



Wake-up call for businesses: How to create more planning security in times of geopolitical change?

Wake-up call for businesses: How to create more planning security in times of geopolitical change?

With the new coalition agreement, the future government partners under the leadership of Friedrich Merz are sending a signal of optimism in these uncertain times. Germany is back – with an ambitious programme for government underpinned by an ambitious budget.

Finally a glimmer of planning security for the industry. Because the decision of the U.S. administration under President Trump to make both former partners and competitors fall into line has caused huge turbulence in the global economy. Despite the renewed turnaround – the additional tariffs have been suspended for 90 days – the uncertainty remains.

Germany and the European Union are faced with one of the biggest challenges in their history. How to shape the necessary change when long-standing partnerships and institutions as well as alliances that could previously be relied upon are starting to falter?

In a global environment that is characterised by ever more profound geopolitical tensions, technological transformation and social upheaval, the issue of long-term planning security is becoming increasingly difficult to master for businesses as well. Do companies need to completely rethink their planning strategies? What does it take to achieve long-term economic security? And what does it mean for the way business, politics, and society interact when the rules and institutions that secure our prosperity are being systematically dismantled?

Relations between Europe and the U.S. are at an all-time low. Trade wars and technological blockades are just two examples of the instruments being employed in this context. Rising tensions in trade relationships have a direct

effect on supply chains, relocation of production facilities and technological collaborations.

Upheavals in transatlantic relations are not uncommon; however, the intensity and the quality of the current tensions are new. Any disagreement at the highest levels was always compensated for through close and well-meaning collaboration at the administrative level. This certainty is gone.

With this in mind, businesses must actively take on responsibility and develop innovative solutions to strengthen their resilience and ensure their long-term competitiveness. Companies also have an important role to play in shaping international relationships. The institutions and rules that have formed the basis for global trade and the unprecedented growth in prosperity of the last 30 years have come under pressure. The insecurities associated with these developments are disastrous for our economy, our prosperity, and our future.

John F. Kennedy's famous 1961 quote "Ask not what your country can do for you, ask what you can do for your country" is now more relevant than ever in this context. The economic challenges we are faced with require a proactive, forward-looking approach, not just by the government, but by all of us, and especially in the business world. We as companies must see ourselves as active players in worldwide change, hear the global wake-up call, and build the new foundations for a stable and resilient future together. Governments will not be able to do it on their own.

We have asked our international colleagues how this can be done and what it means for businesses in the major global economic regions. They have taken a look at economic policy aspects and public affairs work with us in their respective regions.

Global perspectives for businesses – from Brussels, Washington, Paris and London

We examine the challenges facing companies as a result of the current political disruptions. We also provide insight on ways to achieve planning certainty despite the current geopolitical environment and how companies can play a role in the planning certainty of the markets. Our international colleagues in Brussels, Paris, London and Washington provide global recommendations for companies to better understand how to establish sustainable and trustworthy communications with political decision-makers, the public and other companies.

In a world where political uncertainty and social challenges characterise the business landscape, transparent and well thought-out communications are becoming increasingly important. How can companies in the US, EU, UK and France bolster their resilience? Our colleagues provide fascinating global insights and practical recommendations to help companies secure their strategic position and achieve long-term success.

View from the U.S

Outlining the biggest challenges companies in the U.S. are facing due to current political disruptions.

Businesses across the United States have faced a significant amount of uncertainty and economic whiplash since President Trump returned to office in January. Post-election enthusiasm for less stringent regulatory and lower tax environment has given way to what has felt at times like an almost intentionally disruptive and pre-planned agenda to implement a rigorous global tariff regime and dismantle several U.S. government agencies, as well as multiple global bi-lateral agreements. Corporate America remains optimistic that the environment will eventually improve, but rising concerns about inflation re-emerging buffeted by stiff swings in the stock markets have left many executives more inclined to wait and see where, and when, stability will return before spending their capital.

Indeed, many companies have been taken aback by the administration's even more aggressive on-again, off-again approach to trade and tariffs against even allies, its efforts to end wars in Ukraine and Israel, and its willingness to cast aside long-maintained global organizations, such as the World Health Council and the United Nations' Human Rights Council. Still, business leaders have treaded lightly in their response, preferring private conversations to the public bully pulpit even when they disagree with the administration, with several choosing rather obvious and public efforts to curry favor with Trump and his team despite the global concern. As one executive noted after a high-profile capitulation to Trump's demands, there are businesses to run and their future may depend on peace with the administration.

