

The Economics and Politics of Digital Disruption

General information:

Instructor: Bradley Tusk

Email: bt2544@columbia.edu

Office hours: Send me an email to make an appointment

[Bradley Tusk](#) is a venture capitalist, political strategist, philanthropist and writer.

He is the CEO and co-founder of [Tusk Ventures](#), the world's first venture capital fund that invests solely in early stage startups in highly regulated industries, the founder of political consulting firm [Tusk Strategies](#), and the co-founder and Chairman of the [Ivory Gaming Acquisition Corp](#), a publicly traded company on the NASDAQ. Bradley's family foundation is funding and leading the national campaign to bring [mobile voting](#) to all U.S. elections. [Tusk Philanthropies](#) also runs and funds [anti-hunger campaigns](#) that have led to the creation of anti-hunger policies and programs (including universal school breakfast programs) in 17 different states, helping to feed over 12 million people.

Bradley is the author of [The Fixer: My Adventures Saving Startups From Death by Politics](#), writes a [column](#) for Fast Company, hosts a podcast called [Firewall](#) about the intersection of tech and politics, and is a frequent commentator on CNBC about tech and politics. He is the co-founder of the [Gotham Book Prize](#) and recently opened a bookstore, podcast studio, event space and cafe called [P&T Knitwear](#) on Manhattan's lower east side. He is also an adjunct professor at [Columbia Business School](#).

Previously, Bradley served as campaign manager for Mike Bloomberg's 2009 mayoral race, as Deputy Governor of Illinois, overseeing the state's budget, operations, legislation, policy and communications, as communications director for US Senator Chuck Schumer, and as Uber's first political advisor.

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. 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 anticipate and maneuver regulatory hurdles
- Overcome entrenched interests standing in your way, and ideally, not only win legality for your 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 nine groups. Each group will be assigned a fictional startup and will focus on developing a regulatory campaign plan to legalize it. Each group will also be assigned an advisor from Tusk Strategies to guide them through each step of the campaign. Students should plan to connect with their 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.

Groups will also submit two brief memos in Weeks 6 and 8 on specific topics TBA. These memos should not exceed 2 pages at 12-point font and 1.5 spacing. They are due on Canvas at **7am the morning of the due date.**

Students will have the opportunity to submit a draft of their proposal in week 9 for feedback. This draft can be as long or short, or can be an outline of the plan. Any drafts submitted will receive written feedback meant to improve the final product ahead of its due date.

Near the end of the class, groups will express preference for the following two presentation options:

- **Option A:** Participate in a mock city council meeting and present a legislative plan to a panel of current and formerly elected officials from New York City and State. These groups must also present their legislative plan to a panel of legislative experts from Tusk Strategies during week 9 (immediately prior) to ensure ample preparation.
- **Option B:** Present a 10 minute summary of their proposal (5 slides) to a panel of founders who lead businesses operating in regulated spaces.

All groups will pitch their startups to investors from Tusk Venture Partners in Week 11.

The final campaign project is due at the conclusion of the course (at the start of the last class).

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%	Group Memos
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. Individual assignments are due on Canvas no later than 7am the morning of the due date on Canvas.

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) and final grades will be adjusted for absence consistent with the standards used in Core courses.

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

Readings and required materials:

Over the course of the semester, students will be assigned readings from *The Fixer: My Adventures Saving Startups from Death by Politics* by Bradley Tusk. The book is a quick and easy read. While the assigned reading is spread across the first seven weeks, it could also be knocked out in three hours over an afternoon.

Students who register for the course need **not** purchase *The Fixer* themselves. My office will ship each student a copy in advance of the first class.

In addition to *The Fixer*, students should subscribe to two free email newsletters that cover political news both nationally and locally. Students don't have to read every word of every email over the course of the semester, but should make a concerted effort to skim through no less than once a week to gain a better understanding of the machinations of politics.

1. Politico's *New York Playbook* is a free daily newsletter that focuses on the politics of New York. Sign up for a free subscription at politico.com/newsletters/newyorkplaybook
2. *Punchbowl News AM* is focused on national political news. Sign up for a free subscription at punchbowl.news/newsletter/

Both of these newsletters are **free**. Students should **not subscribe, nor pay for Politico Pro or Punchbowl Premium**. The content that is available for free is more than enough.

Additional complementary readings are below, should students be interested. These readings will not be discussed directly in class, but should anyone wish to complement the course with additional insightful (and riveting, especially in the case of *The Wire*) materials, please see below:

- David Simon's *The Wire* (Season 3). Available on HBO Max.
- *What Makes Sammy Run* by Budd Schulberg
- *Augustus* by John Williams
- *Advise and Consent* by Allen Drury

4. Course schedule

Note: Guest speakers will join most classes throughout the semester. The speaking schedule below is tentative as scheduling changes might arise.

