

## The Economics and Politics of Digital Disruption

### General information:

*Instructor: Bradley Tusk*

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*Office hours: Send me an email to make an appointment*

[Bradley Tusk](#) is a venture capitalist, political strategist, philanthropist, and writer. He created the first venture capital fund to embrace regulatory risk and ran the campaigns across the United States to legalize Uber (and his team has since done the same for tech startups like FanDuel, Lemonade, Roman, Bird, and dozens of others). He ran Mike Bloomberg's 2009 re-election campaign, served as the Deputy Governor of Illinois (and managed to come out clean), served as Chuck Schumer's Communications Director, advises elected officials across the country, and his consulting firm led Andrew Yang's campaign for Mayor of New York City. He has funded and run the national effort to create mobile voting over the blockchain with 20 different jurisdictions, so far, offering deployed military and people with disabilities the opportunity to vote from their phones. Bradley is also the chair of a publicly traded special purpose acquisition company (Ivory Gaming Acquisition Corporation) in the gaming and hospitality sector. His family foundation has passed legislation in a dozen states to bring meals to approximately 4 million children, college students, and senior citizens. Bradley is the co-founder of the Gotham Book Prize, the owner of a new bookstore and podcast studio opening this fall on the Lower East Side of Manhattan, an adjunct assistant professor at Columbia Business School, the co-founder and chair of a new startup attempting to digitize religion, the author of *The Fixer: My Adventures Saving Startups from Death by Politics*, the host of Firewall (a podcast about technology and politics), and a columnist for Fast Company.

## **Readings and required materials:**

Over the course of the semester, students will be assigned readings (or episodes) from:

- *The Fixer: My Adventures Saving Startups from Death by Politics* by Bradley Tusk
- *What Makes Sammy Run* by Budd Schulberg
- *Augustus* by John Williams
- *The Wire* (Season 3)

## **Additional readings (not required):**

- *Advise and Consent* by Allen Drury

## **1. Course description**

You can't disrupt an industry without dislodging its incumbents. And no incumbent goes down without a fight. Sometimes those fights happen in court. But usually, they take place in the halls of government: in city councils, state legislatures, municipal regulatory agencies, and even local community boards. For 90% of technology startups, not understanding how to anticipate, handle, and solve their coming regulatory problems is just as problematic as not being able to hire engineers or raise venture funding. Failure to anticipate politics can be fatal. However, there is a playbook for startups to disrupt and thrive. This class teaches its students exactly how.

This course is designed for students with an interest in tech, startups, and politics.

## **2. Student learning outcomes**

Working in groups, students pilot new companies through the regulatory process, navigating the halls of power and the economics of disruption, by analyzing the regulatory and political obstacles in their way. Students will learn how to:

- Use a regulatory risk lens to evaluate market opportunities and diligence new startup ideas
- Assess opponents
- Develop and execute media narratives
- Determine whether building a grassroots movement is an appropriate strategy
- Effectively lobby elected officials, regulators, and political staffers
- Conduct a press conference and handle a media crisis
- Testify before a legislature
- Convince a venture capital fund that you can handle the coming regulatory hurdles
- Overcome entrenched interests standing in their way, and ideally, not only win legality for their idea, but build a regulatory moat to box out potential competitors
- Write a campaign strategy proposal

## **3. Course requirements and grading**

### **Group project (40%)**

Students will be split into six groups. Together, groups will identify holes, opportunities, or unmet needs in the marketplace, create a hypothetical startup to take advantage of it, and develop the regulatory campaign plan to legalize it. Each group will also be assigned an advisor from Tusk Holdings to guide them through each step of the campaign. Students should plan to connect with Tusk advisors 5-10 times over the course of the semester.

Throughout the course, student groups will develop a 15-20-page campaign strategy proposal. Proposals should be 12-point font and 1.5 spacing. The proposal will consist of an analysis of the economic implications of regulation on their industry, an assessment of the political playing field (who they're taking on), and a campaign plan that includes media (earned media, social media, paid

media), grassroots, lobbying, opposition research and creating favorable policies, and inherent economic advantages and regulatory moats. Creativity is encouraged.

In week 7 or 8 (TBD) groups will prepare an outline of their campaign strategy proposal. The outline will be 12-point font, 1.5 spacing, and no more than 3 pages long. In the second to last class, students will present a 10-15-minute summary of their proposal (5 slides). The final campaign project is due at the conclusion of the course (during the last class, Session 12).

Groups will receive a group grade for the project. A mid-semester and end of semester confidential survey will be distributed to evaluate group dynamics. We will factor this feedback into final grades for the course.

Final projects will be evaluated according to the following rubric:

|     |                                |
|-----|--------------------------------|
| 10% | Outline                        |
| 10% | Presentation                   |
| 80% | Final written campaign project |

### **Individual assignments (30%)**

Students will complete four individual assignments addressing topics related to the assigned readings or to issues covered in class. The assignments should be 12-point font, 1.5 spacing, and no more than 1 page long.

