

# 2024 Election Readiness and Corporate Political Responsibility: Six Strategies for a Proactive, Principled Approach

*Event Summary and Takeaways*

## Background

On Thursday, February 29, the Corporate Political Responsibility (CPR) Taskforce, an initiative of the Erb Institute at the University of Michigan, hosted an online mini-conference, “2024 Election Readiness and Corporate Political Responsibility: Six Strategies for a Proactive, Principled Approach.” For participants, the goals of the event were:

1. Gain a better understanding of US political risks and the implications for business
2. Explore the Erb Principles for Corporate Political Responsibility, and how strong principles enable a non-partisan, defensible response
3. Get oriented to six strategies for increasing your readiness, and meet partners who can help

While this meeting was conducted under Chatham House rule (meaning that participants may share what they heard, but not who said it), our keynote speakers have all approved the distribution and attribution of the comments below.

## Program Highlights

During our three-part program, our speakers shared perspectives, frameworks and tools that companies can use to prepare for the general election environment this year.

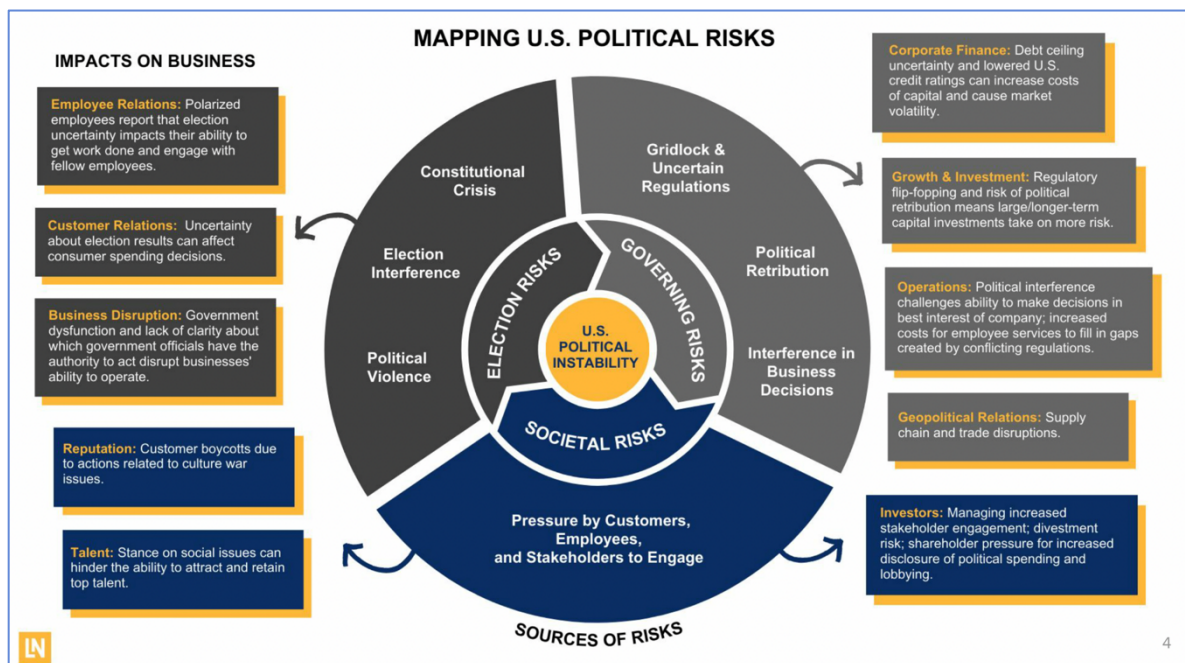
### Introduction

- This is a time of both high stakes and hyperbole. Business leaders need to discern which are serious, and in that case, what to do.
- Two key tenets:
  - **Anticipate the pressure.** It could come from employees, customers, shareholders, the public, or from policymakers.
  - **Strengthen your hand.** The real risk is being muddying, which can lead to a stance of appeasement. Clarity is power.

- Business has the choice to be part of the solution. Leaders can develop decisions they can defend in the moment, through better alignment, while also helping to address the root issues, rebuilding trust in US civic institutions.
- The CPR Taskforce was set up to help businesses gain the clarity that enables action, and to foster CPR as a norm, starting with a set of principles.
- Why should you and your firm take this on?
  - Material risk to your business if institutions break down
  - Business environment relies on stable institutions to drive prosperity
  - Moral imperative

## Part 1: U.S. Political Risks and Implications for Business

- There are three types of political risks for business leaders to consider (Source: [Leadership Now Project](#))



- The challenge for companies is to map your company's specific exposures to the risks posed by political instability
- Business leaders are increasingly focused on these contextual issues as they make business decisions. These issues have gone from uncomfortable but almost optional to not really discretionary anymore.
- **Bennett Freeman**, Associate Fellow, International Law Program, Chatham House
  - Business leaders may face inescapable pressure from both sides as well as from employees to take a stand, both before and especially after the election whatever the outcome
  - The conduct and outcome of the presidential election risk severe turbulence for the US and global economy as well as the international community. Read scenarios [here](#).

