

Laura Cox Kaplan:

Welcome to She Said/She Said podcast, I'm Laura Cox Kaplan. I've spent my entire career as an advocate, connector, problem-solver, and master communicator at the highest levels of government and corporate America. With She Said/She Said podcast, I'm sharing what I've learned that's helped me, and I'm drawing additional perspective from a broad range of women who are creating amazing opportunities for themselves and others. Their stories hold important advice and perspective about common challenges, and the best ways to tackle them. I know your time is precious, but stick around. I think you'll find this investment in you well worth it.

Hi friends. My guest today is corporate CEO turned political innovator, Katherine Gehl. Katherine is the founder of The Institute for Political Innovation. She's also the originator of the politics industry theory. That theory is now the subject of a terrific book that she co-authored with Michael Porter of Harvard Business School, it's entitled The Politics Industry: How Political Innovation Can Break Partisan Gridlock and Save Our Democracy. This book is a fascinating read, and my conversation with Katherine will really make you think.

She was formerly the president and CEO of Wisconsin based Gehl Foods, and that's a \$250 million high-tech food manufacturing company that had been in Katherine's family since the late 1890s. Katherine's road to political innovation is an interesting one. She's going to talk about that, and her ideas for realigning political incentives with their primary customer, you. We also talk about the importance of taking responsibility, and taking credit when it's earned.

One of the toughest challenges, frankly, and a question that I get so often is, how do you do that? How do you do that without coming across in a way that you don't want to come across? We talk about all of that. Katherine's perspective is so thoughtful, and so practical. I know you'll really enjoy this conversation, so stick around. Katherine Gehl, welcome to She Said/She Said.

Katherine Gehl:

I am so happy to be here.

Laura Cox Kaplan:

I'm so happy to have you. Let's jump right in. Katherine, as a former corporate CEO remaining competitive and relevant to customers was a key part of your job. Now, looking at politics from that same vantage point, you say the political system isn't necessarily broken, but instead it's working just as it was designed to. Can you talk for just a minute about what you mean by that? What's wrong with the system?

Katherine Gehl:

Absolutely. The work that I do today is really only possible because I spent the bulk of my career in business, and in my last decade of my business career, I was running a high-tech food manufacturing company in Wisconsin, and at the same time, I was pretty involved in politics, traditionally, like picking candidates, and working for their election, but I was really disappointed with the results that were coming out of Washington, D.C. and that disappointment kept increasing.

I started thinking about why that was, and that's when, it was longer than this light bulb that I'll tell you, but it really came to me when I was doing a company strategy project, that the way people in politics are successful is completely different than the things that it took for us to be successful in business. In my case, and in, mostly, every for profit business, basically, you make your customers

happy, and then, you are successful as a business, and if you don't make your customers happy, a new competitor comes in to do that instead of you.

And, it is that competition that forces innovation, that drives results, and that holds companies accountable for not taking advantage of customers, not charging too much. That's what healthy competition does, and it became clear, well, why does politics industry work so differently? Which is to say, wow, we have a classic duopoly, Republicans and Democrats, and nobody is happy. Meaning the customers are very dissatisfied. Let's say Congress has between an 80 and 90% disapproval rating, and yet we never see any new competition, so how does it work this way?

Which now brings me back to your question, sorry, that was a preamble, where you said, I note in my book politics isn't broken, it's doing what it's designed to do. That's the only thing, pretty much everybody in the country agrees on, Washington's broken, but it's also the thing we're wrong about, because we think the politics industry was naturally designed to serve the voters, the citizens, the public interests, but actually, that's just a wrong assumption.

And, when you end up looking in detail at all the rules that are in the industry of politics, and the norms, and the practices they've really been made up, or optimized by, and for the benefit of the people in the business of politics, which is to say our two political parties, and all the other actors, and organizations that make their living in this industry, and they are independent of the satisfaction of most customers, meaning average voters. The way it works right now is they do well by serving only party primary voters donors, and special interests, and they don't need to care about the rest of the customers.