## **Class participation (30%)**

In-class discussions are an integral part of the course, and students are expected to contribute to the learning experience of the class by asking relevant questions, offering insights into the topic at hand, and generally behaving in a professional manner. Quality of contribution matters more than quantity. Class participation scores will also account for attendance and lateness. Students are expected to attend all classes; approved absences are granted by Student Affairs ([osa@gsb.columbia.edu](mailto:osa@gsb.columbia.edu)) and final grades will be adjusted for absence consistent with the standards used in Core courses.

Each class, student groups will present for 5 minutes on their project. In session 5, group presentations will follow the format of a press conference. Students will pitch their startup and field questions. In sessions 8-10 and 12, groups will present pitches to Tusk staff or industry experts.

For weeks where there are guest speakers, to best utilize our time, we will ask students to pre-submit questions. Pre-submitted questions and any questions asked in class will also factor into class participation scores.

## **4. Course schedule**

*Note: Guest speakers may join classes throughout the semester. We will confirm speakers over the summer. All will have relevant experience or expertise.*

### **Session 1:**

**Class topic:** Introduction to course.

**Description:** Overview of the intersection of tech and politics, how campaigns work, how they succeed, how they fail. What are some ethical issues that might come up during a campaign? Are startups and politicians inherently enemies? Does legislation always lag behind innovation? Can politicians and startups work together?

**Assignment due:** Welcome survey.

### **Readings for class:**

- *The Wire* (Season 3), Episode 1

## **Session 2:**

**Class topic:** Regulated startup industries.

**Description:** We'll review examples of different industries and the unique regulations they face. How do white space startups in industries like cryptocurrency, artificial intelligence, blockchain, autonomous vehicles, and more create regulatory frameworks when none exists? We'll also provide parameters for narrowing down the group project startup choice.

**In-class report/interactive activity:** Class discussion of responses to the individual assignment due this week.

**Assignment due:** Individual assignment 1.

### **Readings for class:**

- *The Fixer: My Adventures Saving Startups from Death by Politics* by Bradley Tusk, Chapters 1-12
- *The Wire* (Season 3), Episode 2

## **Session 3:**

**Class topic:** Using a regulatory lens in venture.

**Description:** What do VCs look for in a company from a regulatory perspective? What are the implications of taking money from VC firms? When should you think about your IPO?

**In-class report/interactive activity:** Groups present selected industries to the class.

**Guest speaker:** Jordan Nof, Co-founder and Managing Partner of Tusk Venture Partners (co-leads the lecture).

### **Readings for class:**

- *The Fixer: My Adventures Saving Startups from Death by Politics* by Bradley Tusk, Chapters 13-26, A Quick Guide to Startup Politics
- *The Wire* (Season 3), Episode 3

#### **Session 4:**

**Class topic:** Who are you? (1/2)

**Description:** Are you a brand-new startup in a brand-new industry? Is there a need that is solved by your startup? How are you solving a problem? What is your value proposition to consumers, to the media, and to society? Who are you and how are you different from other/similar companies? How do you know that your idea is worth it? What regulations have prevented similar startups before yours?

**In-class report/interactive activity:** Groups present market analysis.

**Assignment due:** Individual assignment 2.

**Readings for class:**

- *What Makes Sammy Run* by Budd Schulberg, Chapters 1-4
- *The Wire* (Season 3), Episode 4

#### **Session 5:**

**Class topic:** Who are you? (2/2)

**Description:** How do you define yourself? How will others define you? How do you create or grow a business around your idea? How do you proactively build a brand as a startup? What are the steps startups can take to construct and broadcast their narrative (e.g. blog posts, media, thought leadership activities)? We will also discuss the importance of having a flexible narrative that can shift with the times.

**In-class report/interactive activity:** Groups will present their startup to the class as if they were in a press conference. Groups will field questions from me and from students.

**Readings for class:**

- *What Makes Sammy Run* by Budd Schulberg, Chapters 5-9
- *The Wire* (Season 3), Episode 5

## **Session 6:**

**Class topic:** Who are you disrupting?

**Description:** Who are your users and who are your opponents? Who are your stakeholders and supporters and how can you mobilize them? Can a grassroots campaign be built around your startup? How do you fight fire with fire? Can you mobilize your customers to become a political force? How? What does a grassroots movement in tech look like? When does it work? When does it fail? How do you turn people watching the fight into paying customers? Is it okay to create a fake movement (astroturf vs. real people)?

**In-class report/interactive activity:** Groups will report on the results of research about their user base and stakeholders.

**Assignment due:** Individual assignment 3.

### **Readings for class:**

- *What Makes Sammy Run* by Budd Schulberg, Chapters 10-12
- *The Wire* (Season 3), Episode 6

### **Additional readings (not required):**

- Don Van Natta, Jr. "The inside Story of the Quick Rise and Quicker Fall of DraftKings and FanDuel." ESPN.com, August 24, 2016.  
[http://www.espn.com/espn/feature/story/\\_/id/17374929/otl-investigates-implosion-daily-fantasy-sports-leaders-draftkings-fanduel](http://www.espn.com/espn/feature/story/_/id/17374929/otl-investigates-implosion-daily-fantasy-sports-leaders-draftkings-fanduel).

