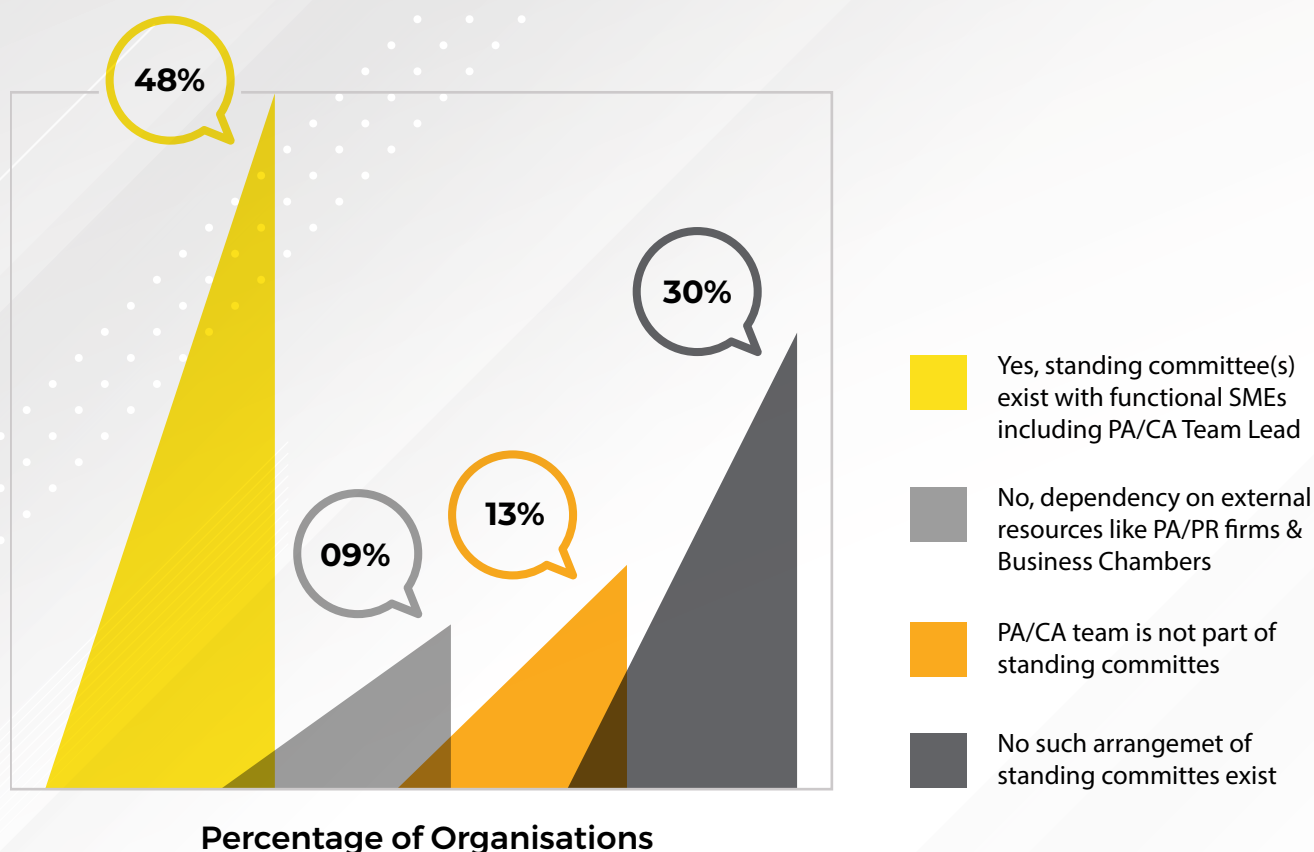


Note: PA is public affairs, CA is corporate affairs.

Finally, when asked about the PA function's involvement in policy matters through internal committees—reflecting greater stakes and agency in planning and decision-making—48 percent report in the affirmative (Figure 25). There is seldom (22 percent) no involvement of the PA function via such channels, while 30 percent have no such committees.

Figure 25: Public Affairs as a Part of Internal Committees on Policy Matters

Q. Is PA/CA part of a standing committee in your organisation on important policy matters like Taxation issues, Labour issues, Trade matters, R & I, etc., that reviews the policies?



Note: SME stands for Subject Matter Expert.

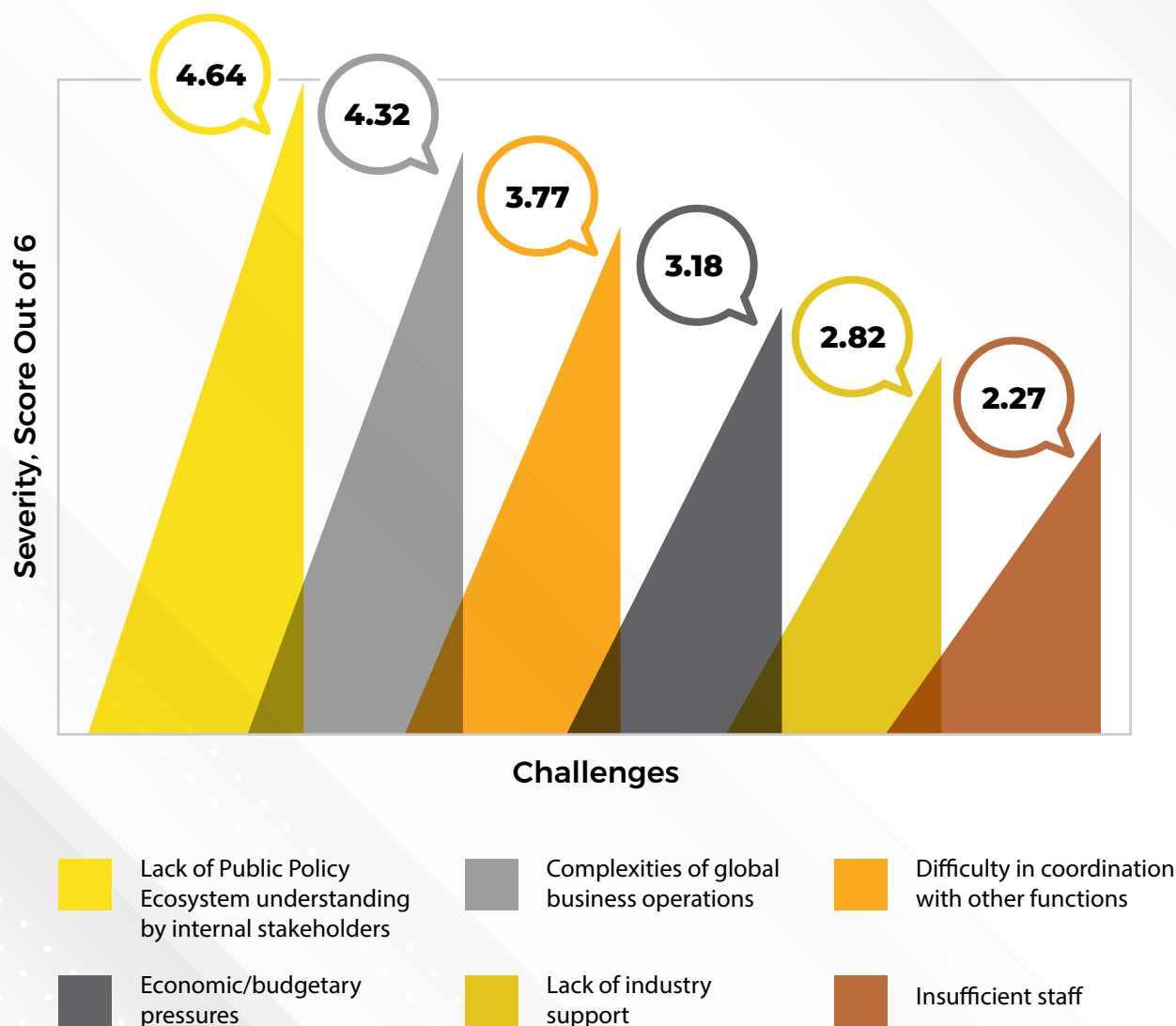
Monitoring and Evaluation of Public Affairs Team/Functions

To evaluate PA functions, it is vital to identify the challenges faced by the teams performing them. We asked respondents to rank six challenges in order of priority. These include lack of public policy ecosystem understanding by internal stakeholders, complexity of global business operations, difficulty coordinating with other functions, economic/budgetary pressures, lack of industry support, and insufficient staffing.

