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*Regulatory
Strategy
Diagnostic
(Phase 1)*

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Overview >

The following diagnostic is designed to assess your company's (1) exposure to the surrounding regulatory and policy environment, and (2) ability to drive meaningful change to that environment. This is meant to help companies better understand their risk, capabilities, and needs in navigating the regulatory and policy space.

The questions below touch on a range of considerations relevant to a successful strategy, helping you identify areas that may be currently overlooked or underweighted within your organization. As you review this document with your internal teams, please reach out to us with any questions.

Finally, we note this “Phase 1” diagnostic provides an initial top-level overview of key strategic issues; it is not intended to be a comprehensive analysis of all factors relevant to a company's regulatory strategy. For companies interested in deeper analysis and strategic development, we would recommend surveying a broader and more complex array of topics.

Diagnostic Questions >

- I. Current Regulatory Environment - Background
 - A. Broadly describe the current regulatory environment applicable to your business
 - B. If you could immediately change three things about the existing regulatory environment, what would they be?
 - C. What do you view as some characteristics of a “good” regulation for your business?
 - D. Similarly, what do you view as “bad” traits in a regulation?



- E. Beyond regulatory concerns specifically, what do you currently see as the most significant external challenges and obstacles to your business?

II. Current Regulatory Environment - Operating Status

Answer the below for your high-priority markets, both current and prospective:

- A. Are there markets whose regulations clearly permit your preferred operating model?
 - 1. If yes, are there still aspects of regulation in these markets that are unfavorable (e.g., impose significant unnecessary friction, cost, or limitations on growth)? If so, list the most common.
- B. Are there markets where existing regulations clearly prohibit your model?
 - 1. How do such regulations prohibit your model? Are there specific regulatory restrictions that are frequently at issue across markets?
- C. Are there markets where you operate in a legal gray area or unregulated space?
 - 1. If yes, in such markets, have you received scrutiny regarding whether your operations are permissible (e.g., have regulators questioned whether you are in fact allowed to operate)?

III. Regulatory Development

When pursuing multi-jurisdictional regulatory efforts, it's important to understand both how your business is regulated currently as well as how you would like it to be regulated. To that end, the questions below focus on developing a strategy for regulatory change and a preferred regulatory framework. These questions also touch on how such information is owned and synthesized internally.

- A. Have you determined what kinds of regulatory requirements, restrictions, etc., are positive, neutral, and negative for your ideal model?
 - 1. If yes, have you categorized these by importance? That is, which are (or would be) high-priority, medium-priority, and low-priority when pursuing regulatory change? One way to think about this is



what are “must-haves” or red lines versus “nice-to-haves” or elements you are willing to concede in negotiations.

- B. Is there clear agreement internally on the answers to the above?
1. Often, individual functions and stakeholders will have substantially different answers regarding what they view as regulatory priorities. Securing internal alignment is critical.
- C. In the same vein, are decisions regarding regulatory priorities tracked in a central resource all relevant teams can rely on?
- NOTE: Without some central reference point for this information, it will be exceedingly difficult to maintain internal alignment on regulatory priorities, particularly as you scale and priorities evolve.*
- D. Is there a central owner of these regulatory priorities?
- E. Have you drafted model legislation or similar resource outlining a comprehensive preferred regulatory structure for your model?
1. If yes, have you prepared a version with explanatory annotations that can be shared externally (e.g., with regulatory bodies or third-party stakeholders)?
- F. Do your regulatory priorities take into account prospective verticals or products?

NOTE: It's important to consider how regulatory elements impact your business currently as well as its likely future state; something can be neutral to your business today but ultimately limiting down the road. For example, a regulation that is overly specific in allowing your current pricing model may have the unintended consequence of constraining your ability to evolve that model over time.

About Runway Strategies

[Runway Strategies](#) is a strategic advisory firm focused on helping companies navigate the intersection of business and government. We provide clients with unique expertise in solving regulatory and policy challenges at scale, both across cities and around the world.

