



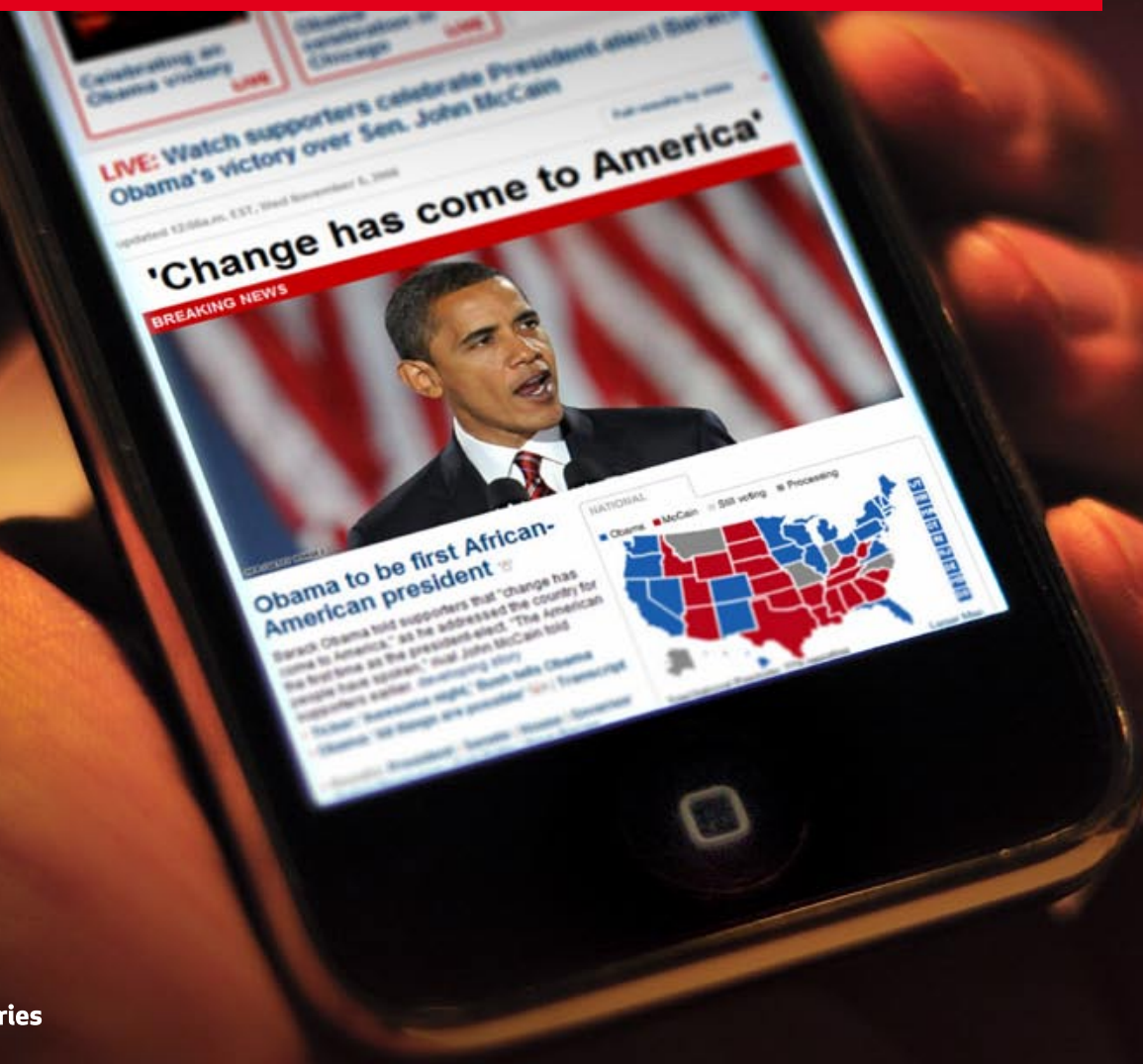
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Yes I can: The new way of doing politics

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Obama Leadership: The global superstar and paradigm challenger

By **Nicolas De Santis**, Secretary General of Gold Mercury International and CEO of Corporate Vision Strategists



Following on from our two papers on 'Paradigm Shifts' and 'Superstar Economics,' this paper explores how relative newcomer Barack Obama showed true global leadership, won against all odds and raised record funds for his presidential race by aligning two key strategies: **1)** exposing failing paradigms and **2)** using the power of superstar economics and the internet to reach and attract a global audience.