We translated the rankings given by respondents on a scale of one to six, with a score of six for the first rank and one for the sixth rank. Figure 26 shows the average score for each of the six challenges. **The lack of understanding of the public policy ecosystem by internal stakeholders is the biggest challenge for the public affairs function of companies, with an average score of 4.64, indicating a significant internal obstacle.** In second place was the complexity of global business operations, with a score of 4.32, highlighting the difficulties companies face in managing public affairs in diverse environments. Difficulties coordinating with other functions ranked third at 3.77, indicating internal silos and poor collaboration between departments that hinder public affairs efforts. Economic/budgetary constraints (score 3.18), lack of industry support (score 2.82) and inadequate staffing (score 2.27) scored relatively lower.

Figure 26: Challenges Faced by Public Affairs Teams

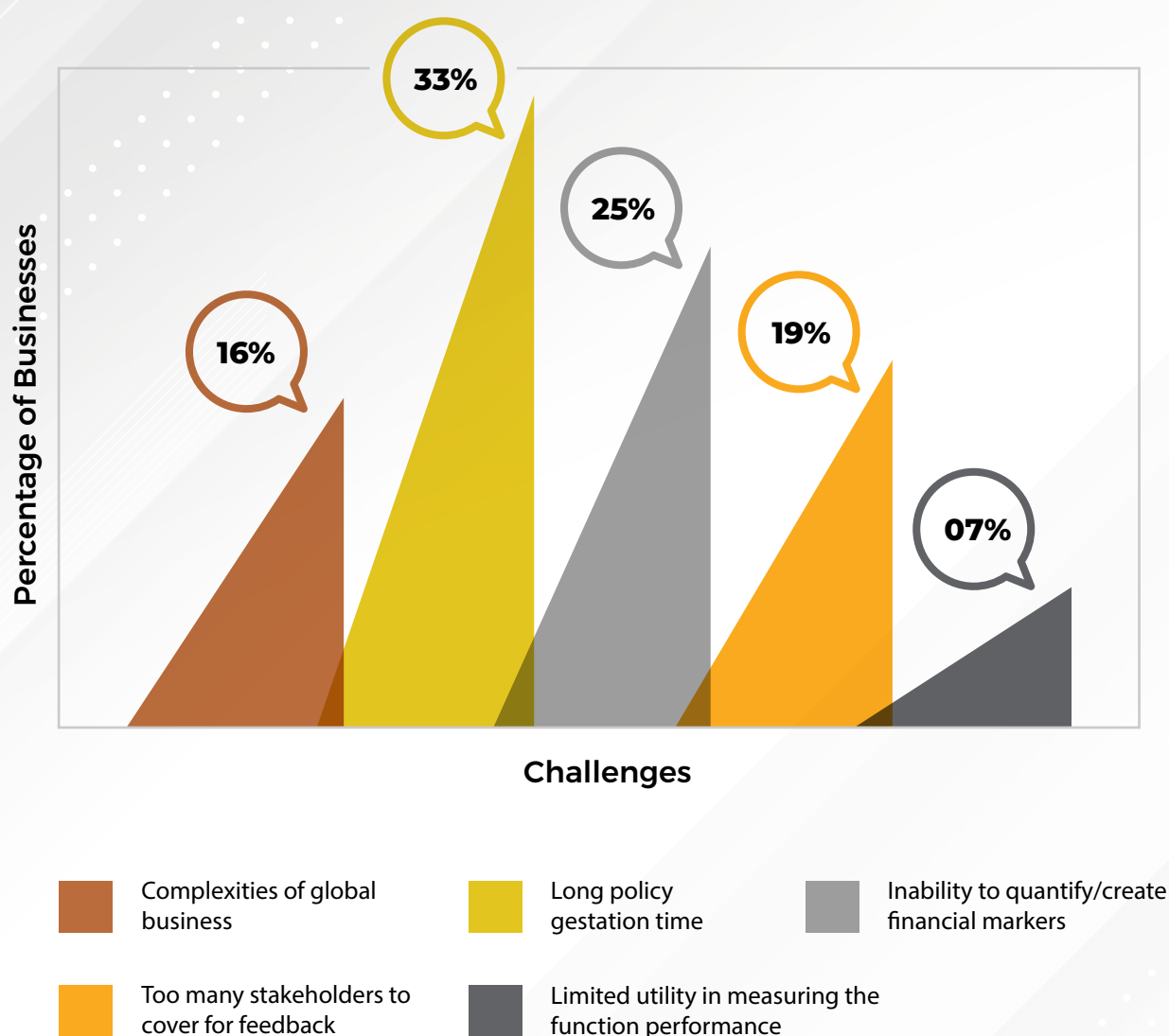
Q. What are the top challenges faced by the public affairs function?



Note: To identify challenges in public affairs, respondents ranked six issues on a scale of 1 to 6 (1 = lowest priority, 6 = highest priority). The average rankings were calculated to determine which challenges were most significant. The lack of understanding of the public policy ecosystem by internal stakeholders scored highest (4.64), followed by the complexity of global operations (4.32), with inadequate staffing receiving the lowest score (2.27).

Figure 27: Challenges in Measuring Impact

Q. What are the challenges in measuring the impact of the Public Affairs/Corporate Affairs Function on the organisation?



In Figure 27, we focus on the challenges in measuring the impact created by PA teams/functions. Companies cite a long gestation time of policy formulation as the most significant challenge in 33 percent of cases. This is followed by the inability of companies to quantify or

create financial indicators for evaluation (25 percent), the presence of multiple stakeholders (19 percent), and the complexity of global businesses (16 percent).

Given these challenges, choosing parameters to evaluate the performance of the PA team/function is not easy. The existence of multiple responsibilities involving different stakeholders only makes it more so. Therefore, an attempt to evaluate the PA functions must include several qualitative parameters.

The survey finds that companies use diverse parameters to evaluate public affairs functions (Figure 28). Moreover, companies give a marginally greater weightage to qualitative parameters (52 percent) such as goal achievement, public perception and stakeholder satisfaction than quantitative parameters (48 percent) such as legislative wins and losses, return on investment and cost avoidance.