- Perfect storm for financial markets would be certification issues with a deadlocked House, a Constitutional crisis, and political violence
- CEOs and business leaders are skilled communicators and have a huge platform. Business leaders are typically good at de-escalation and reframing problems to tie into values or principles.

## Part 2: The Power of a Principled Response

- **Principles are a way to strengthen your hand.** The Erb Principles for CPR were developed with business leaders and stakeholders in response to business' articulated needs to reduce chaos in decision making with an established playbook
- **Chris Padilla**, Vice President for Government and Regulatory Affairs, IBM
  - With many companies facing the same problems, there is **value in a common set of principles** that companies can point to and share with stakeholders to explain decisions and actions
  - Principles can offer grounds for expressing a point of view on issues unrelated to the core business, and create a basis for transparency and to explain thinking/logic
- **The Honorable Claudine Schneider**, Former U.S. Congresswoman (R-RI)
  - I spent my life focused on prevention and the value of preparation for anything that may come my way. Crises, much like political challenges, will get worse, so **it is essential to be prepared by gaining clarity on your values and principles**, as a leader and as a company.
  - **There is strength in numbers**, but it takes one individual to start a movement, and others who share similar values to follow. When one demonstrates a clear commitment to acting in the best interest of all, others, who share that or similar beliefs will join you. Acting in the best interest of all - employees, shareholders, customers, executives, by standing on a foundation of principles — that is the “third way.” That is a position of power.
  - **Business depends on government.** Both are part of a larger ecosystem. You are already involved politically by lobbying, by giving money to candidates, and you could be undermining capitalism and the economy if you are not clear about where you stand.
  - People on both sides of the aisle who believe in principled decision making are clear that **the 'pay to play' logic, at this moment in time is extremely detrimental to our democracy**, and that path makes you part of the problem.
  - Heed the warning calls and choose “the third way.” It is the most fair and honest place to stand, that position empowers you, Members of Congress will respect you and seek you out, and, **it is in your best interest to stand on principles along with other corporations** who take responsibility for our well being.
- Using a **scenario can offer lessons** on how to prepare for the year ahead (activity below co-developed by the CPRT and Jen Stark, Co-Director - Center for Business & Social Justice at BSR)

## Breakout Round 2: Scenario Activity

### PICTURE THIS...

- You work in Risk Management at Big Company.
- A few executives at Big Company **recently held a corporate PAC event onsite with a key officeholder** running for reelection. The candidate talks openly about not trusting the results of elections in 2024, **raising questions about their willingness to accept published election results.**
- Big Company values include: Civic Engagement. Freedom of Information. Racial equity and justice. Supplier responsibility. Gender equity.
- Last week, **a Gen Z employee wrote a lengthy LI Post** about how the company is "saying one thing and doing another" that is **resulting in media inquiries.**

### BREAKOUT DISCUSSION (15 MIN)

Round 1 (5-7 min)

#### What do you do now?

- What is your best option?
- What blowback might you expect?

Round 2 (5-8 min)

#### Imagine you could turn back the clock. What could strengthen your hand?

- What would you like to have had in place to bolster your options?
- How might previously established CPR principles enable a more defensible response?

C P R T

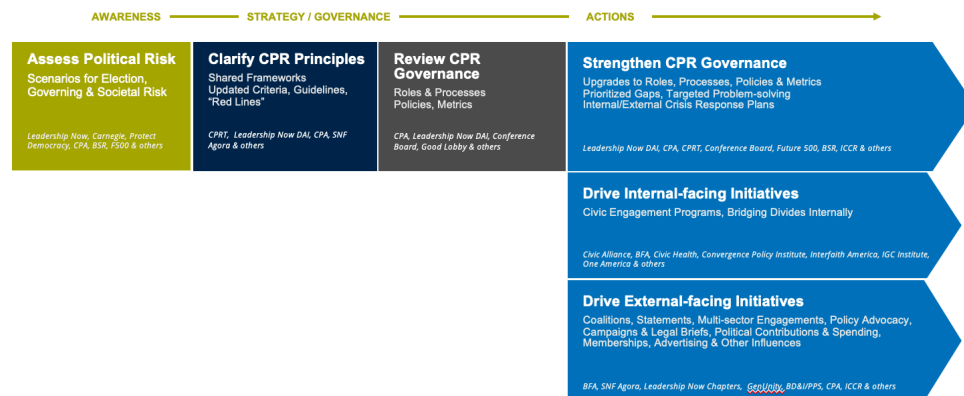
Erb Principles for CPR – [bit.ly/ErbPrinciples4CPR](https://bit.ly/ErbPrinciples4CPR)

## Part 3: Diving Into Readiness Strategies & Partners to Help

- There are **six strategies to improve readiness for the 2024 general election** that companies can pursue

## Six Readiness Strategies

For Corporate Political Responsibility in Election 2024



C P R T

This diagram reflects an illustrative selection of partners for each strategy. There are many others, and we will continue to add to this diagram over time.