Their jobs are far from easy. In this environment, the largest challenges they face are:

1. **Navigating immense uncertainty:** Businesses are trying hard to navigate a policy and regulatory environment that shifts quickly – and often several times a day, sometimes at Trump's whim. The question business leaders now ask themselves seemingly daily: What's real and what's just rhetoric? Trump is moving incredibly quickly to change as much of the federal government and the U.S.'s global posture as quickly as possible, mindful

that if Democrats win House and Senate control next fall, his legacy-fortifying agenda could stall. And he's doing a lot of it by issuing "executive orders" that circumvent Congress and all but daring the court system to try to stop him. In some cases, they are, but now the question has arisen as to whether the administration will comply. That's left a lot business leaders questioning what policy, law or regulation to follow.

- 2. Becoming a target:** During his last term, companies feared a Trump tweet criticizing them, an action that usually triggered temporary stock price drops for public companies and calls for consumer boycotts, but not much else. This term, however, Trump's political base is more powerful, his allies have an even bigger megaphone and his biggest funder and counsellor, Elon Musk, owns and liberally posts criticisms of companies, many government contractors, on X, unleashing a torrent of criticism. The President or his administration turning on a business could have significant impact, especially for companies that work with the federal government and could find their contracts at risk. Mindful of this, business leaders are trying not to making a public move that runs afoul of Trump's agenda, for example, speaking out against tariff hikes that could raise prices for U.S. consumers, embracing DE&I, ESG and other initiatives Trump supporters consider "woke." However, they also are mindful of the need to address the concerns of their other stakeholders, especially employees, shareholders and business partners. It's all yet another tightrope they're having to walk.
- 3. Market fluctuations:** For publicly traded companies, a big question is how to understand what the Trump administration wants and what it will be able to enact into law. After Trump was elected, the markets were buoyed by the notion of a Republican in office and expected a traditional business-friendly environment. But the stock market gains since Trump took office have been entirely erased as it became clear that Trump is determined to wield tariff hikes to as a punitive measure against countries, including close allies like Canada and Mexico, for what he sees as an unfair balance of trade, particularly in waning industrial sectors Trump has promised to remake. Now, some business leaders have taken their private musings about Trump policies pushing the nation into a recession public, and Trump hasn't ruled out that the strong economy he inherited could fall into recession but says today's pain would be worth tomorrow's gain. That's left

companies bracing for what each day will bring and watching as the markets career.

Outlining what businesses can do to regain greater planning security and the role the business sector plays in restoring greater planning security to the system.

U.S. business leaders need to take the long view and have a sense of history as they adapt to this political and regulatory environment. While this administration is moving quickly, voters will decide who leads Congress in just short 20 months and will vote for a new president in just 3.5 years. There is little question that Trump will continue to test the boundaries of his power unless or until Congress or the courts step in to intervene. But there are other factors that must be paid attention to as well. The U.S. economy proved to be the most important issue for voters in the 2024 election, and odds are it will be so again in 2026, when control of Congress is next decided. So far, the Democratic party has been largely absent from the broader debate, unable to mount an effective or even coordinated strategy for slowing the administration's agenda. Businesses and their leaders are similarly not likely to be the bulwark, but they will be very close studies on how the activity in Washington is impacting everything from their supply chains to their customers' wallets. Those factors ("What does this ultimately mean for my business?") should determine the steps they need to take to adopt and safeguard their strategies.

Perhaps like no other administration in recent memory, information will be key. Leaders will need to work hard to translate the impact of decisions, or threats of decisions, being made in Washington into what it may mean for their operations and, ultimately, their bottom line. In addition to having the right in-house government affairs officials internally, executives would be wise to surround themselves with well-informed advisors as well. Companies that are braced for uncertainty yet remain agile to seize unique and temporary opportunities will have the greatest success in the face of disparate and motivated initiatives from the Trump administration. Observation and decisive action, along with an ability to stay nimble as the environment changes, will be key. Here is how to do that:

Monitor everything. The administration's "flood the zone" approach to policy effectively keeps opponents off-guard and makes it difficult to understand

what applies to whom. Companies must invest the time and resources to track issues of importance to them and gather intelligence wherever possible. On-the-ground intelligence in Washington has and will remain paramount.