Figure 28: Metrics Organisations Use to Evaluate Performance

Q. What are the metrics used to evaluate public affairs performance?

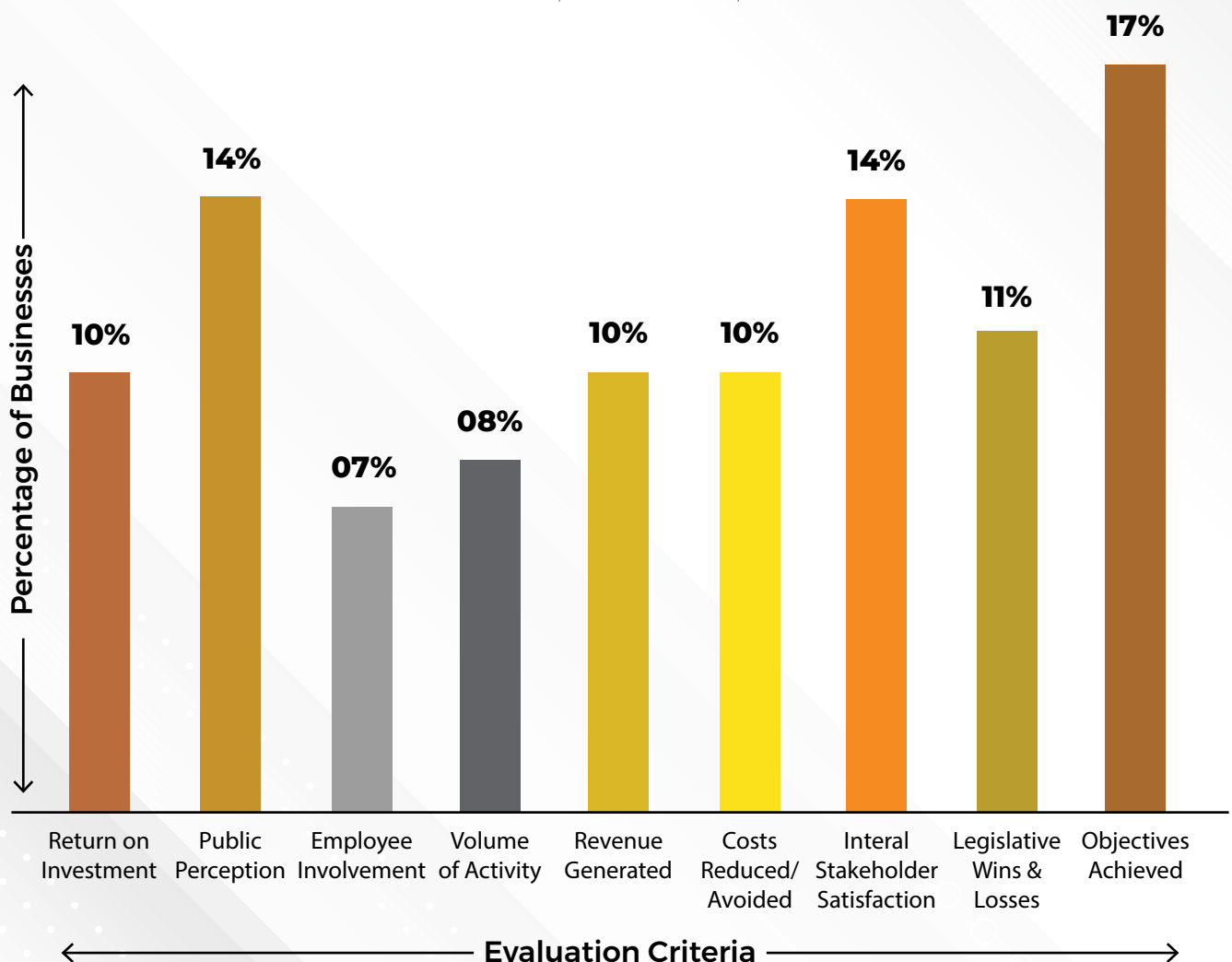
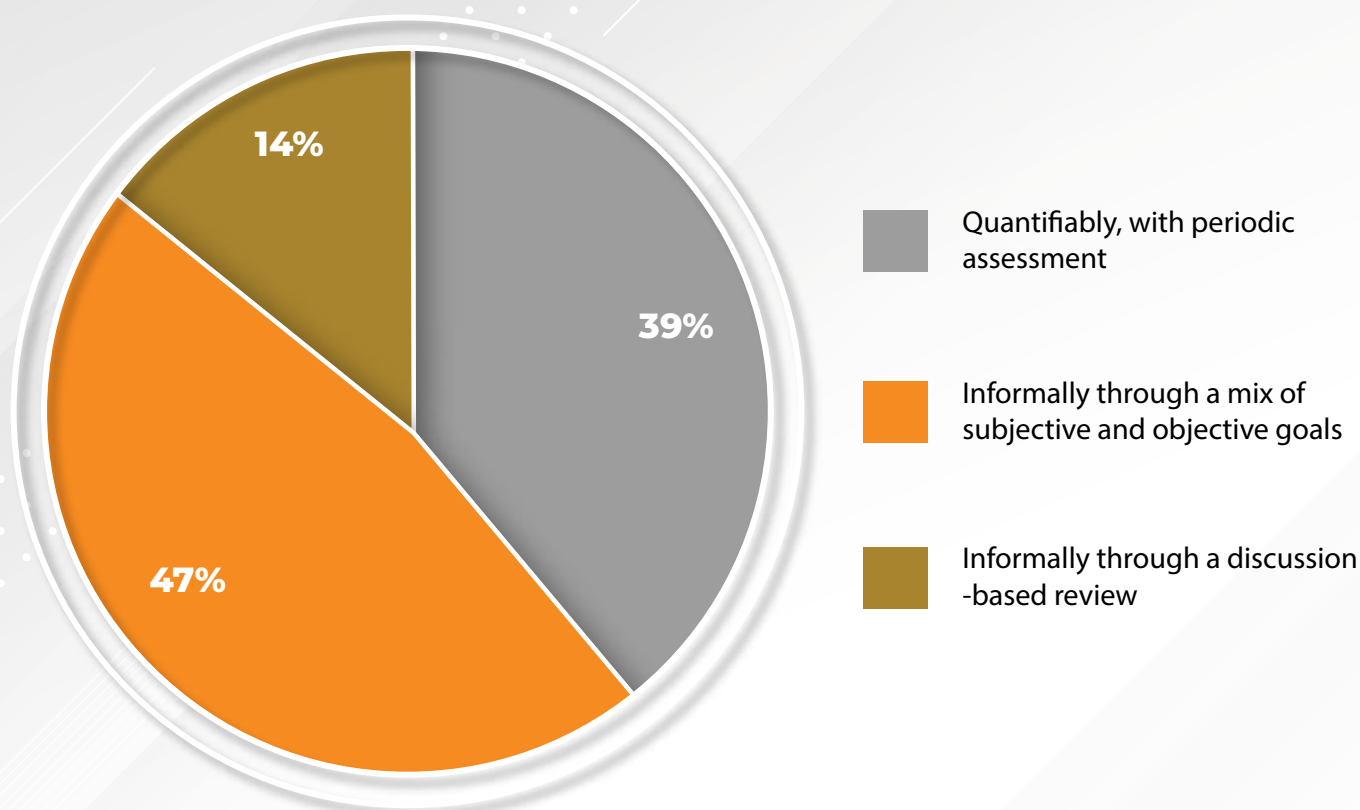


Figure 29: Formality of the Impact Assessments for Public Affairs

Q. How do you measure the impact of the Public Affairs/ Corporate Affairs function?



Even when asked directly about the qualitative and quantitative evaluation criteria (Figure 29), companies responded more in favour of a qualitative (46 percent) than a quantitative method (39 percent). In 14 percent cases, the respondents stated that they used a mix of qualitative and quantitative evaluation criteria.

The frequency of review of the PA function is another crucial choice problem because, on the one hand, irregular review can lead to information being omitted or misinformation being subject to limited scrutiny. On the other hand, frequent reviews require the public affairs team to focus only on a limited number of activities, which can lead to opportunity costs for other activities by the team.

We find that monthly reviews of PA activities are the most common (42 percent cases), followed by quarterly reviews (29 percent cases) and reviews on a need basis (eight percent) (Figure 30). Reviews at these frequencies indicate that continuous monitoring is necessary.

