



The Fastest Startups In The World

Findings:

- **Modern presidential campaigns raise and spend money faster than any startup in the business world, even the fastest and most successful in Silicon Valley.**
- **The ability of a presidential campaign to scale effectively at the right time can be one of the differences in winning or losing the White House.**
- **There are a handful of shared best practices across the worlds of campaigns, startups, and management that can help a campaign to meet this challenge.**

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From a business perspective, modern presidential campaigns are the fastest startups in the world.

In the roughly 18 months between the announcement of a presidential campaign and Election Day, the general election candidates will likely have raised and spent over a billion dollars each. They will have built an organization with hundreds of paid staffers and untold thousands more in volunteers. Beyond that, the formal campaign organization is just one part of a large ecosystem of organizations working to support the campaign in coordinated and uncoordinated ways.

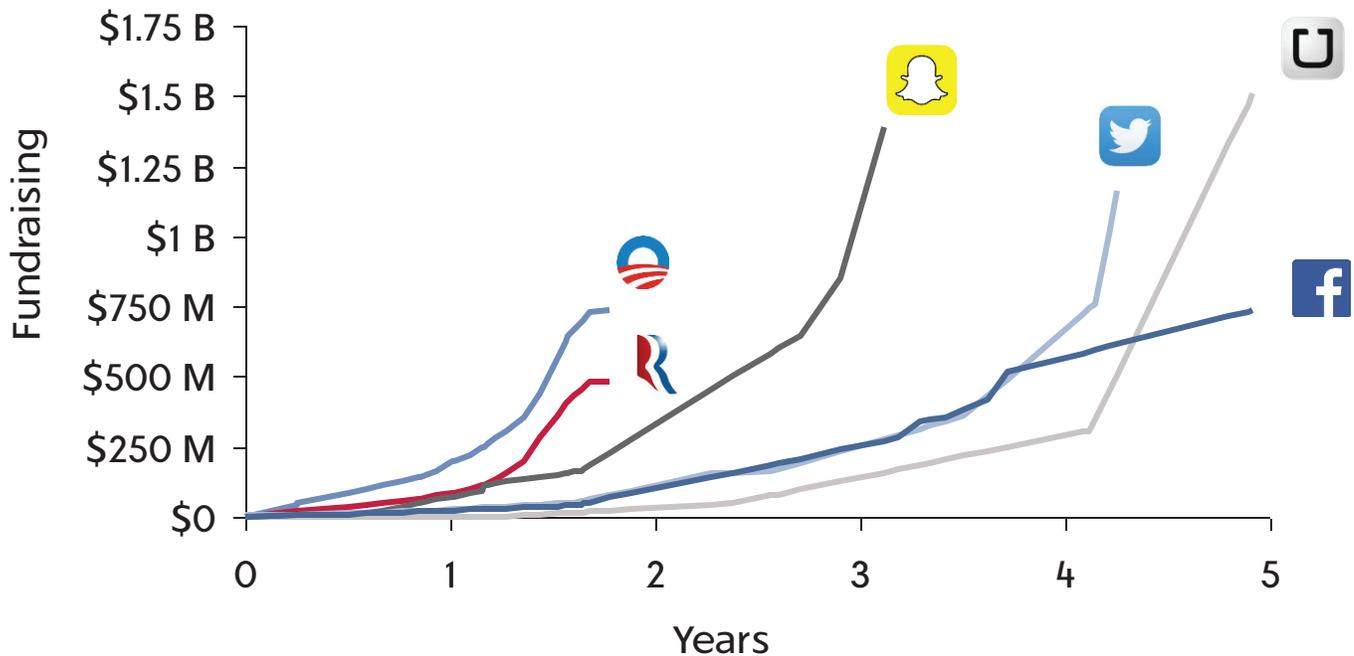
Even the fast-growing startups in Silicon Valley have not seen growth this explosive or complex. Snapchat, one of the fastest, was valued at \$2 billion just two years after founding, and in less than three years has raised over a billion dollars in funding. But the presidential campaigns

will hit that mark in half the time (See Figure 1).

This rate of growth is a major management challenge. There are certainly lessons to learn from the tech startup experience. These are among the handful of modern companies that have dealt with truly exponential growth and the struggle of scaling at superhuman speed.

But despite the lessons from Silicon Valley, there are also differences in the practical logistics between today's tech startups and presidential campaigns. A tech startup can leverage a small number of staffers to support a large digital footprint or a broad user base. But a presidential campaign requires a comparatively large staff. They need to organize at the local level, engage with national and local media, test messages, create ads, produce events, and more. They are

Fig. 1: Fundraising For Presidential Campaigns Has Been Faster Than Tech Startups



Source: FEC data, Crunchbase

in a race to 50.1 percent, with a monopoly for the winner. The nature of this ‘business’ requires many people all working in concert during a short period of time toward that single goal. Growing the team in an effective way in line with resources is a significant challenge (See Figure 2).

