Let's Get Together: Proterra's Kent Leacock Explains How to Interact with Regulators

Compliance and Ethics

Government

Kent Leacock, a government relations professional at startup Proterra Inc., the leading US manufacturer of zero-emission commercial transit vehicles, has extensive experience with the relationship between regulators and innovators. According to Leacock, startups are frequently failing to build and maintain effective relationships with government officials and regulators early and often enough to optimize success. At Proterra, Leacock is responsible for developing and implementing the company’s state and regional government and regulatory affairs, as well as its public policy strategy. “Many startups don't think about laws, regulators, and elected officials constructively,” says Leacock. “In fact, they often don’t think about them at all.” As a seasoned government relations professional who has held similar senior roles at Seismic Systems, Inc., Acorn Energy, Inc., AT&T, and Comcast, Leacock shares his advice on how to most effectively interact with regulators.

Knowing who to talk to

Startups don't often know their elected officials. “That is a big mistake,” cautions Leacock. “You need to meet with them to let them know you are creating jobs and adding to the tax base.” Leacock emphasizes that this process doesn’t have to be intimidating. “You can do it in their field office and meet with the district director. Then go to your local or national capital and do the same. The district director will help schedule a meeting for you,” he says. Leacock also recommends talking to regulators and officials even when they may conflict with your personal views. “You just never know who will be helpful!” He explains, “I talk to everyone. Republicans, Democrats, Northern California, Southern California. On some level, everyone matters. They all have a vote on your issue. You need to attempt to talk to and build relationships with everyone. Just be persistent, accurate, and polite.”

Leacock quickly points out that, in addition to making sure you're not letting your personal views get in the way, talking to the right people — the ones who make decisions about issues their startups care about — should be a key part of any government relations strategy. "It is remarkable how many companies are engaging with the wrong people because they are clueless about the regulatory world, the practice of government relations, and even their own business," he remarks. He explains that many successful, high profile startups have strategically engaged with the government to ensure that they are not misunderstood or mistreated. "For example, Tesla has had a heavy-duty government relations presence. In fact, that is how Tesla secured a favorable US Department of Energy loan without any dilution, which ultimately helped Tesla succeed," Leacock reveals. He also explains that Tesla took advantage of many regulatory and tax programs in California. Leacock is very insistent that this success is not random. "These are results of intentional engagement with the right people by Tesla, not random acts," he says.

Building long-term relationships

Government relationships are all about "building long-term relationships," stresses Leacock. He believes that many people are intimidated by government relationships, and this keeps them from gaining maximum benefits for their startups. "Many people have an outdated view of government relationships. It is not about buying dinner and smoking cigars in some dark room," he clarifies. "You need strategic alliances with legislators and relevant agencies to make sure they understand what your startup is doing and what positive effects your technology has both now and in the future." What's more, he notes that "it is unusual for startups to know their local and state representatives. And even if they know who their representatives are, they rarely check in with them more than once or twice a year." This can negatively affect startups. "That is just not enough to build relationships or explain what your business does and why it is important for the local and national economy," Leacock explains.

Regular engagement is particularly important because, as Leacock also points out, many startups or their customers may need regulatory approval to proceed with producing or using their products or services. This is another area where a relationship with regulators can make or break a company. “It is challenging to get regulatory approval when a startup has made no effort to build knowledge and awareness of their business among the regulators,” Leacock points out. He adds, “Startups need to explain and ‘sell’ their business to people who make decisions affecting their products. They need to tell decision-makers why their business matters, how it contributes to the economy, and how it affects lives. That is ultimately what every regulator and approver cares about.”

Consistently sharing the best information

According to Leacock, “It is important to build a reputation for reliability. Startups must only give accurate information. Nothing other than 100 percent accurate information is sufficient when you are building relationships with regulators and various government decision makers.” He adds, “Preferably, this information should be produced by a third party like an independent auditor or client.” Leacock also recommends asking regulators what information you can share to make their jobs and decision easier. This open, straightforward approach will lead to stronger, more beneficial relationships. “You need to let them know what information you have and how it can be helpful for them to make good decisions,” he discloses.

Leacock also encourages companies to share information consistently. “It is not unusual for me to walk the halls in Sacramento or Washington, DC, stop by, talk to staffers, and give updates,” he explains. Leacock also strongly believes that it is important to be known and generally be on others’ minds. This constant presence, however, should come across as helpful, not needy. “Don't show up asking for favors,” he says. “You need to let them know that you are available to be helpful and share information.” Leacock believes that doing this consistently is the most important predictor of his success. “I often stop by to tell regulators where we are succeeding and where we are struggling,” he admits. However, this doesn’t mean that startups shouldn’t ask for advice. Leacock explains, “I ask them for recommendations on who else I should I talk to and the best way to solve various problems.” Leacock recommends that others adopt this approach. “People don't ask for enough advice!” he says. “Advice is free. And fundamentally, giving advice is less committal than making promises. So folks are very likely be helpful. Just make sure that you act on the advice, follow up, and thank them.”

Bridging the gap between your company and government representatives through education

Leacock recommends that startups educate their government representatives and regulators to build awareness. One way to build awareness is to share the real world result that your technology or product will achieve. Leacock also recommends sharing data from third parties so that regulators are informed and influenced by independent opinions. “Then you can mention independent studies and customer reports,” he says. Leacock also recommends inviting government officials and regulators to your startup’s location. “Get them to your location and let them experience what it is like to run your business, meet who works for you, and see what impact you have on the community. Just get them to your facility to show them that it is real,” he explains.

Take advantage of industry organizations and associations, especially if your government relations budget is small

According to Leacock, most startups overlook associations and organizations as important resources. He recommends that startups take advantage of various associations in their industries, even those that are only adjacently related to their businesses. “Associations and organizations allow you to leverage your message,” Leacock says. He explains that many associations and organizations have a few annual legislative days when they visit the capitol to meet and greet with relevant elected officials and regulators. He recommends that startups join and take advantage of these organizations and associations. In fact, Leacock links these memberships to much of his success in advocating for a startup on a tight budget.

Leacock has spent years learning how to navigate the world of government relations and building relationships with key players. In today’s ever-changing regulatory environment, startup companies must ensure that they’re engaging with and continuing to foster a collegial, effective, and respectful relationship with regulators to maximize their ability to impact consumers and truly provide world-changing innovation.

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