Leadership in Uncertain Times

The first decade of the new millennium has shown that we have few true leaders in charge: wars, climate change, economic failure, financial crises and globalization have exposed the failure of old paradigms and the need for new ones. In these uncertain times, when true global leadership and clear vision are scarce goods, Barack Obama managed to create a consistent message of international hope that people around the planet identified with. America's New President demonstrated to the world his leadership skills and raised a staggering \$650m for his campaign vs McCain's \$360m.

Obama has brought rock-star charisma to electoral politics. His rallies were more like pop festivals, summer gatherings of peace, love and new hope. 'I was never the likeliest candidate for this office,' Obama said in his acceptance speech in Chicago, 'We didn't start with much money or many endorsements. Our campaign was built by working men and women who dug into what little savings they had to give five dollars and ten dollars and twenty dollars to this cause.'

16 January 2007: Sen. Barack Obama forms an exploratory committee, the first step towards a presidential bid.

20 January: Sen. Hillary Rodham Clinton of New York announces she is joining the presidential race. She is considered the early favorite for the nomination.

10 February: Mr Obama announces his presidential bid on the steps of the Old State Capitol building in Springfield, Illinois, where Abraham Lincoln spent a large part of his political career.



Showing true leadership - From newcomer to President

Obama won 52 percent of the nation's popular vote, and had a 338-163 advantage in electoral votes thanks to victories in several swing, and traditionally Republican, states. The result is a stunning and hard-won victory for a candidate who began the race as a relative newcomer to the national political stage, and ended it as the first African-American to win the White House.

'Ich bin Berliner' - Obama's Seismic Leadership Effect: Challenging global paradigms and becoming a global superstar politician.

May 2007: Obama's campaign releases its sophisticated Facebook application, giving the Obama camp an advantage. It was announced that Chris Hughes, a co-founder of Facebook, was working on the Obama campaign.



In Berlin, taking about what he called his 'improbable journey' to the heart of Europe, Obama succeeded in closing down one of Berlin's main thoroughfares, luring the city's young in their thousands to stand in the evening sunshine and hear his dreams of hope and change, not for America this time, but for the whole world. Expectations had been impossibly high, with a 200,000-strong crowd in attendance. His messages of hope (Change we can believe in, Yes we can) resonated similarly in Berlin or Ohio.

By common consent, the event was a huge success, generating priceless images for TV consumption back home and helping Obama cross the credibility gap, making it easier for Americans to imagine him as a player on the world stage.

Similarly his democratic convention appearance attracted an estimated 84,000 people packed into Invesco Field, a huge football stadium at the base of the Rocky Mountains.



28 January: Senator Ted Kennedy endorses Mr Obama using the words of his younger brother John F Kennedy: 'The world is changing. The old ways will not do... It is time for a new generation of leadership!'



John F Kennedy
1917-1963

In uncertain times a consistent new global message of multilateral hope. Solving world problems together.

During the Berlin event, the loudest applause came when Obama, however subtly, offered himself as the new paradigm challenger to all that Germans, Europeans, indeed most non-Americans, dislike about the state of the world. After listing a series of global problems, from genocide in Darfur to loose nukes, he declared: 'No one nation, no matter how large or how powerful, can defeat such challenges alone.' It was a promise to end the unilateralism of the early years of the Bush administration and look toward finding common global solutions. The crowd could not contain their delight. There was no less warmth when Obama explained his belief in 'allies who will listen to each other, who will learn from each other [and] who will, above all, trust each other'.