Of course, a presidential campaign is not a business. There is no profit or loss; there is just Election Day and win or lose. And there are rules and systems for campaigns that the business world does not have to deal with, in terms of limits on fundraising and the party and third party apparatus that exist around the campaigns. Some of this complexity creates more problems, and some offers

solutions to the scaling problem. Indeed, outside groups offer one way to relieve the pressure of scaling rapidly.

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In this context, campaigns think most about two basic resources: money and time. Given the constraints on both, what campaigns value most in staff is the ability to get things done and get them done fast.

The problem is how to help staff get up this learning curve. Many campaign staffers are young and lack significant work or management

experience.

So if you were to create a cheat sheet of lessons from start-up thinking, MBA thinking, and campaign thinking, what would that look like and what lessons would it hold for the teams on the presidential campaigns that are just now beginning?

There are many ways to think about this, but there are four common themes across all three of these disciplines that any campaign should pay attention to. First, the culture of the campaign and how it works; second, the management style and how people are organized; third, the strategy of how a campaign makes decisions; and fourth, the systems defining how a campaign is able to scale.

Culture matters. Whether it's the "No Asshole Rule" from Stanford's Robert Sutton or the president's campaign approach of "No drama Obama," both the business world and the political world recognize the power of culture in an organization. Former GE Chairman Jack Welch has a good way of talking about culture. He largely abandons the idea of organizational 'values' in favor of thinking about 'behaviors.' This is a much more concrete way of thinking about culture, while still acknowledging the core importance of the topic. What would the effective behaviors of a presidential campaign look like? It's probably different for each, but some basic ground rules for

campaign life might be:

1. Pay attention to detail. Presidential campaigns are under the microscope and the little things matter. Own your work from the details to the big picture.
2. Make mistakes once, but not twice. It is good for people to learn, but there isn't enough time for people to have to learn from the same mistake over and over.
3. Spend time on things that matter. Understand what matters for your personal big picture and spend time appropri-

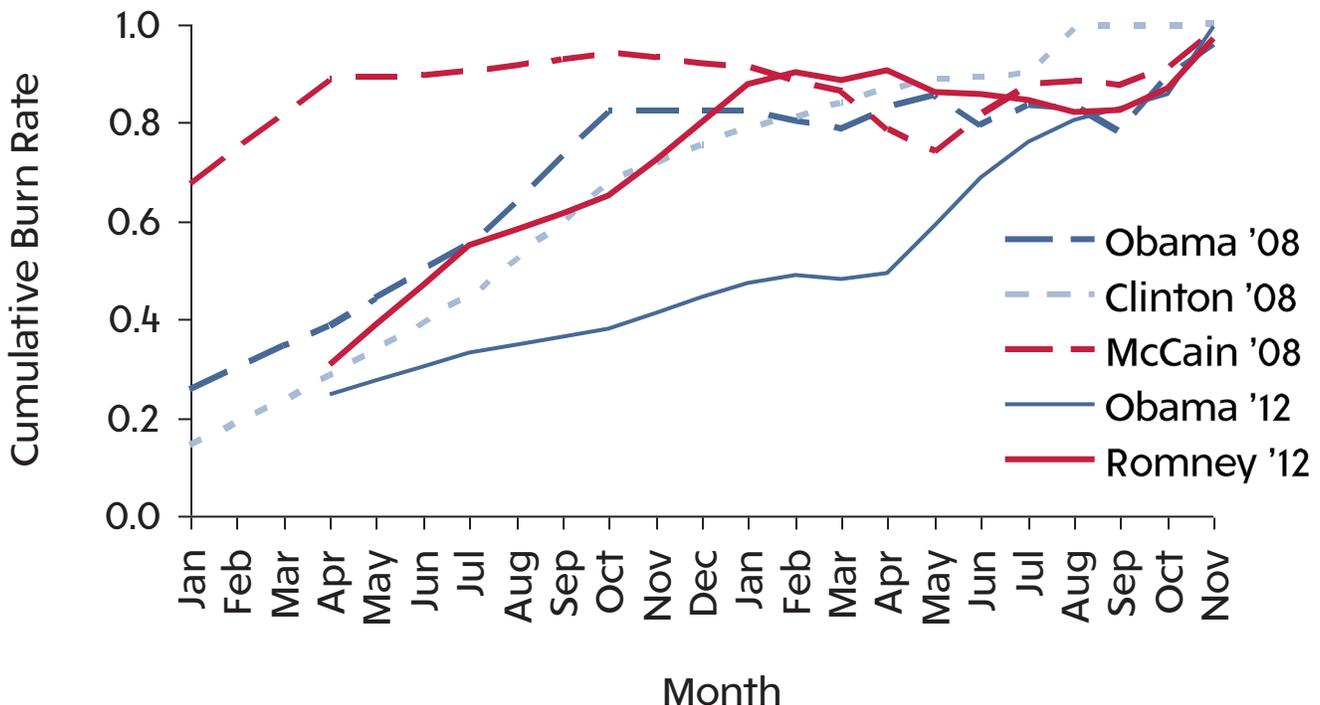
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ately. This doesn't mean that everyone's job is big picture strategy, but regardless of the role, some things always have more impact than others; figure out how to make the important things your focus.