Watch the federal court system, where the action has now largely moved, with several judges – who tend to care more about the rule of law than partisan politics -- delaying or halting action stemming from Trump’s flood the zone strategy of executive orders and Musk’s efforts to shrink the government.

Pay attention to potential collateral damage in the states, where the extremely diverse, but also extraordinarily fragile, Trump voting coalition could show signs of cracking as he makes big moves that ultimately could alienate voters, especially those in the most conservative states. Should this happen, it will pose the biggest risk to the Republicans in the 2026 midterm elections, so business leaders would be wise to pay attention where specifically this is happening.

Most of all, stay close to key stakeholders and prepare to respond to pressure from both employees and shareholders who undoubtedly will seek to understand how leadership is navigating through all this.

3 recommendations for companies aiming to establish sustainable and trustworthy communication with policymakers, the public, and other businesses, fostering long-term resilience.

1. **Be patient.** Companies that make, and communicate about, fast business moves to acquiesce to Trump now are playing a delicate game of chess. Staying out of the administration’s crosshairs provides some stability on one side, but as Telsa is discovering, stakeholders on the other side may escalate business risk as well. Making decisions too quickly based on the shifting winds in Washington may create more risk, particularly with some federal judges beginning to intervene. And policies could change again or we enter a period of extended gridlock should control of Congress shift again in two years. Listen closely to your advisors, play the long game and be cautious in both actions and communications. Don’t put heads in the sand and pretend that it’s business as usual. It’s not. But neither is it a moment to hide. Business finds opportunity in all kinds of markets. The goal now is to find where the opportunity lies here.

- 2. Acknowledge the mess.** Keep in mind that your stakeholders are likely even more confused, and perhaps fearful, about what is happening than you are. This is not an environment where everything can be planned perfectly, but stakeholders will want to sense confidence and calm. Communicate how the leadership team has planned for and is monitoring the developments out of Washington. Reassure stakeholders that leadership is making the best decisions for the business and importantly is remaining nimble so it can adjust as it needs to. This may require communicating consistent, but different messages depending on the audiences. It may also require communicating more often than you would typically. Promise transparency and back it up by disclosing any changes as soon as possible, directly to stakeholders
- 3. Trust advisors.** Keep close to the leadership team the people who understand the signals from the Trump administration, their language, as well as Congress, the court system and the tricky interplay between politics and the law. Understand who can separate what matters and what doesn't and listen to them. It's very difficult to influence the political process without understanding the politics – and even harder to influence the legal process without understanding the law. The traditional rules do not apply in this environment, so business leaders cannot play by them. Stand firm on your corporate mission, but be prepared to alter how and when you talk about how your current strategy. Employees, customers and other stakeholders want to know their company is a steady ship in choppy waters. That is articulated through clear communication and, importantly, backed up by how a company acts. Stakeholders will pay attention and remember when the political environment shifts again, which it inevitably will.

Tom Johnson, Co-CEO of H/Advisors and CEO of H/Advisors Abernathy in Washington, advises close dialogue with key stakeholders –

“Trust advisors - keep close to the leadership team the people who understand the signals from the Trump administration, their language, as well as Congress, the court system and the tricky interplay between politics and the law. Understand who can separate what matters and what doesn't and listen to them.”

View from the EU

Outlining the biggest challenges facing companies in the EU as a result of the current political disruptions.

- Strategic autonomy & trade wars: the imposition of mutual tariffs between the EU and the US will sharply increase costs on companies in Europe that import and export from the US. For instance, sectors such as pharmaceuticals, which have layers of transatlantic supply chains that cannot easily be replaced, will be particularly hit. Some EU companies, however, such as those in the defence industry, may see an advantage. European defence companies will be explicitly favoured for procurement, giving them an edge compared to their 3rd country competitors.
- Legal uncertainty and rapid policy change: Given the recent EU focus on competitiveness and de-regulation, there is no one-size-fits-all approach on how businesses should adapt to the new von der Leyen policy priorities. With simplification efforts already on the way (e.g. Omnibus, Digital Package), businesses are asked to comply with existing laws whilst expecting the rapid adoption of ongoing simplification laws. This creates high legal uncertainty, especially for companies' compliance functions, necessitating advance intelligence from their government affairs teams.