'This is the moment to secure the peace of the world without nuclear weapons,' he said. On Iraq, the aim was 'to finally bring this war to a close'. He asked if today's generation was ready to seize the moment that was at hand. 'Will we reject torture and stand for the rule of law?' he asked. 'Will we welcome immigrants from different lands?' As for the threat of climate change, he spoke in language that could not have been more epic: 'This is the moment we must come together to save this planet.'

Global opinion favours Obama

The Economist's Global Electoral Collage, a research initiative projecting the election result if the world was able to vote, produced a staggering result: Obama won the backing of an overwhelming share of voters in 56 countries. Similar projects carried out by the BBC and the Pew Global Attitudes Project produced comparable results with respondents believing Obama would more likely "do the right thing regarding world affairs" than his challenger John McCain.



Barack Obama seized these clear opportunities to frame and challenge existing paradigms that affect not just US citizens but all people around the world (wars, economic and financial failure, climate change, energy, global security and erratic healthcare systems). Obama's July 2008 Berlin speech signaled his global superstar status and ambitions to challenge these existing paradigms. He proposed himself as a world leader who will drive global change.

The Economist magazine's global poll, 'What if the whole world could vote for the US Presidency 2008,' showed Obama winning 9,115 Global Electoral college votes vs McCain's 203. Clearly the world citizens identified with Obama.

The power of digital technology: Obama 360° communications strategy creates a media tsunami.

9 February 2008: Mr Obama starts a month-long winning streak in the primary season which sees victories in ten states and DC.

3 March: The row over the North Atlantic Free Trade Agreement (Nafta) engulfs Mr Obama's campaign for several days.

4 March: Mrs Clinton wins Texas, prolonging the primary season further.



Obama owes much of his success to his command of the internet as a fundraising and organizing tool. The internet and digital platforms changed everything in the campaign: ipods, iphones, email (10 million registered supporters) and open source at its best – a new kind of electioneering driven by people and technology.

Obama had a perfect environment and a unique candidacy. Another enabling factor was a stride of new young voters, a generation that was longing for change.

Obama was an inspirational figure with a unique and constant message: **change**. He had celebrity status entering the race but as days passed towards election day his status became that of a global superstar phenomenon.

Obama had an extraordinary Democratic primary and the fight for the candidacy with Hillary Clinton maintained a high level of competition and interest which spurred fundraising and the development of his base as he showed unique appeal to the young through social networking. >



Barack Obama had 3.3 million Facebook friends as of Dec 2008.