## **Session 7:**

**Class topic:** Understanding the regulatory landscape.

**Description:** What laws are on the books in your favor? What laws could benefit you? What are jurisdictions to avoid? What laws should be written? How do you think about a campaign plan on the municipal vs. state vs. federal levels? How do you do regulatory research?

**In-class report/interactive activity:** Groups report on legislation pertinent to their startup and identify the states that are the most friendly or hostile to their startup.

**Guest speakers:** Bob Greenlee, head of multi-jurisdictional campaigns for Tusk Strategies (leads the lecture).

**Assignment due:** Group campaign plan outline due this week or next week.

### **Readings for class:**

- *The Wire* (Season 3), Episode 7

### **Additional readings (not required):**

- Bradley Tusk. “Ruthlessly woke’: How Uber can redeem itself—and demolish Lyft.” *Fast Company*, July 13, 2020. <https://www.fastcompany.com/90526974/ruthlessly-woke-how-uber-can-redeem-itself-and-demolish-lyft>
- Dara Khosrowshahi. “I Am the C.E.O. of Uber. Gig Workers Deserve Better.” *The New York Times*, August 10, 2020. <https://www.nytimes.com/2020/08/10/opinion/uber-ceo-dara-khosrowshahi-gig-workers-deserve-better.html>

## **Session 8:**

**Class topic:** Who tells your story and how?

**Description:** What's the contrast with whomever you're disrupting? What do reporters care about? What is the zeitgeist? What types of media work and which don't? How do you use earned media to lower your customer acquisition costs? How far do you go online? Do you buy followers? Are you willing to only say things that are 100% supportable by evidence?

**In-class report/interactive activity:** Groups present their communications, grassroots, and digital plans for their startup's campaign to the Tusk Strategies communications team. Groups will receive feedback and field questions.

**Assignment due:** Group campaign plan outline due this week or the previous week.

### **Readings for class:**

- *Augustus* by John Williams, Book 1
- *The Wire* (Season 3), Episode 8

## **Session 9:**

**Class topic:** How do you neutralize your opponents?

**Description:** What risks are acceptable? How low is too low? What are you saying about the other side in the media? What type of opposition is palatable and what goes too far? Do you attack non-elected officials (regulators) personally? Are you only willing to attack opponents based on the issue at hand (as opposed to wherever they're weak)? At what point does reputational risk outweigh reward? When is opposing regulation valid and ethical and when is it not? How do you decide where to proceed, how aggressively to fight, and where the line is between advocating for your business and running a campaign that clearly harms the public interest?

**In-class report/interactive activity:** Groups present their legislative plans to the Tusk Strategies team and describe the bill that they will present the following week. Groups will receive feedback and field questions.

### **Readings for class:**

- *Augustus* by John Williams, Book 2
- *The Wire* (Season 3), Episode 9

## **Session 10:**

**Class topic:** Persuasion.

**Description:** How do you convince lawmakers and regulators to do what you want? What motivates their decisions and why? What works and what doesn't? How do you play the inside game? How does the inside game vary from city to city and state to state? How do you build a regulatory moat to create a competitive advantage? Is it possible to create a new, wide open market by mandating the use of your product? What ethical issues are implicated by the politics of persuasion? Should you leverage politics to impact government? What about campaign contributions to elected officials?

**In-class report/interactive activity:** Groups will present a bill related to regulation their startup is facing. The class will be structured like a city council hearing.

**Assignment due:** Individual assignment 4.

**Readings for class:**

- *Augustus* by John Williams, Book 3
- *The Wire* (Season 3), Episode 10

## **Session 11:**

**Class topic:** Campaign strategy presentations and founders panel discussion.

**Description:** Each group summarizes their campaign strategy in a 10-15-minute presentation. We will also engage with a panel of founders and explore how they dealt with regulatory hurdles.

**In-class report/interactive activity:** Group presentations of campaign plans.

**Assignment due:** Group presentations.

**Readings for class:**

- *The Wire* (Season 3), Episode 11

## **Session 12:**

**Class topic:** Conclusion, looking ahead.

**Description:** We'll conclude with a discussion about future directions.

**In-class report/interactive activity:** Students will pitch their startup to the Tusk Ventures investment team. Groups will receive feedback and field questions. The Ventures team will decide whether they would invest or not.

**Assignment due:** Final assignment due.

### **Readings for class:**

- *The Wire* (Season 3), Episode 12

## **5. Attendance Policy**

Students are required to attend each class and arrive on time. Students should reach out to the instructor or TA regarding excused absences (for religious observances; personal, medical, and family emergencies; military service; court appearances such as jury duty) or lateness. Unexcused absences and lateness will affect your course grade.

- Students missing 33% of classes (unexcused) will receive at most a P grade.
- Students missing 50% of classes (unexcused) will receive at most an F grade.