Outlining what businesses can do to regain greater planning security and the role the business sector plays in restoring greater planning security to the system.

- Due to the breakdown of the global free trade consensus, businesses will need to make strategic decisions regarding their supply chains. The EU-US trade war is likely to force the EU to choose between the US and China as a strategic trade partner. Similarly, businesses will have to adapt and explore onshoring, nearshoring or focus on markets where there are stable trade and geopolitical ties.
- To this end, businesses will need to proactively follow the latest political and policy developments. Changes and about-faces in political decisions are the norm of today, meaning taking an eye off the ball could leave a business exposed and unprepared for politics-driven shocks. Keeping

ahead of the curve on in the rapidly-changing legislative agenda can therefore prevent companies from incurring higher compliance burdens down the road.

3 recommendations for companies to establish sustainable and trustworthy communication with policymakers, the public, and other businesses, fostering long-term resilience.

- 1. Position your business as a partner to policymakers:** With today's crowded policy environment, businesses need to make an extra effort to capture the attention of policymakers. One way of doing that is by showcasing their unique selling proposition compared to their rivals. Another way is to showcase businesses' contribution to the European economy and society, underscoring an alignment with the EU's long-term strategic objectives. Lastly, these efforts can be further amplified by effective thought leadership activities, such as C-suite opinion pieces and speaking opportunities at key events.
- 2. Be transparent and accountable:** Especially in today's political climate, policymakers will scrutinize your company's interests before engaging. Declare your interests via the Transparency Register and in your communication to stakeholders. Effective lobbying in Brussels relies on access to key players and persuasive arguments. Lack of transparency can draw undue attention and undermine objectives, as seen in the recent scandals in the European Parliament.
- 3. Gain broad support when advocating (coalition building):** Building broad consensus on issues signals to policymakers that diverse concerns and perspectives are being put forward. This requires, however, engagement with both political and non-political actors. Regarding the former, engagement with more than one political group is needed, given the fragmented nature of the European Parliament and the formation of ad hoc coalitions on various issues. Working with think tanks, academia, industry allies, and media can amplify your efforts and produce positive outcomes, especially on complex and politically sensitive topics.

Helena Walsh, CEO of H/Advisors Brussels, takes a European perspective. In her opinion, one of the biggest challenges for companies in the EU is the complexity of the political environment –

“With today’s crowded policy environment, businesses need to make an extra effort to capture the attention of policymakers. One way of doing that is by showcasing their unique selling proposition compared to their rivals. Another way is to showcase businesses’ contribution to the European economy and society, underscoring an alignment with the EU’s long-term strategic objectives.”

View from the UK

Outlining the biggest challenges facing companies in the UK as a result of the current political disruptions.

We have a relatively new Labour Government with a big majority, which could be in office until Summer 2029. So, on the surface, UK domestic politics looks pretty stable. However, the Government's failure to ignite economic growth is compounded by substantial geopolitical headwinds. The looming threat of tariffs from the Trump administration and broader global uncertainties are driving anxiety around trade, investment, and supply chain resilience.

Outlining what businesses can do to regain greater planning security and the role the business sector plays in restoring greater planning security to the system.

We surveyed senior business executives globally last year and some of the interviews highlighted how developments like Trump's first election win, Covid and the Ukraine war had led to a new understanding of the impact of political risk on firms who hadn't really thought about it very much before. At the moment, politics is very clearly driving markets, so to be able to plan effectively you have to take politics and policy seriously. By that I mean making sure that political risk is properly considered in your risk register and resilience planning as well as your policy advocacy.

3 recommendations for companies to establish sustainable and trustworthy communication with policymakers, the public, and other businesses, fostering long-term resilience.