These three 'rules' may not be the answer for every cam-

campaign, but it is worth thinking through and articulating the culture and then reinforcing it repeatedly. Culture is the unspoken structure that allows people to make decisions within a broader shared framework of how to think and behave. A high functioning culture enables

Fig. 2: Campaigns Need To Balance Spending Over Time To Match Against Resources



Source: FEC data

Note: Cumulative burn rate is defined as the cumulative spend/cumulative fundraising in a given month

Fig. 3: Four Lessons From Startups And Business For Scaling Presidential Campaigns

Application

Culture matters.

- Think through and articulate the culture of the campaign and then reinforce it repeatedly throughout the race.

Management is about making others better.

- Work to leverage your time by making others better at their job, and then coach them to do the same.

Strategy is choice.

- Make trade-offs between what is important and what is not. If you don't, you do not have a strategy.

Spend time early on process and principles.

- Spend time early on the systems that will allow a small organization to quickly become a large one.

less rules-based management and ultimately empowers individuals to make greater contributions. Every new staffer should understand what the organization values and it should echo through every meeting.

Management is about making others better. Given the hours and the pay, it's no surprise that campaigns are a young person's game. But that fact also points to the importance of actively thinking about management and how to do it effectively. This isn't a skill set that comes early, so many on a presidential campaign may have no experience managing others at all.

It's important to understand

that management is fundamentally about leveraging people's time. A manager should be able to organize their team's time and effort to make the group more effective than they would be otherwise. This implies that if you are not making other people better at their job, you are not managing properly.

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Some basic approaches for good management:

1. Push work down while training people up to do the job. Don't worry, there

is always more work that will come. Make yourself dispensable.

2. Encourage and practice transparency. Try to give people context for the work they are doing and why it matters.
3. Create the space for feedback. You want your team to tell you when there's a problem, but you also need to create the opportunity for them to do so. Sometimes this is as simple as saying, "if there's a problem, tell me."

Different people will have different styles, but remember: the right style is the one that gets the best out of your team, not the one that you are most comfortable with. Practice different styles.

Strategy is choice. Strategy is a difficult concept and in the political world it can often be mistaken for tactics. These are two different things. You can have multiple strategies, but they each must entail a choice and a trade-off within the campaign limitations of time and money.

If your primary calendar strategy is to win Iowa, then time spent outside the state does not contribute to achieving that strategy, unless your persuasion strategy is driven by ad buys paid for by out-of-state fundraising. Strategy can be complex and interdependent, but for every strategic decision, understand the trade-off (explicit or implicit).

When evaluating strategy, one of the most useful questions to ask yourself is:

what would you have to believe about the future for this to be a good strategy? This test lays out the assumptions,

and in developing strategy, assessing assumptions is as important as evaluating the strategy itself, especially in ambiguous situations common to campaigns.

Spend time early on process and principles. The ability to scale is most dependent on the strength or weakness of the systems underlying

the campaign. Systems can scale; individual dependencies can't. Systems are the foundations that allow you to make fast decisions and focus on what's important down the road. Put time into how you process information, how you organize people, and how you make decisions. Time spent making systems effective has a multiplying effect as the campaign moves on.

The Obama campaign did this with a structured salary system where people slotted into predetermined levels. There was no negotiation, which saved time and energy, while simultaneously creating a structure staffers perceived as fair.

Likewise, every modern presidential campaign has had an hour or more of email or network outage at some critical moment (every moment is) where people were unable to access the tools to do their job. Smart campaigns will figure out how to use Box, Dropbox, Slack, or Google Apps to simply outsource this function and ensure an IT system that will scale so they can focus on other things.

Conclusion

One of the great challenges of a presidential campaign is dealing with the crisis of the next five minutes and carving out enough time to work on the things that will help

you in five weeks or five months. That balance can be especially difficult between strategic and tactical priorities,

as you are pulled into the tactical crisis of the moment.

Campaigns have always moved quickly, but modern campaigns are bigger and faster than ever, and managing this new reality effectively will require tips and tricks from other disciplines and situations.

For campaigns that run especially lean until their 'moment,' it will be critical to grow in a smart way. When and how to scale a modern presidential campaign is the management achievement that could put someone in the White House. []

Further readings:

- *Winning* by Jack Welch
- *The McKinsey Mind* by Ethan Rasiel
- *Good to Great* by Jim Collins
- *How Google Works* by Eric Schmidt and Jonathan Rosenberg

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