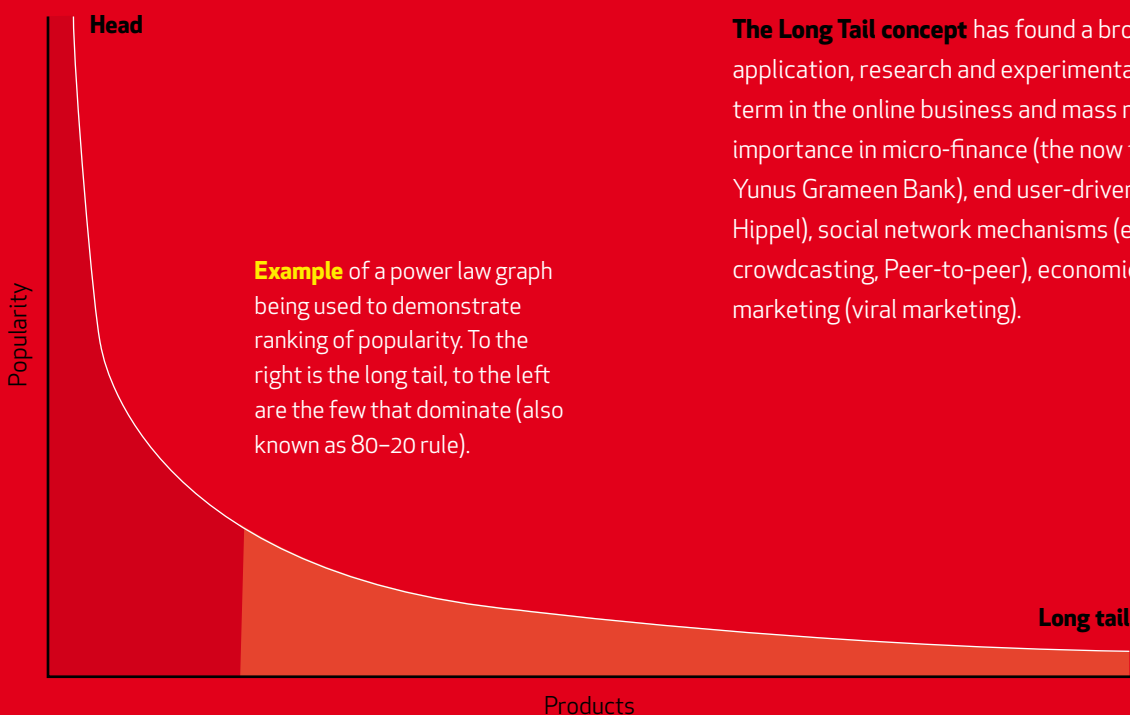


18 March 2008: Obama delivers a speech on race, in part to distance himself from racially charged sermons by his longtime Chicago pastor, the Rev. Jeremiah Wright, that had been circulating on the Internet and were being played on cable news programs.

Obama was clearly favoured by the press throughout his campaign in terms of more favourable articles, less criticism, better page real-estate and more pictures. Stories and photos about Obama in the news pages outnumbered those devoted to McCain. Reporters, photographers and editors found the candidacy of Obama, the first African American major-party nominee, more newsworthy and historic. Journalists love the new; McCain, 25 years older than Obama, was already well known and had more scars from his longer career in politics.

Both Obama and McCain relied on the net to bolster their campaigns, but Obama's online success dwarfed his opponent's and proved key to his winning the presidency, not to mention the personal time saved in having to go around America fundraising. Volunteers used Obama's website to organize a thousand phone-banking events in the last week of the race – and 150,000 other campaign-related events over the course of the campaign. Supporters created more than 35,000 groups clumped by affinities like geographical proximity and shared pop-cultural interests. By the end of the campaign, myBarackObama.com chalked up some 1.5 million accounts. Obama raised a record-breaking \$600 million in contributions from more than three million people (\$86 each average), many of whom donated through the web.

This strategy and the comment from Obama's acceptance speech about 'millions of small donors giving \$5 to \$10 each,' reminds us of the now popular 'long tail' strategies of some of the biggest online businesses like Amazon.com. The 'long tail' term (see box) describes the niche strategy of businesses that sell a large number of unique items, each in relatively small quantities. >



14 May 2008: Former presidential rival and ex-senator John Edwards endorses Mr Obama.

It was a peer-to-peer, bottom-up, open-source kind of ethos that infused this campaign. In many ways, the story of Obama's success was the story of his supporters, whose creativity and enthusiasm manifested through multitudes of websites and YouTube videos online. The music video 'Yes We Can' featuring different artists received 21 million downloads.



'Yes We Can' is a music video inspired by a speech made by Barack Obama after the 2008 New Hampshire primary in which a plethora

of celebrities starred. Stars included Will.i.am, Scarlett Johansson, Common, John Legend, Nicole Scherzinger and Herbie Hancock amongst others.



31 May: After video surfaces of a visiting priest mocking Clinton from the pulpit, Obama resigns his membership in Trinity United Church of Christ in Chicago.

3 June: On the final day of the primary race, Obama draws enough superdelegates to win the nomination.

It even resulted in volunteer contributions like the innovative Obama '08 iPhone and iPod application that enabled owners to mobilize their friends and contacts in battleground states through the Apple devices.

'He's run a campaign where he's used very modern tools, spoke to a new coalition, talked about new issues, and along the way, he's reinvented the way campaigns are run,' says Simon Rosenberg, president and founder of the non-profit think-tank NDN, 'Compared to our 1992 campaign, this is like a multi-national corporation versus a non-profit.'

Obama's rise to the presidency will be studied for years to come as the textbook example of a new kind of electioneering driven by people and technology.