1. **Be thoughtful:** The political landscape is fizzing with debates about DEI, ESG and economic justice. It is worth thinking carefully about what your message is on and why.
2. **Plan:** You can't always control or predict what will happen next, but you can construct different scenarios and stress test your business plans against them. For example, during Brexit negotiations we helped clients assess the probability of various outcomes, including a 'No Deal'. This meant they had considered in advance when they might have to trigger costly contingency plans.
3. **Stay focused:** Try to keep sight of what really is important to your business, its people and customers. You can't be across everything, and nor should you be.

John Rowland, Senior Partner at H/Advisors Cicero, remembers Brexit times well. His tip: Use stress test scenarios on business plans –

“You can't always control or predict what will happen next, but you can construct different scenarios and stress test your business plans against them. For example, during Brexit negotiations we helped clients assess the probability of various outcomes, including a 'No Deal'. This meant they had considered in advance when they might have to trigger costly contingency plans.”

View from France

Outlining the biggest challenges facing companies in France as a result of the current political disruptions.

French companies face similar challenges to those of other European companies: economic uncertainty, logistical and supply problems, inflationary risks, maintaining competitiveness.

But the situation in France is also specific: the volatility of political decision-making, the rise of extreme ideas and tensions, the risk of a return to unemployment, budgetary tensions, the growing burden of energy costs and the end of the tariff shield.

Outlining what businesses can do to regain greater planning security and the role the business sector plays in restoring greater planning security to the system.

In an unstable environment, the business world naturally tends to and be conservative. But the situation is quite unprecedented: politics is no longer in a position to guarantee budgetary, legal or social stability.

Businesses have a major role to play, not only in providing the necessary framework for their own operations, but also in maintaining the stability of the country as a whole.

Companies are in the front line when it comes to maintaining industrial sovereignty, for example.

They are also at the forefront of technological acceleration with artificial intelligence, and more broadly, through innovation, they must contribute to maintaining the rank and strategic autonomy of France and Europe.

At a time of necessary budget restrictions, they must support efforts on certain key issues, such as cybersecurity, scientific research, hospitals, defense, education, the ecological transition, etc.

3 recommendations for companies (in France) to establish sustainable and trustworthy communication with policymakers, the public, and other businesses, fostering long-term resilience.

These recommendations are in line with a logic in which companies play an active role in economic and social stability, while reinforcing their own solidity and capacity to influence in a complex international environment. The aim is to create a virtuous circle of economic stabilization. To achieve this, the credibility of economic players, their ability to interact and dialogue with public authorities, and solidarity in the service of the general interest are, in my view, a critical mission. Institutional relations, public affairs and communication in the broadest sense of the term are therefore key to creating

this virtuous circle, and maintaining our social and economic policy framework.

1) Strengthen dialogue with political decision-makers: Companies need to intensify their coopération with public authorities to co-construct solutions to geopolitical challenges. This includes participation in think tanks, economic forums and national initiatives. By taking position on strategic issues (energy transition, industrial sovereignty, etc.) that contribute to public decision-making.

2.) Adopt an educational and transparent stance towards the public: The current period favors populism, and mistrust of all institutional players. Businesses have more credibility than politicians, even when it comes to matters of sovereignty, so they must play the role of trusted third party.

Communicate proactively on the impact of geopolitical crises and the actions taken to deal with them. This reassures consumers and employees, while reinforcing their own legitimacy. In this way, we can raise the stakes of innovation and relocation, and share our contribution to French and European economic sovereignty.

3) Create strategic inter-company and horizontal alliances: Where possible, and without hindering healthy competition, companies can set up cooperation mechanisms, pooling their efforts in the face of shared risks (cyber threats, innovation, data). These alliances also legitimize and amplify their voice.

This is the virtuous circle in which institutional relations and communication are, in my view, the linchpin at the present time.

Arielle Schwab, Head of H/Advisors Havas Paris and Deputy Managing Director & Head of Influence, emphasises the role of companies in creating greater planning certainty for the system –

“The aim is to create a virtuous circle of economic stabilisation. To achieve this, the credibility of economic players, their ability to interact and dialogue with public authorities, and solidarity in the service of the general interest are, in my view, a critical mission.”

H/ADVISORS

CONTACT DETAILS



WEBSITE

www.h/advisors.global



LINKEDIN

www.linkedin.com//h-advisors



EMAIL

info@h-advisors.global