

# Opportunity amid disruption:

Rethinking stakeholder strategy in a changing regulatory landscape

The world of investment screening has changed dramatically in the past twelve months. While regulatory reviews in recent years have gradually become more complex, the past year saw a marked acceleration in this trend, driven by a global election supercycle, widespread trade disruption, and geopolitical tensions.

Today, investments that might have once been “sure things” are anything but. Nippon Steel’s acquisition of US Steel was approved only after unprecedented concessions to the US government. American companies and PE funds investing in EU countries like France and Germany are facing additional scrutiny through formal and informal political mechanisms. Canada’s regulatory regimes are evaluating investments from its closest allies and trading partners for national security risks in a way not seen for more than a century. The UK, with the recent appointment of a joint Home Office and Cabinet Office Minister, has brought the voice of the security establishment into the heart of the NS&I screening regime decision-making.

Yet, in the midst of disruptions lie opportunities. New trade relationships are emerging, supply chains are realigning, and some investments that might have been marginal once are seeing new and stronger business cases. Sophisticated state-backed investors are finding success in cross-border acquisitions around the world. And, in some jurisdictions, rigid regulatory regimes are being reexamined with a view to allowing greater pragmatism and nuance.

In times like these, how companies and organizations engage with government, regulators, media and their wider stakeholder community can make all the difference — not only to manage risk, but to uncover new opportunities.

At FGS Global, we see firsthand how the stakeholder landscape has changed and is continuing to change. Today, stakeholder briefings, investor presentations, media statements and other routine communication carry greater potential impact including with elected officials, civil servants and regulators. Decisions made in one corner of your business can quickly ripple out, affecting relationships with government, investors, employees and the communities in which you operate.



**Phil Harwood**  
Partner, Ottawa,  
Canada  
phil.harwood@  
fgslongview.com



**Mike Considine**  
Senior Advisor,  
Washington, DC  
michael.considine@  
fgsglobal.com



**John Gray**  
Partner, London  
john.gray@  
fgsglobal.com



**Alexander Otto**  
Partner, Berlin  
alexander.otto@  
fgsglobal.com

In this environment, a comprehensive, more strategic approach to stakeholder engagement is essential. Here are four practical tactics for reducing risk and planning confidently.

### **1. CAREFULLY MANAGE BOTH THE POLITICS AND THE POLICIES**

Deal clearance in many jurisdictions has always had a political aspect, but the past year has brought those considerations to the fore. Political approval is increasingly a necessary precondition for investment clearance. However, accounting for the politics of a deal is only part of the equation and not sufficient on its own. Successful investments will also anticipate, and seek to address the substantive policy objectives and concerns. Economic and national security policy considerations, for example, are a necessary lens when considering M&A or greenfield investment.

### **2. MAP YOUR STAKEHOLDERS AND LOOK BEYOND THE OBVIOUS**

It's natural to focus on the audiences you interact with most often. But today, risk can emerge from unexpected places. As Elon Musk has shown, the politics of a founder or executive team member can quickly influence customer perception, public opinion, and how politicians view an organization. Taking the time to identify and understand all your stakeholders — including local partners, employees, customers, and political audiences — gives you a clearer view of the landscape and helps you anticipate challenges before they arise.

### **3. TREAT COMMUNICATIONS AS A STRATEGIC ASSET**

Public-facing communications, whether intended for investors, regulators, or customers, are increasingly scrutinized. They can directly influence regulatory reviews, FDI clearance, perceptions of your brand and leadership team, and your ability to raise funds. Treat communications as essential to all that you do. Ensuring your messaging is clear, consistent, and coordinated across channels will help support your business goals.

### **4. PREPARE FOR THE UNEXPECTED**

Disruptive events like trade disputes and market consolidation can quickly change the context in which you operate. A well-considered approach to stakeholder engagement allows you to respond thoughtfully, maintain credibility, and strengthen relationships when it matters most. In turbulent times, the political capital you've built with key stakeholders may just be your best way to stay on course. Scenario planning can ensure you are prepared and can respond to surprises with confidence.

### **HOW WE HELP**

FGS Global's role is to help our clients find clarity in complexity. We provide insight, guidance and a steady hand as you navigate uncertainty. Our global footprint and expertise that cuts across government relations and public affairs, transaction and financial communications, and stakeholder management provides us with the breadth and depth of perspective needed to help clients assess risk and plan investments with confidence.