The campaign's commitment to online organizing took shape during the primaries, when it lured Facebook co-founder Chris Hughes to build its own social networking site, myBarackObama.com. As the presidential race gathered speed, the internet grew from being the medium of a core group of political junkies to a gateway for millions of ordinary Americans to participate in the political process, donating differing amounts of their spare time to their candidate through online campaign tools. Obama's campaign carefully designed its web site to maximize group collaboration, while at the same time giving individual volunteers tasks they could follow on their own schedules. >

The scale of Obama's campaign reached massive proportions. By Election Day, for example, it was asking its cadres of volunteers to make a million phone calls to get out the vote.

In addition to fostering grassroots support with its social networking tool, the Obama campaign contacted hard-to-reach young voters through text messages, collecting thousands of numbers at rallies and sending out texts at strategic moments to ask for volunteer help or remind recipients to vote.

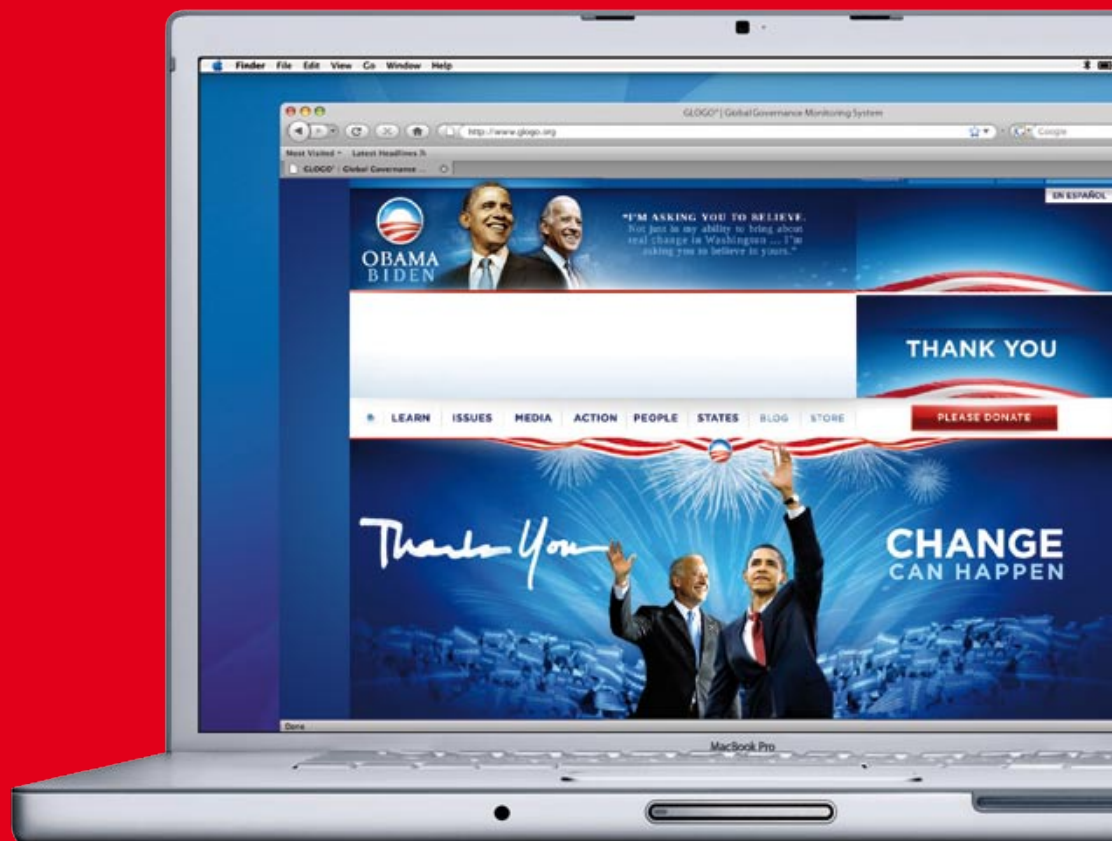
The campaign also launched web pages and online action groups to fight the underground, e-mail whisper campaigns and robo-calls that surfaced in battleground states. In one effort, the campaign urged supporters to send out counterviral e-mails responding to false rumours about Obama's personal background and tax policies. Obama also used traditional media – for example, flooding cable markets in strategic states with television advertising. Obama spent a record-shattering \$293 million on TV ads between 1 January 2007 and 29 October 2008, according to TNS Media Intelligence. McCain spent \$132 million during the same period. But even in the use of traditional media Obama showed true innovation using unprecedented 30 minute (no interruption) commercials reaching over 40 million Americans.