Figure 30: Frequency of Review

Q. How frequently is the PA/CA function reviewed?

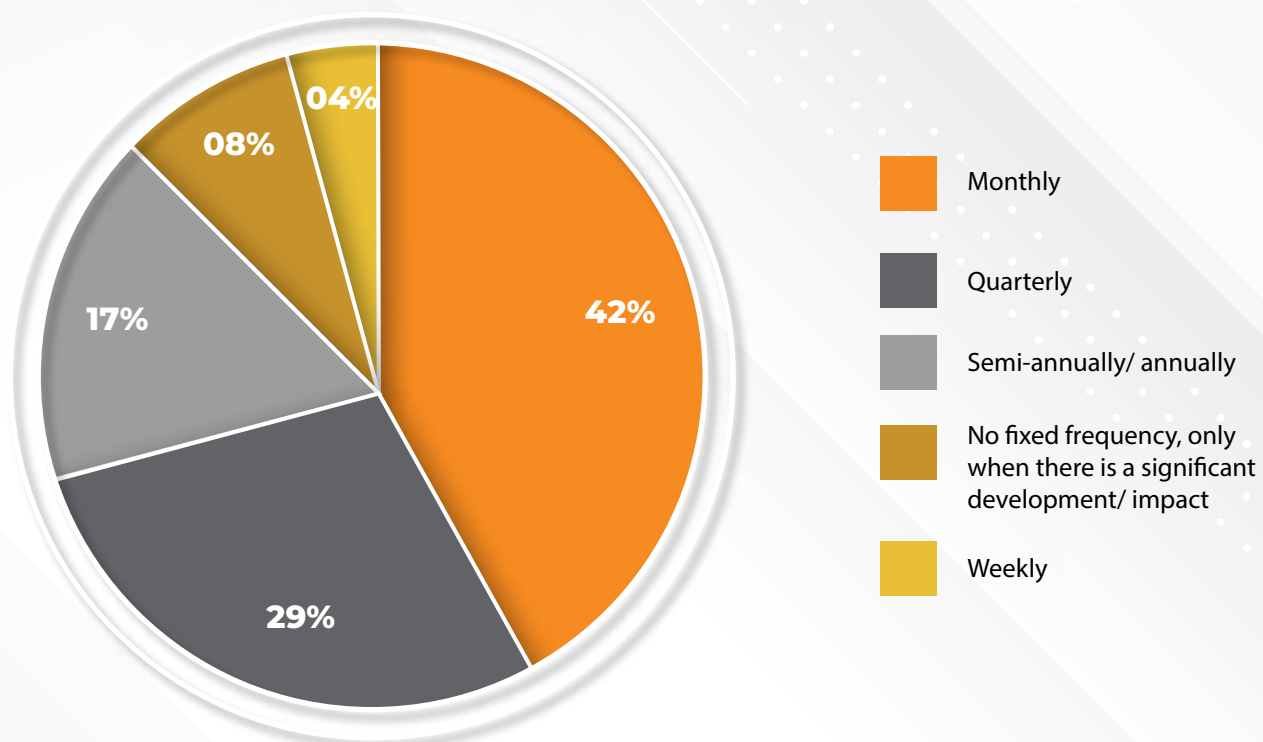
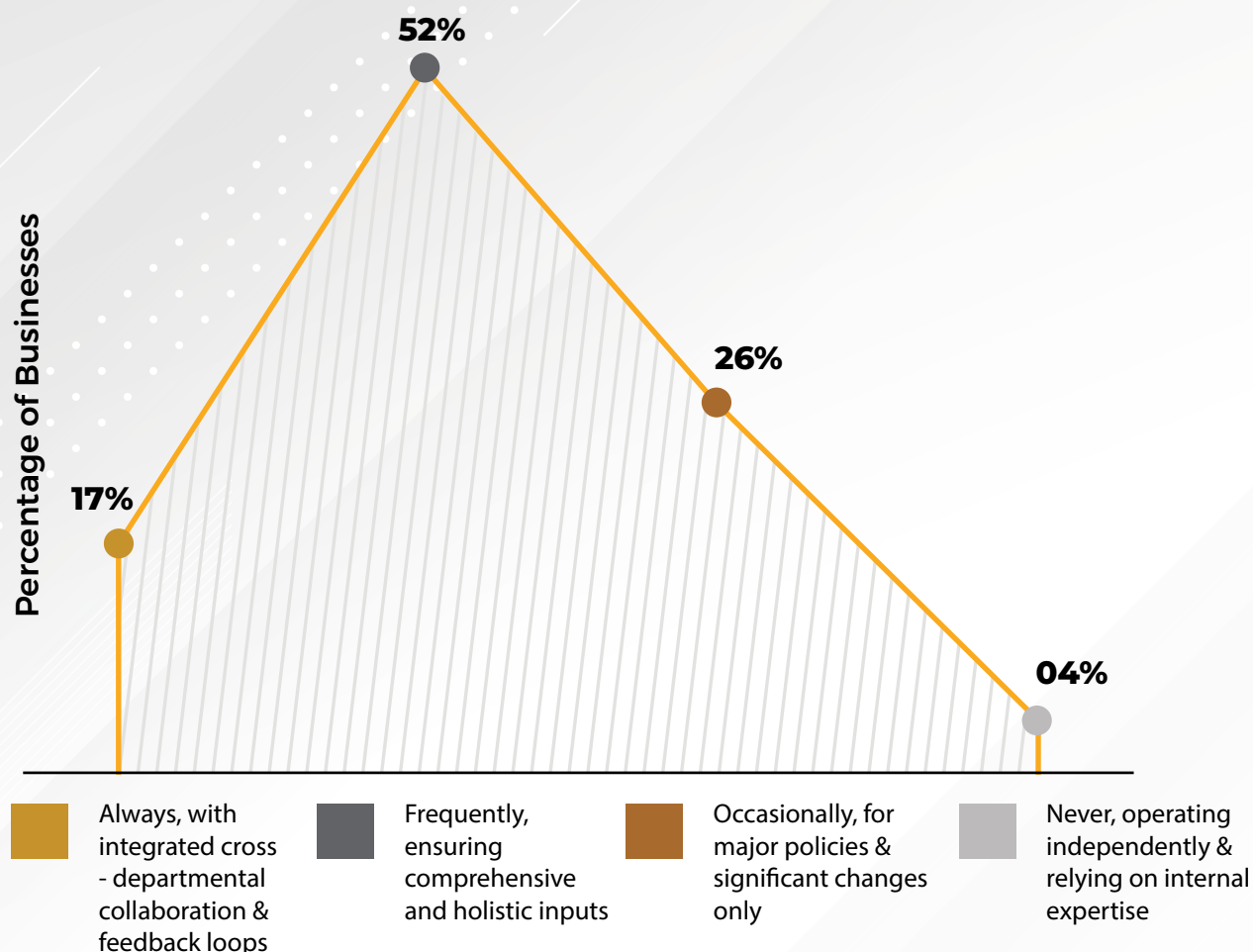


Figure 31: Frequency of Feedback Sought

Q. How often does your PA team seek feedback from other departments (legal, compliance, operations) during policy evaluations?



When asked whether the process of evaluating the PA team is unidirectional or whether the team also asks for feedback and how frequently (Figure 31), companies indicated that in 69 percent of cases, feedback is either continuous (17 percent) or very frequent (52 percent). This is mainly a feature in large Indian companies. One-fourth seek feedback occasionally.

The varying levels of engagement with stakeholders, diverse review processes, the relative importance accorded to exogenous and endogenous factors, and the role of PA teams in dealing with the impact of such factors reflect the strategic importance and challenges associated with measuring the efficacy of PA functions. These insights pave the way for a deeper understanding of the PA teams' evolving role in influencing corporate strategy. In the next section, we shift focus to a structured response framework that can assist in the efficacy of the function both in terms of assessing the impact of policy changes and identifying and leveraging key strategies for mitigating risks.

Section III: Public Affairs Response Framework

In the era of globalisation, businesses operate in a dynamic environment where myriad developments, including geopolitical shifts, impact them. These may include direct impacts on supply chains or on their participation in global value chains due to a host government's response. Our survey shows that in the past three to five years, over 84 percent of companies have been affected by such changes. Further, 38 percent reported a potential impact on revenues, while 46 percent had to make moderate to significant changes to their internal processes to respond.

PA teams are central to managing these changes. As these changes require the direct involvement of the top leaders, in 65 percent of cases, PA teams report directly to the CEO, reinforcing their importance in decision-making. However, only 46 percent of companies have a formal process for regularly presenting policy issues at the board level. Moreover, 54 percent of organisations continue to address the challenges informally or not at all. This stark contrast highlights the need for a simple, standard reference for the industry to analyse and articulate the potential impact, thereby collaborating effectively with policymakers.

Based on Sections I and II, which have helped unpack the status of the PA function currently and the experiences and expectations of companies that deploy the function, this section proposes the **PAFI Model to Assess Policy Response (P-MAPR)** as a framework designed to guide professionals to assess the potential impact of policy changes and to be able to present these internally. PAFI has a strong code of conduct that guides interaction of its members with the government (see Appendix I). This framework provides a ready reference for businesses to engage with governments and policymakers. This framework is premised on four pillars:



Impact

Assessment:

Impact assessment to understand how a change will affect business interests.

Pillar I

Pillar III

Pillar II

Pillar IV

Internal

Preparedness:

Internal assessment to understand the organisation's readiness to respond to the change.

Advocacy Planning:

Strategic communication of policy response to different stakeholders and its effectiveness.

Post Evaluation:

Post evaluation and recalibration of approaches to respond based on evidence.

“In today’s hyper-connected and increasingly unpredictable world, Public Affairs is no longer confined to managing government relations or influencing policy. It has evolved into a strategic function that actively shapes the external environment, enabling businesses to anticipate change, mitigate risks, and align their operations with the evolving expectations of regulators, stakeholders, and society. For the function to succeed, we need an accurate model that allows us to measure how well we are doing. I compliment Ranjeet Goswami for taking the initiative to provide a framework for this function.”

Ajay Khanna,

*Co-Founder, PAFI and Group Strategic Advisor,
Jubilant Bhartia Group*

PILLAR I: Impact Assessment

Most of the surveyed companies agree that policy shifts and geopolitical events in the recent past have impacted them. Many cite significant impacts on revenue and operations. To effectively respond, businesses need a structured approach to evaluating changes in their operational environment. Our impact assessment framework has four parameters—Impact Quotient, Predictability Quotient, Alignment Quotient, and Effect Quotient—that provide a quantifiable method for assessing adverse-event-related impacts before taking action.

Table 2: Proposed Impact Assessment Model

S. No.	Scale	Description	1-3 (Low Impact)	4-7 (Moderate Impact)	8-10 (High Impact)
1.	Impact Quotient 	Measures the severity of the policy change on business operations/ model.	Minor adjustments, no significant impact on business.	Noticeable adjustments, potential for new opportunities or challenges.	Major shifts, significant change, either disruptive or transformative.
2.	Predictability Quotient 	Assesses how predictable and consultative the policy change process is/was.	Policy announced well in advance, with multiple rounds of consultation with policymakers.	Expected policy change, but time of change is unpredictable; there are limited consultations and some transparency in the process.	Unforeseen policy change, immediate impact, no consultations, zero transparency.