- In four breakout sessions, we connected participants with partners and solutions

Title	Solutions Shared	Presenters
Review & Strengthen Governance	<p>CPA</p> <ul style="list-style-type: none"> <li>• <a href="#">Zicklin Index</a>: benchmarking on transparency and accountability</li> <li>• <a href="#">CPA Model Code of Conduct</a>: moves from policies to framework, control over election related spending</li> <li>• <a href="#">Guide to Corporate Political Spending</a>: practical actions for companies for mgmt and directors)</li> <li>• <a href="#">Guide to Becoming A Model Code Company</a>: what do we need to adopt?</li> </ul> <p>LNP</p> <ul style="list-style-type: none"> <li>• For Q1, <a href="#">Risk analysis deck</a> - holistic set of risks, digested for a board or management team, understandable as core to the business</li> <li>• In Q2, Boards should be involved. Guide for Democracy Aligned Investing (forthcoming) will support those conversations.</li> </ul>	<p><b>Daniella Ballou-Aares</b>, Leadership Now Project</p> <p><b>Bruce Freed</b>, Center for Political Accountability</p>
Clarify CPR Principles	<ul style="list-style-type: none"> <li>• <a href="#">Erb Principles for Corporate Political Responsibility</a></li> <li>• CPR as a “norm” is more important than any benefits to individual companies, restore trust and improve functioning of the political system</li> <li>• <a href="#">Conservative Principles for Building Trust in Elections</a></li> </ul>	<p><b>Elizabeth Doty</b>, CPRT</p> <p><b>Tom Lyon</b>, CPRT</p> <p><b>Scott Warren</b>, SNF Agora Institute</p>
Drive Internal-Facing Initiatives	<ul style="list-style-type: none"> <li>• Civic Alliance: <a href="#">Corporate Civic Playbook</a>, <a href="#">Civic Journey Pocket Guide</a>, <a href="#">Politics and Polarization in the Workplace: An Employer Guide to Bridge Building</a></li> <li>• BFA: <a href="#">How Businesses Can Help Bridge Divides</a></li> </ul>	<p><b>Sarah Bonk</b>, BFA</p> <p><b>Anjelica Smith</b>, Civic Alliance</p>
Drive External-Facing Initiatives	<ul style="list-style-type: none"> <li>• Companies can reach out together to elected officials to let them know they see political stability as business-critical</li> </ul>	<p><b>MaryAnne Howland</b>, BSR</p> <p><b>Richard Eidlin</b>, BFA</p>

	<ul style="list-style-type: none"> <li>• Sign-on letters and cohort-based activities tend to be effective and manageable for companies</li> <li>• Employees can also participate in cohorts to engage in the community</li> </ul>	<b>Jerren Chang,</b> GenUnity
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### Where Do We Go From Here

- **Julia Roig, Horizons Project**
  - This is a time for moral courage and **business has an important role to play** in protecting our civic institutions and democratic values. Remember that **business is not alone**. Other groups, like faith-based institutions, military veterans and others are also a part of the needed support structure for democracy. **If you take a courageous stand based on clear principles and your business’s values, there are many others ready to stand with you.**
- Three recommended next steps:
  - **Select the strategies most relevant for your firm** & identify internal team
  - **Reach out to the relevant partners** using the partner profiles and contact information in the [Event Program](#)
  - **Contact the Erb Institute** to learn more about the Corporate Political Responsibility Taskforce and/or to review the Erb Principles ([dotye@umich.edu](mailto:dotye@umich.edu))
- We can work together to **get to scale around norms** that will support business and our civic institutions

## A Few Themes

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- Anticipate Pressure**  
 Be realistic about the severity and impact of potential risks.
- Strengthen Your Hand Before a Crisis Hits**  
 Clarify your commitments and principles before they apply to a specific decision. Invest in internal and external actions that build relationships and resilience.
- Consider the Risks of Inaction**  
 Look at the current trajectory and risks to the firm, the business environment and larger systems.
- Listen to Critics & Take an Integrated View**  
 Create forums for listening to concerns, knowing they tend to be hard to see. Create vehicles for weighing tradeoffs across functions.
- Explain Why**  
 Explain your rationale consistently and neutrally, to demonstrate respect and reduce blowback in an environment of distrust.
- Focus on Impact, Not Actions**  
 Don't default to public statements; consider creative solutions and what will have the most impact.