What You Can't Hand Over

When you should outsource Public Affairs and what you must keep in-house

In highly regulated sectors, a company's public affairs efforts shape what it can sell, at what price, and on what terms. How the function is organised is therefore a strategic choice. The question is usually posed as **how much** to outsource. But that is not what executives should be asking. What matters are the responsibilities a firm **can't afford to hand over,** and how honestly it has judged regulation's place in the business.

1. Ask How Much Regulation Matters

Before choosing a model, you must determine how central regulation is to your business: the degree to which regulatory outcomes determine whether, where and on what terms your firm can operate. Centrality scales every other factor, so it must be assessed first.

Gauge how much regulation can help or hurt your firm across these three areas: cost, operations and reputation. Does regulation drive costs via tariffs, taxes or compliance? Does it dictate what you can build and where you can sell? Do you depend on political goodwill to keep operating?

And for each of these, ask not just how exposed your company is, but whether that exposure is growing. Judge it forward and design for the pressures of the next three years, not last. Think of firms that planned around old assumptions and were caught out when trade rules shifted in 2025.

2. Decide What You'll Never Hand Off

Most multinationals end up with a hybrid public affairs approach: Some of the work is kept in-house, while some is handed over to consulting firms. Executives are used to making outsourcing decisions when it comes to IT, payroll, manufacturing, even HR. The question is always how much and when. It's a matter of cost and efficiency: buy it outside if someone else does it cheaper or better. Public affairs breaks that rule. The question of how much to hand off to save money is the wrong one. What you should be asking is: What's too important to hand off, and conversely, when is it better to hire a consultant even if it is at a premium?

Tellingly, people with opposite interests agree on the answer. Both internal leads, who have every incentive to keep work inside, and the consultants who make their living taking it off their plate point to the same **four things that must stay in-house.**

THE FOUR THINGS YOU CAN'T HAND OFF

Strategy

A consultant can advise, but the position you take on a given issue must be your call. Someone on the outside can't know your full interests and red lines.

Key Relationships

Trust with officials takes years to build, and it lives with specific people. Signing a contract with an outside firm doesn't hand it over.

Proprietary Data

The private, sensitive information that makes the company's arguments believable. Letting it leave the company is a real risk.

Accountability

If something goes wrong, it's the company's name and reputation that are on the line, no matter who did the work. That can't be handed off to someone else.

What can be outsourced?

Access in a specific jurisdiction, extra capacity when a legislative push or a crisis creates a temporary spike, narrow technical expertise the firm doesn't have in-house, and some of the work of coordinating with industry coalitions.

WHICH SETUP FITS YOUR SITUATION?

Mainly In-house	Hybrid	Mainly Outsourced
ADOPT WHEN • Regulation can make or break the business, and the issues are specific to your company. • Your own data is part of how you make your case. • The relationships that matter take years to build and have to be kept up. • You operate across many countries and regulators, things move quickly, and it would be costly to have someone outside the company misrepresent your position.	**ADOPT WHEN** • Regulation plays a major role, but won't threaten the whole business. • You need outside specialist or surge support that your core team can't provide alone. • Some issues are specific to your company and need your own voice; others are shared across your industry and can be handled in coalitions and via partnerships.	**ADOPT WHEN** • Regulation comes up occasionally rather than constantly. • You're in only a few markets, or you're a smaller company. • If you're entering a new jurisdiction and want to buy in expertise and access while you work out whether it's worth building your own team.
TYPICAL OF Big tech platforms, financial institutions, pharmaceuticals, energy.	**TYPICAL OF** Most large multinationals, especially consumer goods and manufacturing.	**TYPICAL OF** Smaller companies and start-ups, businesses expanding to new markets.

GET THIS RIGHT FIRST

No setup works until the rest of the business understands what public affairs actually does. Other teams need to see what it brings, and it has to sit close enough to where decisions get made to shape them while there's still time. That standing has to be earned inside the company; you can't create it just by drawing a box on the org chart.

A COMMON MISTAKE

Experienced public affairs consultants estimate that only a small minority of firms — roughly one in ten — manage regulation proactively. For a company whose ability to operate depends on the regulatory climate, treating public affairs as something that can wait until a crisis hits can be a costly error.

ABOUT THIS BRIEFING

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