S. No.	Scale	Description	1-3 (Low Impact)	4-7 (Moderate Impact)	8-10 (High Impact)
3.	Alignment Quotient ² 	Evaluates how well the business (product and services) are aligned with the host country's economic priorities, sustainability guidelines, are socially acceptable, and level of comfort in bilateral diplomatic relations.	Favourable bilateral/ multilateral business relations; sector well aligned to economic priorities; socially acceptable and environment-friendly products and services.	Neutral bilateral relations; somewhat aligned to economic priorities, socially or environmentally neutral products and services.	Unfavourable bilateral relations; no alignment of sector to economic priorities; socially or environmentally unfriendly products and services.
4.	Effect Quotient 	Assesses the flexibility and scope for engagement in policy changes-legislative versus regulatory change.	Stable, well-defined policy changes with clear timelines and compliance-friendly regulations originating from formal legislative processes.	Some ambiguity, scope for clarifications and significant compliance requirements.	Highly ambiguous, open to multiple interpretations, possible further revisions or advocacy, heavy compliance requirements with penal provisions in the legislation.

Note: Impact scales (1-3, 4-7, 8-10) have been kept flexible to allow respective organisations to make their own assessments and choose the most suitable impact band.

² While this parameter relates largely to global companies, it can also be adapted to the operations of domestic companies. For instance, a domestic company may feel inconvenienced by a regulation or standard that is not harmonised with those prevailing in its export markets.

The overall IAM (Impact Assessment Model) score can be reflected on a positive scale of 4 to 40. While each quotient merits attention, any IAM total of 20 or above should be viewed carefully. Let us understand the individual quotients better.

Impact Quotient: The policy impact scale aims to capture the severity of the effect that a specific policy change will have on a business or industry. The scale ranges from 1 to 10, with higher numbers indicating heavier disruptions. It incorporates various parameters that contribute to the overall impact, such as compliance costs, operational disruptions, market access changes, and revenue implications:



Cost Impact

This includes costs related to adjusting internal processes, documentation, hiring compliance officers, and potential legal costs. A high score on the scale (closer to 10) reflects significant compliance challenges, such as the need to adopt entirely new systems or processes. In contrast, a lower score (1 to 3) indicates minor operational realignment with no significant disruptions.



Operational Interference

This parameter measures how deeply these disruptions affect the company's day-to-day functioning. A high score (8 to 10) would reflect effects so severe that a business may need to halt operations, while a lower score means it can continue operations with minimal changes/ adaptations. A severe policy shift may require businesses to stop certain activities or redirect resources, leading to operational inefficiencies. For instance, restrictions in trade or imports/ exports can disrupt supply chains and delay production schedules, or local changes in labour policies could stymie manufacturing supply chains.



Market Access

Market access challenges may be critical in determining the Policy Impact score. For example, laws or regulations related to international trade or specific tariffs and non-tariff barriers can either open new market opportunities or severely restrict them. A score closer to 10 indicates that a business has lost access to one or more key markets, while a score closer to 1 means that market access remains largely unaffected.



Revenue Implications

Perhaps the most direct parameter in this scale is how a given policy change impacts a company's revenue stream. Changes in tax policies, tariffs, or other financial regulations can directly impact profitability. A score of 10 could reflect a significant revenue loss, perhaps even driving a business towards insolvency. On the other hand, a score of 1 to 3 would reflect minimal or neutral impact, possibly even some positive changes.

Other parameters could be considered in the Policy Impact scale, as the current parameters (compliance, revenue, supply chain, etc.) represent common concerns but might not cover all scenarios. Factors like specific kinds of legal risks or even technological disruption could certainly also influence the overall impact of a policy change. Therefore, the four quotients provide a baseline template that can be adapted to specific business scenarios and circumstances.

Each parameter—compliance costs, operational disruption, market access, and revenue—can be evaluated separately and then aggregated into a composite score, as illustrated in Figure 32. Naturally, diverse industries will weigh various parameters differently depending on the specific nature of their operations. For instance, a tech company may place higher weight on compliance costs related to intellectual property regulations. In contrast, a manufacturing company may place more importance on operational disruption due to new labour laws. These individual scores can then be averaged or weighted based on the company's priorities, producing an overall Policy Impact score.



Figure 32: Policy Impact Score



Predictability Quotient: Another critical variable in the proposed impact assessment matrix is the predictability of an impending change. The scale measures how foreseeable or expected a given policy shift is. Unpredictable changes, like sudden sanctions, can disrupt operations and force immediate reactive measures, often causing chaos in supply chains and investment plans. Conversely, well-signalled policies allow businesses to prepare, adapt strategies, and even capitalise on new opportunities.

The scale, ranging from 1 to 10, reflects the extent to which a policy shift could have been anticipated. At one end of the scale, a policy announced well in advance and followed a consultative process would score low. On the other hand, an abrupt change—without consultations would score much higher, indicating a more significant challenge for businesses in terms of preparation and realigning to the requirement.

We can break down “predictability” by looking at the different indicators businesses might use to gauge potential policy shifts:



Government Guidance

- Governments often signal future policy changes through public statements, white papers, or draft regulations. Trade bodies and industry associations can play an active role in obtaining the views of all public and business stakeholders in this regard. Policies announced in advance, with possible timelines and planned consultations, tend to score low on the uncertainty scale (1–3).
- Policies hinted at through informal communication channels but without official confirmation or consultations would fall in the middle (4–6).
- Completely unexpected policy changes, such as sudden sanctions or emergency regulations, would score high (7–10).



Political and Economic Climate

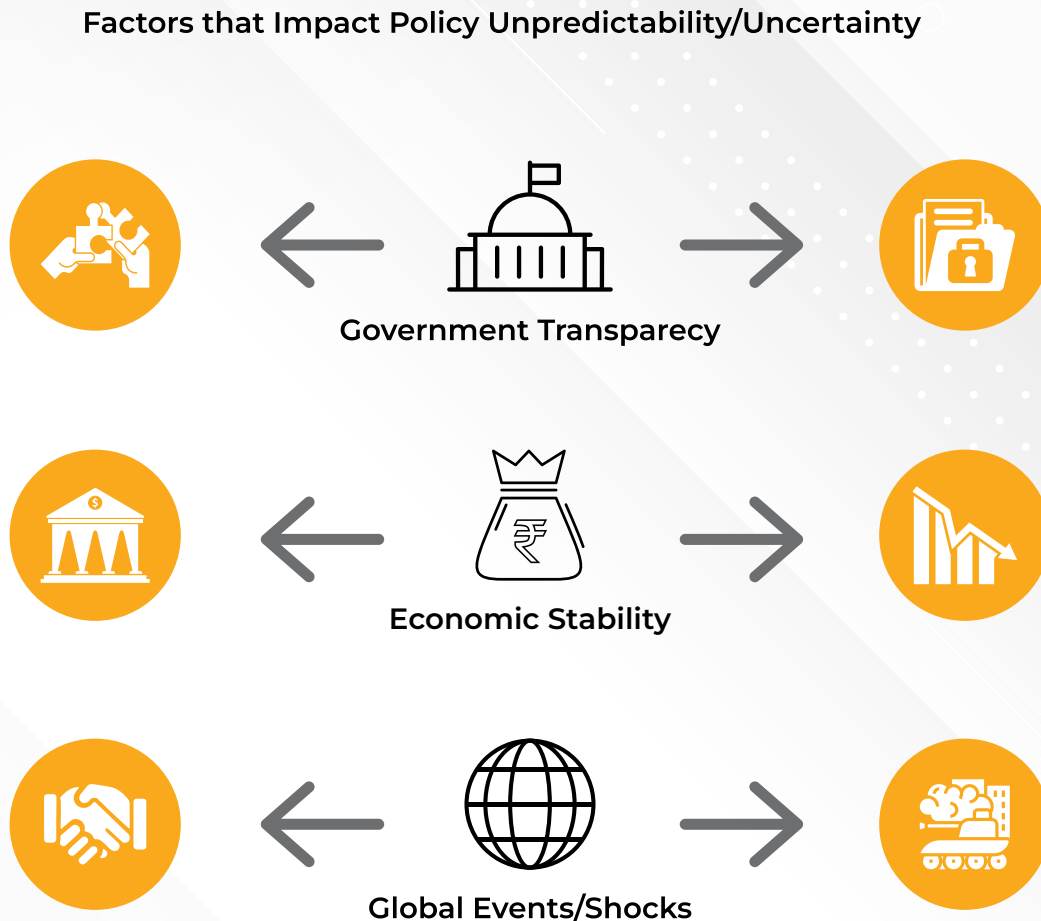
- In a stable political or economic environment, policy changes are more predictable. Businesses can rely on a predictable macroeconomic framework to anticipate regulations, resulting in a low score of 1–3.
- On the other hand, political instability, upcoming elections, or sudden economic downturns might create unexpected policies or regulations, leading to a higher score in the range of 8–10.