7 June 2008: Mrs Clinton suspends her campaign after a gruelling 16 month primary season battle, and urges her supporters to back Mr Obama.

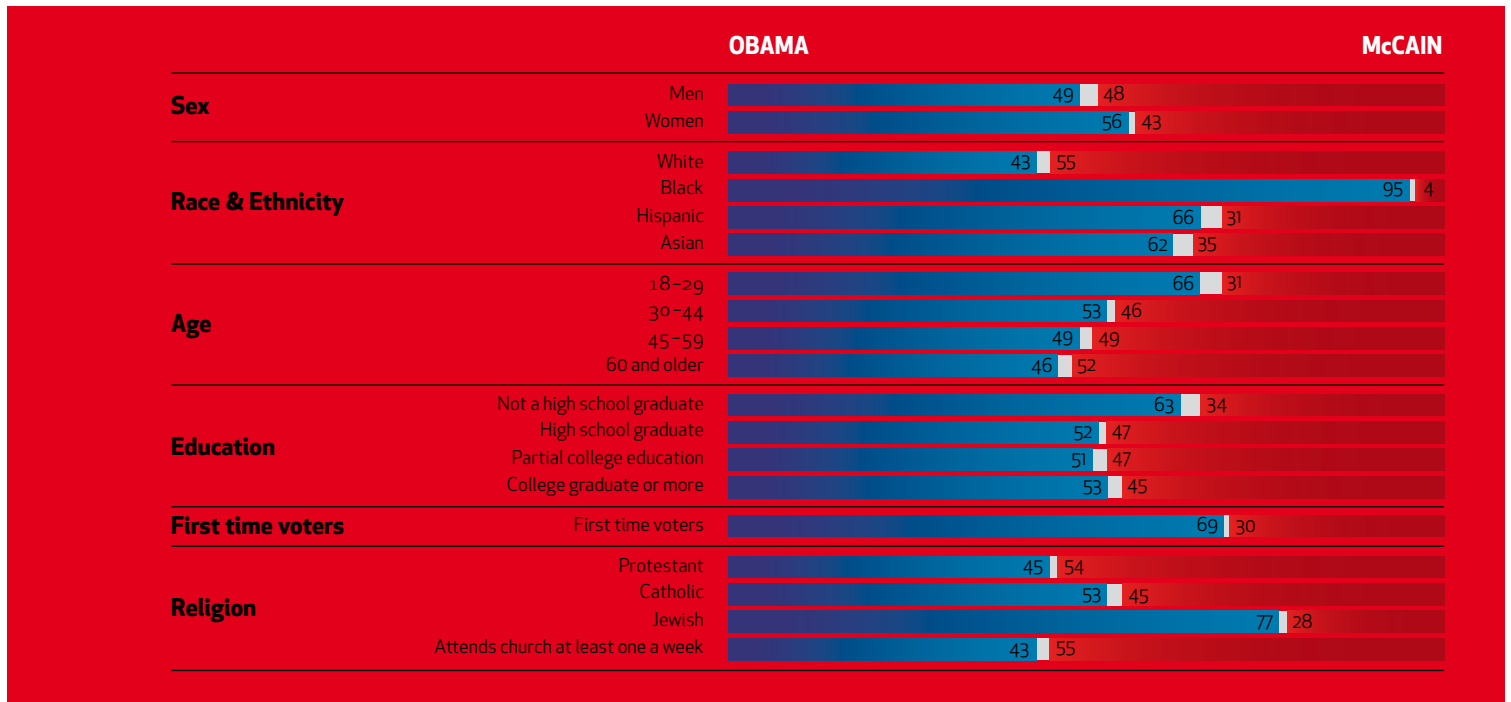
19 June: Mr Obama opts out of public financing, giving him a significant advantage over Mr McCain in the final leg.