So, the core of my work, and the theory that I developed called politics industry theory is understanding how that so precisely, so we can understand where are the levers to alter that dynamic.

Laura Cox Kaplan:

Yeah. Katherine talk for a second about the light bulb moment where you put the pieces together. I know you met your co-author, and the terrific book that you guys have written is called The Politics Industry, and I'll include a link in the show notes for this episode, but you met Michael Porter when he was advising you on business strategy. Talk about where that light bulb moment came on, and when you really connected the dots in this way.

Katherine Gehl:

As I mentioned, [inaudible 00:07:31] I was really involved in politics from like the mid 2000s on, or kind of even the early to mid 2000s.

Laura Cox Kaplan:

And, you were still [crosstalk 00:00:07:41].

Katherine Gehl:

I was running Gehl Foods, which was my \$250 million food manufacturing company, Wisconsin. Yes, We made cheese.

Laura Cox Kaplan:

Of course.

Katherine Gehl:

[crosstalk 00:07:52] I loved that job, and Michael Porter, as you mentioned, the famous strategy and economics professor from Harvard Business School advised me on a classic company strategy project, so people who have gotten their MBAs will recognize Michael Porter's Five Forces. He really is considered the father of modern corporate strategy. There we were in Germantown, Wisconsin, doing exactly what I had learned long before I met him, during my MBA, which is using these Five Forces to say, how are we going to grow my cheese business?

And so, you're figuring out who are the competitors in this space? Who's getting the value in the marketplace right now? Where is the power? Do your customers have power? Do your suppliers have power? Or, do you have power? All of these questions, and as I was doing that strategy, it was happening at the exact same time, as such I was running this parallel analysis in my head was light bulb moment, after light bulb moment about politics. As I'm thinking about the power my customers had, and then, saying, "Oh, but voters don't have any of that power."

And particularly, when we got to barriers to entry, and I thought that if I didn't have ever any new competition, I'd be able to just keep doing well, no matter what, no matter how high cost my products were, no matter how little innovation I had, and it became really clear in that barriers to entry section that, oh, there's huge barriers to entry in politics, which I knew there were. It was this time of putting it into the exact same framework. Oh yeah, that's what we're talking about all the time, the independence can't run, or we're stuck with these two parties, but it brought such a clarity.

And then, the long story short from that point is, I eventually sold my business in part, because I wanted to dedicate full time to political innovation, and initially, I did not plan to write a book, or what I did previously, this report at Harvard Business School. I just planned to get people to make these changes that I believed we should make, but what happened is when I tried to convince other business leaders that we needed to change the way we vote. I couldn't get buy-in, or at least not at the scale that we really needed.

I finally realized that what was so evident to me was just not evident, and I said, you know what? I need to write up this business case. I need to show everybody in business how politics is not your rational. It operates according to the same competitive forces that operate in our industries, because then I believed that people understood how that was working, and what was wrong, they would be able to see the return on investment from certain specific changes for which I was advocating, and so, I decided to write up my whole five forces theory, and politics industry theory, and I was really lucky, because I was able to convince Michael to be my co-author.

He wasn't really into it, or into politics, but I knew that if he joined me as a co-author, it would really help with some instant credibility, and certainly it absolutely did, and then, also, after a period of time, not only did I convince him of the validity, because otherwise, of course, he wouldn't have put his name on it, but he became quite passionate about it as well, so [crosstalk 00:12:02] it was a great partnership.

Laura Cox Kaplan:

So, maybe walk me through too, because I know when people sometimes hear government reform, which is not what you're talking about, you're talking about political reform. They hear political reform, they immediately think of some of the historic efforts in the past. Sometimes those efforts line up on one side of the political spectrum or the other. Maybe give folks a better understanding of your own personal politics, and how you have approached this, maybe your own journey in politics, and sort of how you come to this.