External Drivers

- Global Events and External Shocks: Geopolitical events such as wars and pandemics can lead to policy changes beyond the regular cycle. For instance, if an oil-exporting country imposes an embargo, the resulting energy shortage could severely impact industries reliant on fuel and raw materials. In response, the host government might introduce subsidies for alternative energy sources or relax regulations on energy imports to stabilise domestic supply. Such external shocks would push the uncertainty scale higher, as businesses might have no prior insight into the implications, resulting in a higher score range of 8–10.

Figure 33: Factors Impacting Policy Uncertainty



Businesses often rely on signals such as government announcements or political discourse to anticipate changes. However, when these signals are absent, (un)predictability scores rise, and companies face more uncertainty. Past government behaviour and historical trends in policy cycles can provide valuable context in such situations.

The predictability scale isn't meant to function like a mathematical formula where all factors are weighed equally. Instead, it's a contextual assessment based on various qualitative factors. The framework provides adequate flexibility for PA teams to allot suitable weights to variables.

Alignment Quotient: After evaluating Policy Impact and Predictability, the next step is to assess the Alignment Quotient. This evaluates how comfortable a business organisation feels operating within a given environment, including the international position of its origin country, in a given bilateral and multilateral setting. This scale goes beyond the specifics of the policy itself and considers many exogenous factors, including:

1

Bilateral Relations

The relationship between the host country and the country where the business is headquartered influences a business's comfort levels. For instance, local entities of a company headquartered in a country that is considered hostile by the country they are operating in might face additional scrutiny or restrictions, leading to a lower score.

2

Economic Importance of the Sector

A sector's importance to the host country's economy can also impact a business's comfort level. A sector that contributes significantly to the local economy—offering renewable energy, niche technology solutions, or the possibility of creating jobs—may receive favourable treatment or policy adjustments. Conversely, sectors considered less important might face more challenges.

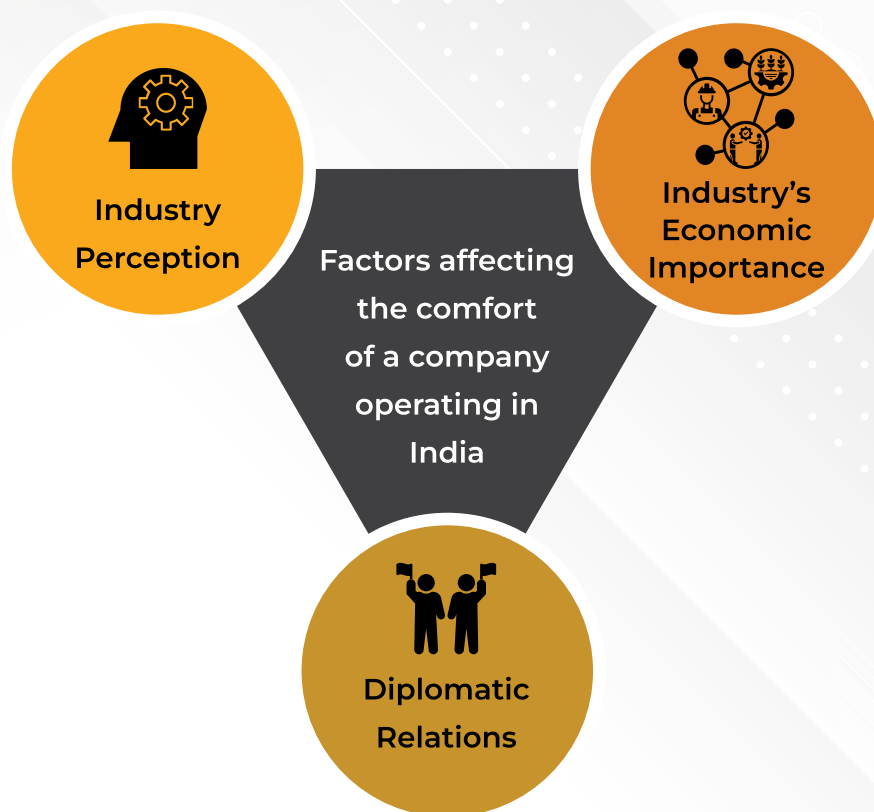
3

Industry Perception

Certain industries are inherently more susceptible to regulatory scrutiny. Sectors like tobacco, alcohol, and gambling, often referred to as sin industries, are more likely to face stricter regulations regardless of geopolitical relations, impacting the alignment quotient.



Figure 34: Alignment Quotient



Effect Quotient: Finally, after evaluating the impact, predictability, and alignment of policy changes, businesses may consider the process by which these changes have been introduced. The Effect Quotient helps PA teams assess the level of stability and clarity associated with policy changes based on whether they are introduced through formal legislative processes or via quicker regulatory adjustments.

- **Legislative Changes:** Legislation is generally more stable and predictable but difficult to reverse or modify after a legislative process is completed. Legislative processes typically follow a well-defined path, including parliamentary debates and/or public consultations, which offer businesses clarity and ample time to prepare. Once passed, these changes provide a reliable framework for long-term planning.

Legislative changes typically have a lower effect score because they offer high certainty and long-term continuity. Legislative decisions, taken after extensive debates and consultations, provide businesses with a structured timeline for adaptation, allowing them to adjust their operations. regulations, would score high (7–10).

- **Regulatory or Executive-Led Change:** Regulatory changes introduced through orders

passed by the executive branch of the government or regulatory notifications tend to be more fluid and can occur with little notice. While these may be fine-tuned based on stakeholder feedback requiring businesses to remain agile, the fluid nature of these changes can sometimes create uncertainty about how long they will stay in place or how they might evolve over time. Regulatory changes often score higher on the effect scale due to their potential unpredictability.

In sum, the Effect Quotient allows businesses to assess how well-defined and stable a policy change is. Legislative changes offer greater certainty, enabling firms to plan with confidence. In contrast, regulatory changes may introduce flexibility that requires businesses to be adaptive and ready to engage with policymakers for clarifications or adjustments. While not all changes are negative, the variable impact of legislative or regulatory adjustments means businesses must be prepared and proactive in responding to further developments.



PILLAR II: Internal Preparedness

So far, this report has provided an approach to assessing the potential impact of policy changes. However, quantifying such impact is only a part of how businesses can respond. It is also necessary to align internal stakeholders on the nature of a given challenge. They may then consider multiple options for an effective response that, when deployed optimally, will minimise losses and maximise gains.

Internal clarity is necessary as companies tend to exhibit a lack of alignment between the approach and priorities of the PA and other functions, as seen in the survey. Additionally, as

illustrated in Figure 23, half of our survey respondents believe there is a mismatch between the objectives of the PA function and the priorities of the business.

Therefore, The next step in this four-stage P-MAPR model aims to mitigate the internal alignment problem by using a framework that provides a way to assess the levels of internal clarity of a given policy challenge. This method facilitates targeted interventions and optimised decision-making by assigning scores based on how organisations understand and manage challenges. The framework uses a clarity scale from 1 to 10 to quantify key aspects of the decision-making process:

- **10** indicates the least clarity and alignment, suggesting a lack of understanding and cooperation.
- **1** represents complete clarity and alignment, reflecting a comprehensive understanding of a given challenge, strong industry alignment, and a well-articulated narrative.

The internal preparedness analysis has four core components, as shown below. It is also important to note that, like the other stages of this model, the components are not deployed linearly but in an iterative manner.

Table 3: Core Components of the Internal Preparedness Score

S. No.	Scale	Description	Score 1-3 (Complete Clarity)	Score 4-7 (Moderate Clarity)	Score 8-10 (Least Clarity)
1.	Genesis of the challenge and internal alignment.	Understanding of the root cause of the change and extent of internal alignment.	Full understanding of the origin of the change and complete internal consensus.	The origin of the change is known and understood partially. Partial internal consensus.	Little or no clarity on origin. Internal stakeholders disagree.
2.	Stakeholder Identification.	Identification and mapping of key stakeholders.	Process and stakeholders thoroughly mapped.	Stakeholders identified but not mapped; process unclear.	Stakeholders not identified or unmapped; no knowledge of the process.

S. No.	Scale	Description	Score 1-3 (Complete Clarity)	Score 4-7 (Moderate Clarity)	Score 8-10 (Least Clarity)
3.	Industry Support and Alignment.	Degree of alignment between the organisation and the broader industry/sector.	Views of the organisation fully aligned with broader industry view.	Industry has varied or diverse views which partially align with the organisation.	No alignment between the organisation and the industry.
4.	Narrative/POV Alignment.	Alignment of the organisation's narrative with the external narrative and industry POV.	Fully aligned narrative; own organisation narrative accepted as industry ask.	Narrative exists but is not comprehensive; own organisation's asks partially included.	No external narrative or alignment; disjointed views.