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?

Guest Speaker: Josh Gottheimer, Congressman for New Jersey's Fifth District and Chair of the Problem Solvers Caucus

Assignments due:

- Welcome survey
 - Subscribe to Politico's [New York Playbook](#) and [Punchbowl News AM](#) and read at least two emails.
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Session 2:

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?

Guest speakers: Jordan Nof, Co-founder and Managing Partner of Tusk Venture Partners and Shontell Smith, Managing Director at Tusk Strategies

Readings for class: *The Fixer*, Chapters 1-6

Session 3:

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?

Guest Speaker: Catharine Dockery, Founder & Managing Partner of Vice Ventures

Assignment due: Individual Assignment 1 *Pick a portfolio company of Vice Ventures that is high risk, high opportunity, or both, and explain how you would handle the regulatory issues if you were in charge.*

Readings for class: *The Fixer*, Chapters 7-12

Session 4:

Class topic: Who are you?

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? What regulations have prevented similar startups before yours? How do you create or grow a business around your idea? 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.

Guest Speakers: Zach Reitano, Co-Founder & CEO of Ro and Alex Kouts, Founder & CEO of IndigoGov

Readings for class: *The Fixer*, Chapters 13-16

In-class report: Groups 1-4 will present their startup to the class as if they were in a press conference. Groups will field questions from me and from students.

Session 5:

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)?

Guest Speaker: Cristóbal Alex, Managing Director at Tusk Holdings

Assignment: Individual Assignment 2 *Pick a political story or situation linked or discussed in NY Playbook or Punchbowl and analyze the issue at hand. What do the politicians care about? What are the factors influencing the outcome? What is the best argument (and who is pushing it/where)?*

Readings for class: *The Fixer*, Chapters 17-21

In-class report: Groups 5-9 will present their startup to the class as if they were in a press conference. Groups will field questions from me and from students.

Session 6:

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?

Guest Speaker: Bob Greenlee, Chief Operating Officer of Tusk Holdings (and potentially additional guests)

Readings for class: *The Fixer*, Chapters 22-26

Assignment due: Group memo topic TBA

Session 7:

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?

Guest speaker: Michaela Balderston, Head of Communications for Tusk Venture Partners (and potentially additional guests)

Assignments due: Individual Assignment 3 *If we gave you a magic wand and said 'fix democracy', what would you do?*

Session 8:

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?

Guest speaker: Menashe Shapiro, Deputy Chief of Staff to Mayor Eric Adams, New York City

Assignment due: Group memo topic TBA

Session 9:

Class topic: What about the metaverse?

Description: It's a term on the tip of everyone's tongue and yet still a concept that lacks clear definition. It's an idea that is capturing the brightest minds at the biggest technology companies – Apple, Facebook, Microsoft – and yet no one really knows what it will be. How do you regulate a digital entity designed to transcend sovereign borders? How do you ensure safety in a digital, non-sovereign concept? How do you prevent consumer fraud and protect against online predators? Who has the legal power to do this? How do you avoid another digital divide?

Guest speaker: Frank Carone, Chief of Staff to Mayor Eric Adams, New York City

Assignment: Groups assigned option A prepare for legislative plan presentation

Optional Assignment due: Submit draft or outline of final project plan for review and feedback

In-class report: Groups assigned option A present their legislative plans to the Tusk Strategies team and describe the bill they will present the following week. Groups will receive feedback and field questions.

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 the government? What about campaign contributions to elected officials?

Guest speaker: Chris Coffey, Chief Executive Officer of Tusk Strategies

In-class report: Groups assigned option A will present a bill related to regulation their startup is facing. The class will be structured like a city council hearing with current and former New York City and State legislators empaneled.

Session 11:

Class topic: What to do when your idea is a highly controversial issue

Description: How do you approach the issue and still win? What else does it take to win? How can you maneuver within the controversy?

Guest Speakers: The team at Mayday

Assignment due: Prepare pitches for Tusk Venture Partners team.

In-class activity: Groups will present their startups to investors from the Tusk Venture Partners team in small clusters.

Session 12:

Class topic: Presentations, Conclusion, looking ahead.

Description: Groups assigned option B present. We'll conclude with a discussion about the future.

Guest Speakers (and panelists): Harry Ritter, Founder & CEO of Alma; Michelle Davey, Founder & CEO of Wheel; Samir Kaji, Co-Founder & CEO of Allocate.

In-class report: Students assigned option B will present their campaign proposal to a panel of entrepreneurs and will receive feedback and field questions.

Assignment due: Final assignment due.

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.