Political robo-calls are amongst the least expensive campaign tool and involve households receiving automated telephone calls with pre-recorded campaign messages typically attacking the opposition. In at least 12 states in America, robo-calls are limited or banned. Both the Democrat and the Republican camps engaged in an extensive robo-call war during the 2008 US election campaign.



Minorities, single women, young whites and the undecided: Obama's segmentation strategy reaches out to new core audiences. Obama relied on one of politics' oldest truisms – it's hard to lose if you outnumber 'em.



27 June 2008: First Obama-Clinton joint appearance in a bid to unite the Democratic Party.



Obama drew more support in the election than any recent candidate of the Democratic Party among a diverse range of demographic groups, including many that typically favour Republicans. Promising change to a country in recession, Obama built a coalition that included majorities of women, independent voters, political moderates, Hispanics, African-Americans, people of most income groups and education levels and voters under the age of 45. The Republican nominee, Senator John McCain, won majorities of a few groups that make up his party's staunchest supporters – white men, older Americans, evangelical Christians and conservatives.

McCain won a majority of all white voters, both men and women whereas Obama, who would be the first African-American president of a nation that originally protected black slavery in its Constitution and counted each black citizen as three-fifths of a person, did better among white voters over all than a string of past Democratic nominees, including John Kerry and Al Gore.

Future Presidential campaign fundraising strategies

21 July 2008: Mr Obama's world tour sees him meet Iraqi prime minister Nouri al-Maliki and General David Petraeus, then the top US commander in Iraq. It also emerges Iraq's government shared Mr Obama's desire for a withdrawal of US forces.

The 2008 presidential campaign was the costliest in history. Obama's success has prompted many observers to declare the death of the Watergate-era of taxpayer-supported presidential financing programs. The season started with crowded fields in both party primaries. In the end, however, only four candidates could compete financially outside the public funding system. They were: Democrats Obama, the first serious African-American candidate, and Hillary Rodham Clinton, the first serious female candidate; and Republicans Ron Paul, the lone anti-war candidate in the GOP field, and Mitt Romney, a multi-millionaire who sank about \$45 million of his own money into the race.

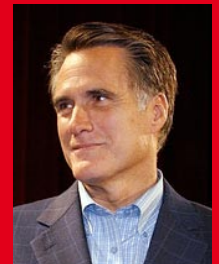


Barack Obama

Hillary Rodham Clinton



Ron Paul



Mitt Romney

24 July: Mr Obama shows his rock star-status as he tells a rally of 200,000 people in Berlin, Germany, that the US and Europe must come together 'to defeat terror and dry up the well of extremism that supports it'.

McCain stayed out of the system, but that was only because he clinched the nomination at the moment he went broke. He then struggled to refill his coffers in the spring in order to defend himself in the summer months leading up to the convention.



Raising the Stakes

The non-partisan Center for Responsive Politics says the candidates and parties, as well as interest groups, spent \$5.3 billion on the presidential and congressional races. That is a 27 percent increase over the \$4.2 billion spent in 2004. It is also the first time major party presidential candidates collectively raised more than \$1 billion. The inflation in presidential fundraising was due in large measure to Obama's decision to finance both his primary and general election with private donations.

26 July 2008: Mr Obama holds talks with prime minister Gordon Brown in Downing Street.

16 August: Mr Obama announces a record month of fundraising, in which he brought in 51 million dollars, compared with Mr McCain's 27 million dollars.

Superstar financing – Donor Bundling strategies

According to White House for Sale, a non-partisan group that tracks political giving, Obama had 605 bundlers, or donors, who collected money from friends and associates and bundled them together. Four years ago, Democrat John F Kerry had 588 bundlers and, in 2000, Al Gore had none. McCain had 851 bundlers working for his campaign, compared to 557 who raised money for the Bush-Cheney re-election committee in 2004. George W Bush is largely credited with institutionalizing the role of bundlers in 2000, when he recruited a then unprecedented 555 surrogate fundraisers.