The framework can be applied by assigning numerical values to each of these key aspects. The aggregated score provides a clear picture of how well the organisation understands the challenge and how well it aligns with the industry and stakeholders.

For example:

- A high score (8-10) across all dimensions may indicate a need for the organisation to invest significant resources into stakeholder mapping, industry collaboration, and internal strategy development to address the challenge.
- A moderate score (4-7) could mean that while the genesis of the challenge is known and stakeholders are identified, they are not mapped. The organisation needs to invest time and effort to firm up an internal strategy needs to be developed to tackle the issue.
- A low score (1-3) would suggest that the organisation is well-prepared to tackle the challenge and is well-aligned with the sectoral/industry ask.

“The measure of business resilience comes from its ability to adapt. The public affairs team is the organisation’s eyes and ears, anticipating changes in the external environment and enabling the company to respond suitably.”

Sudhir Pillai,
*Managing Director,
Corning India*





PILLAR III: Advocacy Planning

After assessing the impact of a given change and identifying organisational strengths and gaps, it is crucial to choose the best options to communicate suggestions to the external world. As the survey in the previous section of this report illustrates, PA professionals have to engage with a diverse range of external stakeholders (Figures 19 and 20). Therefore, identifying the right audience for the decided-upon approach to advocacy is of utmost importance for achieving the desired outcome. Some of the conventional sets of stakeholders are as follows:



Political Leadership (Legislators, Office bearers)

- Since political will often drives policy changes, these stakeholders rank high on the list of priorities for PA engagements. Influential leaders can highlight public interest dimensions of policy changes in parliament, public speeches, media, and various other forums.
- However, frequent political changes can disrupt advocacy efforts, and partisan interests may clash, affecting policy continuity.
- Engaging with political stakeholders is best for issues requiring immediate change or where a public interest discussion is beneficial.



Administrative or Executive Branch (Civil Service, Regulatory Agencies)

- Members of civil services are often tasked with policy implementation and thus have practical insights into how regulations can be adjusted or interpreted efficiently.
- Addressing complex issues may require considerable time due to procedural requirements, technical reviews, and internal checks. Officers who hold long tenures can provide a consistent point of contact over time, facilitating sustained advocacy and gradual policy influence.
- Certain matters necessitate political support, particularly those involving legislative amendments, and therefore, administrators may tend to progress cautiously. Engaging with administrative officers brings stability, making it ideal for long-term regulatory adjustments, technical policy clarifications, or amendments requiring extensive sectoral expertise.



Trade Associations (Industry Groups, Chambers of Commerce)

- Trade associations can bring together industry players, amplifying the voice of individual businesses through collective action and enhancing advocacy efforts. The survey conducted as part of this study found that PA professionals find trade associations helpful in creating networking opportunities and providing industry perspectives (Figure 22). They often have insights into industry-wide concerns and can provide well-researched, data-backed recommendations. Established trade bodies are typically more influential and better received than individual businesses.
- However, members within a trade association may have different priorities, which can dilute the focus or effectiveness of specific advocacy efforts. While effective for regulatory adjustments, trade bodies may face challenges in achieving significant legislative changes without political or bureaucratic support. Associations often require consensus among members, which can delay decision-making and advocacy actions.
- Relying solely on trade associations is generally best suited for building collective industry support on issues affecting a sector broadly, lobbying for incremental changes, or providing technical input for regulatory adjustments.

- Lastly, it is crucial to acknowledge that multiple trade associations often work on the same set of policies. Therefore, understanding the acceptability of each trade association for a given policy discussion is essential. Sectoral trade bodies can be particularly effective due to their sector-specific knowledge. However, national trade associations may have an advantage in macro issues because of their capacity to facilitate broad societal changes. Additionally, businesses with foreign headquarters sometimes rely on bilateral associations that benefit from the diplomatic support of their home country.



Civil Society (Consumers, Users, Think-Tanks, Academia)

- Civil society, when broadly defined as consumers and users of products and services, think tanks and academic institutions, are useful to engage with on issues relevant to markets and society at large.
- The challenge of engaging with civil society for most businesses may be that of identifying the right set of stakeholders, project management, and sensitivity to different working styles and priorities.
- However, changes to laws or the creation of new legal regimes are rarely possible without the kind of public discourse that only deep engagement with civil society can enable. Regulatory or executive-level decisions are less likely to be impacted by public discourse because of their dynamic nature and the lag with which civil society is likely to get involved at any level.

“Effective public affairs management is about understanding the broader societal context and helping the organisation to not only respond but to lead in a way that aligns business success with the public good while working with governments and policymakers for a better and sustainable world.”

Prof. N. C. Narayanan,

*Professor and Head, Ashank Desai Centre for Policy Studies,
Indian Institute of Technology, Bombay*

PILLAR IV: Post Evaluation

The fourth pillar of the P-MAPR model monitors the impact of the previous three pillars using Key Performance Indicators (KPIs). Since the model is designed to operate on an iterative basis, continuous review and evaluation of the approach against KPIs is useful in adjusting the strategy as needed to align with the original objectives. Documenting lessons learned and sharing insights with stakeholders can improve future decision-making processes.

The model is designed to allow organisations to evaluate how well their PA function is addressing these challenges. KPIs linked to the three impact assessment scales provide a comprehensive view of an organisation's ability to predict, manage, and respond to regulatory changes.

S. No.	KPI	Description	Linked Parameters
1.	Revenue Loss Due to Policy Impact	Tracks any revenue loss attributable to new policy changes.	• Pillar 1: Impact Assessment—Revenue Implications. • Pillar 3: Advocacy Planning (in some cases).
2.	No Surprises on the Policy Front	Assesses the ability of the PA team to anticipate policy shifts.	• Pillar 1: Impact Assessment—Predictability Quotient and Effect Quotient.
3.	Effectiveness of Alignment Quotient	Measures the organisation's ability to adapt to unfavourable policies.	• Pillar 1: Impact Assessment—All Quotients. • Pillar 2: Internal Preparedness—Readiness Quotient (ability to adapt based on the impact of the change and readiness/flexibility of the business).

S. No.	KPI	Description	Linked Parameters
4.	Stakeholder Relations	Evaluates how well a PA function maintains relations with government bodies and civil society stakeholders.	• Pillar 1: Impact Assessment—Alignment Quotient. • Pillar 2: Internal Preparedness—Stakeholder Identification. • Pillar 3: Advocacy Planning.
5.	Engagement in Committees	Tracks participation in relevant policy forums.	• Pillar 1: Impact Assessment—Alignment Quotient. • Pillar 2: Internal Preparedness—Stakeholder Identification, Industry Support and Alignment, and Narrative/POV Alignment.
6.	Collaboration with Business Units	Assesses alignment between PA function and business priorities.	• Pillar 1: Impact Assessment—Impact Quotient. • Pillar 2: Internal Preparedness—Stakeholder Identification and Narrative/POV Alignment.
7.	Compliance with Regulatory Changes	Tracks the alignment between companies' processes and new regulation changes.	• Pillar 1: Impact Assessment—Impact Quotient –Compliance and Regulatory Costs.

S. No.	KPI	Description	Linked Parameters
8.	Reputation Management	Monitors any reputation damage due to policy or regulatory issues.	• Pillar 1: Impact Assessment—Impact Quotient. • Pillar 2: Internal Preparedness—Industry Support and Alignment, and Narrative/POV alignment. • Pillar 3: Advocacy Planning.
9.	Policy Wins and Losses	Tracks the outcomes of policy advocacy efforts.	• Pillar 1: Impact Assessment—Impact Quotient and Effect Quotient. • Pillar 3: Advocacy Planning.
10.	Crisis Response Time	Time taken to respond to sudden policy or regulatory changes.	• Pillar 1: Impact Assessment—All quotients. • Pillar 2: Internal Preparedness—Readiness Quotient. • Pillar 3: Advocacy Planning.
11.	Building Industry Consensus	The ability of the team to influence the shaping of the industry narrative.	• Pillar 1: Impact Assessment—Alignment Quotient. • Pillar 2: Internal Preparedness – Readiness Quotient – stakeholder identification and Industry Support and Alignment. • Pillar 3: Advocacy Planning – could be part of the advocacy efforts of the PA function.

Aligning the KPIs with the three pillars of P-MAPR—**Impact Assessment (Pillar I)**, **Internal Preparedness (Pillar II)**, and **Advocacy Planning (Pillar III)**—ensures an approach that maintains both strategic and operational value. These KPIs encompass indicators across the policy lifecycle, from its origin and predictability to its impact, business preparedness and adaptability, and evidence-based mitigation strategies.

The model fosters a continuous feedback loop, allowing public affairs functions to evolve with the dynamic geopolitical and regulatory landscape.

Section IV: Measuring the Impact of the Public Affairs Function

Evaluating the efforts of a PA strategy goes beyond simply measuring outcomes; it requires understanding both the quantity and quality of work done to navigate complex environments. This involves assessing the level of proactive engagement, depth of analysis, and adaptability that the PA strategy can enable and help foster within an organisation to handle dynamic changes in the policy environment. Therefore, measuring the impact of the PA strategy is an important task in itself.

A multi-dimensional evaluation approach, as undertaken through the P-MAPR, is essential to capture the contributions of PA strategy and function. This includes looking at tangible outcomes, such as policy wins, as well as less quantifiable but equally important actions, like stakeholder engagement and issue monitoring. Some of the key measures are summarised in the table below and can be once again adapted to a given business setting:

Goals-Based Measure

This evaluates the alignment between selected KPIs and an organisation's strategic interests. The aim is to ensure that each KPI directly supports organisational objectives, establishing a clear connection between performance metrics and strategic priorities. Another critical aspect is prioritising stakeholders and policy issues. The organisation can achieve outcomes that align with its core goals by focusing on high-priority stakeholders and essential policy areas.

Effort-based Measure

Effort-based measures assess the initiatives and actions taken to influence policy. Identifying and engaging with relevant stakeholders ensures that connections are leveraged for impact. Curating or participating in relevant events and discussions demonstrates a commitment to remaining involved in the policy arena and help set the agenda. Monitoring these activities allows the organisation to evaluate the scope and quality of its policy engagement efforts, laying the groundwork for more robust outcome-oriented results.

Outcome-based Measure

Outcome-based measures are centred on evaluating the concrete results of policy initiatives. This process involves assessing the impact of the PA function's responses on policy decisions, identifying successes and setbacks, and determining the level of industry alignment achieved. Active participation in key working groups and committees is vital for influencing outcomes, while identifying and mitigating potential risks ensures proactive management. Collectively, these elements provide a comprehensive measure of the effectiveness of advocacy and engagement efforts in shaping favourable policy outcomes.

Stakeholder Survey-based Measure

This metric assesses the perception of the organisation's contributions to the policy ecosystem by various stakeholders. By collecting feedback from critical groups such as government officials, trade bodies, and public mentions, an organisation can evaluate its influence and reputation within the policy environment. Understanding these perspectives enables the identification of strengths and potential areas for improvement, allowing it to refine its strategies to align more closely with stakeholder expectations and enhance its impact on policy.

Revenue-based Measure

Revenue-based measures emphasise the direct financial impact of policy initiatives. This includes any contributions that enhance revenue or mitigate financial losses, thereby reflecting the economic value of policy engagement. Furthermore, participation in or leadership of strategic business development initiatives demonstrates how policy efforts can support long-term growth by ensuring that regulatory and policy strategies align with the organisation's financial objectives. This measure underscores the tangible economic benefits of effective policy work.

S. No.	Measure	Weightage
1.	Goals based measure - How well do the chosen KPIs align with the organisation's interests. - Prioritisation of stakeholders and policy matters to achieve goals.	Regular / High
2.	Effort based measure - Mapping and engagements with relevant stakeholders. - Relevant events and discussions curated/or participated in. - Participation by organisational leaders in various policy forums. - Thought leadership submissions to government/media.	High / Very High
3.	Outcome-based measure³ - Impact of PA team's efforts on policy outcome- policy wins/ losses. - Industry alignment achieved by the team. - Key working groups and committees adequately represented. - Key red flags identified accurately and mitigated.	High / Very High
4.	Stakeholder survey-based measure Understanding what stakeholders feel about the contribution to the policy ecosystem.	Regular / High
5.	Revenue-based measure - Any direct contribution that positively impacts revenue or saves losses. - Contribution to/ leading Strategic business development initiatives.	High / Very High

³ While this partially overlaps with elements of advocacy planning, the objective here is to specifically map the efforts of the PA function and not the business as a whole.



In summary, a combination of goals-based, outcome-based, effort-based, stakeholder feedback, and revenue impact as envisaged through the PAFI Model to Assess Policy Response (P-MAPR) offers a thorough post evaluation of the activities of a PA team.

It is important to remember that the success of this evaluation depends on two key factors: the ability of the PA team to bring out the relevance of a policy change and an organisation-wide understanding of how geopolitical shifts and different drivers of policymaking affect the operational environment. A blended evaluation approach helps ensure that the selected metrics align with organisational priorities and are flexible enough to adapt to changes in the policy landscape.

Appendix I: PAFI Code of Ethics

Our work as public affairs practitioners contributes to a healthy democratic process, acting as a link between the world of business, civil society and Indian policy-makers. The objective of PAFI and its members is to provide knowledge and context to aid informed decision-making on policy. By signing this Code of Ethics, the signatories are committed to abide by it and act in an honest, responsible and courteous manner at all times and seek to apply the highest professional standards.

PAFI members are expected to practice the highest standards of honesty, accuracy, integrity and truth and shall not knowingly disseminate false or misleading information to the government and the civil society. Members shall not engage in professional or personal conduct that will bring discredit to their firms, the society or the practice of public affairs.

In their dealings with the Government of India, departments and agencies, the public affairs practitioners shall:

1. Identify themselves by name and by company on whose behalf the government department and agencies are approached.
2. Be transparent in disclosing the interest they represent when dealing with the Government of India and its agencies.
3. NOT intentionally misrepresent their status or the nature of their inquiries to officials of the Government of India or create any false impression in relation thereto.
4. NOT directly or indirectly misrepresent links with the Government of India.
5. At all times, honour confidential information they receive from other members of PAFI and government offices and agencies.
6. Practice the highest standards of honesty, accuracy, integrity and truth, and shall not knowingly disseminate false or misleading information.
7. NOT sell for profit to third parties copies of documents obtained from the Government of India or any public office or agency.
8. NOT obtain information from the Government of India by dishonest means and will take care to avoid any professional conflicts of interest.

9. Neither directly nor indirectly offer nor give any financial inducement to:
 - a. Any government official
 - b. Elected members
 - c. Their staff
10. Protect the confidences of present, former and prospective government officials and agencies they deal with.
11. NOT intentionally damage the reputation of agencies they work with and shall understand, respect and abide by the ethical codes of the government departments and agencies and fellow PAFI Members with whom they may interact from time to time.
12. PAFI Members will only employ government personnel subject to the rules and confidentiality requirements of the Government of India.

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About Koan Advisory

Koan Advisory Group (“Koan”), is a New Delhi based public policy consulting firm focused on technology markets. It combines domain knowledge across diverse technical areas, with continuous engagement of decision makers. Koan is staffed by a multidisciplinary team of professionals, with expertise spanning law, economics, media and finance. The firm services the world’s most innovative companies, local government departments, and international organisations.

Koan is also the secretariat for the Merchant Payments Alliance of India (www.merchantpaymentsalliance.in), a coalition of over 15 ecommerce companies; and for the AI Knowledge Consortium (www.aiknowledgeconsortium.com), a coalition of 12 think-tanks and research organizations. Additionally, Koan is the country office for the Information Technology Industry Council (www.itic.org), a global trade association of over 100 large technology companies headquartered in Washington, DC.

More information on Koan can be accessed at: www.koanadvisory.com

About Public Affairs Forum of India

Public Affairs Forum of India (PAFI) is at the forefront of driving ethical and respectful dialogue and interaction amongst stakeholders and serves as a professional resource for public affairs practitioners.

PAFI aims to provide knowledge and context to aid informed decision-making on policy and practice the highest standards of honesty, accuracy, integrity, and truth. PAFI members pledge to not knowingly disseminate false or misleading information to the government and civil society.

The objectives of PAFI and its members include the following.

1. Aligning business, society, and government on long-term priorities.
2. Fostering trust through ethical and respectful interaction across all the stakeholders.
3. Collaboratively developing smart and relevant policies, proposals and processes that foster innovation.
4. Rely on evidence-based research and promote capacity building to navigate change within the context and complexity of India.

The affairs of PAFI are run by the Managing Committee led by the President. The Steering Committee, comprising of Founding Members and past presidents, guide the Managing Committee. The PAFI Secretariat coordinates between the office-bearers, the Managing Committee and the Steering Committee and carries out the day-to-day work of the organisation as mandated.

Public Affairs Forum of India (PAFI) is registered under the Societies Registration Act XXI of 1860 and is the only organised forum in the country with representatives from large and medium-sized transnational Indian and foreign companies in the field of public affairs.









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