And last but not least: Palin Power! Did she help Obama's campaign? A media Superstar in the making.

In the initial days of the announcement of Sarah Palin as the VP nominee of the Republican camp, the Obama camp was thrown off stride. The feisty, 'hockey pitbull mum' Alaskan governor injected a little star power into the campaign and gave the Republican ticket what seemed like a fighting chance. With his Palin pick, McCain temporarily obscured people's vision of what the race was really about – a referendum on Bush and McCain.

23 August 2008: Mr Obama names veteran politician Joe Biden, who has three decades of experience in the US Senate and chairs its Foreign Relations Committee, as his running mate.

25-28 August: The Democratic Party's national convention in Denver, Colorado, a key battleground state, sees ailing senator Ted Kennedy, Michelle Obama, Mr Biden, and both Clintons deliver passionate speeches, uniting the party and fully endorsing Mr Obama.

Hollywood bigwigs are now convening strategy sessions of their own. Their goal: finding the ideal on-air vehicle for the former VP candidate if and when she exits politics. Studio execs are readying their battle plans if she decides to give up her day job.

Love her or hate her – there doesn't seem to be much middle ground with Palin – the 44-year-old hockey mom has captured the public imagination in a way no politician has since, well, Barack Obama.

Producers and agents across the entertainment world are discussing possibilities for capitalizing on her fame, ranging from an Oprah-style syndicated talkshow to a job in cable news or on radio.



'Any television person who saw the numbers when she appeared on anything would say Sarah Palin would be great,' said veteran morning-show producer Steve Friedman, citing the double-digit rating gains her appearances on 'Saturday Night Live' and 'CBS Evening News' generated. 'The passion she has on each side, love and hate, makes television people say, "Wow, imagine the viewership."'

Most industry insiders believe a talkshow is the probable route for Palin. Although daytime syndication can be tough sledding, it would take a personality of her stature to break through the clutter, and her folksy red-state persona could be just the thing to connect with this female-skewing audience.

Conclusion The future: Leaders or Superstar politicians? Raising the future stakes for the financing of major Presidential races

Clearly, no serious future presidential American candidate will rely on the public funding system alone during the primary phase of presidential campaigns. The question is whether future candidates will have the superstar appeal of Barack Obama. The 2008 race marked the second time that the leading contenders have shunned the program during the nomination fights but the general election kitty for public financing – at \$85 million this year – could still have appeal for future candidates simply because Obama’s performance will be difficult, if not impossible, for many candidates to match. ‘The false reasoning is Obama is necessarily the new model,’ said Anthony Corrado, a campaign finance expert. ‘Will the next presidential nominee be able to tap into all of these facets? Probably not.’

28 August 2008: Mr Obama becomes the first African American leader of a major US party in front of 80,000 people in an open-air stadium 45 years to the day after Martin Luther King Jr inspired the world with his ‘I Have a Dream’ speech.



Martin Luther King
1929–1968

4 November 2008: Election Day - Obama is declared the President-elect, receiving 53% of the popular vote.

20 January 2009: Inauguration Day is scheduled to take place in Washington DC. Obama will be declared the 44th President of the US and Biden the 47th Vice-President.

‘You have shown what history teaches us – that at defining moments like this one, the change we need doesn’t come from Washington. Change comes to Washington. Change happens because the American people demand it – because they rise up and insist on new ideas and new leadership, a new politics for a new time.’ **President-Elect Barack Obama,** acceptance speech, 29 August 2008.



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that creates future vision and innovation for organisations worldwide. At the core of strategic planning, Corporate Vision® delivers rapid and dramatic improvements across all areas of an organisation including: strategic foresight, ethical corporate governance, stakeholder engagement and communications, corporate

brand strategy and a transformative culture focused on achieving remarkable results.

Corporate Vision Strategists contributed to this paper.



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