Katherine Gehl:

Yeah, I'll absolutely talk about that, but the first thing I'll note is, I actually try to never say that I work in political reform. I talk about political innovation, in the way that we have innovation, and it drives progress in every other industry, that's what I think we need in politics, and political reform to me has often been, and you really alluded to this Laura, a Trojan horse for partisan advantage, one shot, or the other, or it has been often feel good changes that make the system seem more fair, or more democratic, or more representative, which those things are important. We need to be fair, democratic and representative, but may not have been focused on changing the outcomes from government.

And so, I sometimes talk about making things more fair as being the booby prize of these political systems changes, because we want things to be more fair, and change the results. I don't sort of want it to be more fair, and still keep getting the same bad results in a more fair way. Now, that's your question though. How did I come to this? Well, right now, I describe myself as politically homeless, because with only two real parties with any power to choose from, I do not fit into either of those platforms, or particular candidate visions these days. I really never did.

But nonetheless, we all grow up, and there's two to choose from, and from time you choose. Although, I did choose libertarian for quite some time in high school, so pretty much chosen across the board throughout my life, and my adult life, when I was playing the traditional candidate game, before I realized that, that was never going to get us where we needed to go. I [crosstalk 00:14:53]-

Laura Cox Kaplan:

Meaning you were-

Katherine Gehl:

... democrat.

Laura Cox Kaplan:

Yeah, okay. You were investing in particular presidential candidates [inaudible 00:14:59].

Katherine Gehl:

Absolutely. I actually lived in Chicago for 15 years, and spent some time in government. Here I worked for Mayor Daley, and in that time I got to know then state Senator Barack Obama, and I was unbelievably impressed by him, and then, was part of the Chicago group that really supported his presidential campaign from the start in 2008, and it was after that campaign when I was paying a great deal of attention to Washington, D.C. that I became more and more disillusioned with the system, and also, more and more disillusioned with Congress.

I really believed that we were going to have a post-partisan Washington, D.C. where we were going to come together and solve all these complex problems. I laugh at myself now, but I thought we were for sure about to do all of that, and then, when I said we did none of it, I'm not saying there's never been any progress made anywhere, but I watched how Congress handled everything, and how we pass the ACA with no Republican votes, which is a blot on both sides. How we had a government shut down in 2013, how we didn't do anything on immigration reform, and always Simpson-Bowles fell apart, debt and [inaudible 00:16:32] is a huge issue for me.

I just said, how is this possible? How are we running the country this way? So, that was my journey through there. I talk about it as my five stages of political grief, how Elizabeth Moss Kanter has the five stages of grief, and then [crosstalk 00:16:51].

Laura Cox Kaplan:

Right, and you've talked about it in the book, yeah.

Katherine Gehl:

Yeah, I talk about it in the book, so I went through candidates, and then, I said, "Oh, it's not candidates, I'll work on policy." And then, I said, "Oh, policy, isn't going to do it, I'll work on culture. Oh, culture's not going to do it because in the end everybody does the same thing." Eventually, I came to, it's the system. You know how James Carville coined, "It's the economy, stupid." in the Bush campaign of 1992?

Laura Cox Kaplan:

Yeah.

Katherine Gehl:

I like to say, it's the system stupid, meaning that's where we're at. We got to fix the system. Now, in the meantime, yes, people should care about the candidates, and care about who we get elected, but we should realize that if there was some mythical version of perfect candidates, the right talent that could all populate Congress given the system as it is, we still wouldn't solve our big problems, or complex, they require trade-offs, so if it was easy, even our broken system would it.

Laura Cox Kaplan:

Yeah, absolutely. Okay, let's talk about the specific recommendations. There've been a number of things over the years that I alluded to before that have been teed up, things like...

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Laura Cox Kaplan:

... that I alluded to before that have been teed up, things like term limits and gerrymandering and election reform. That's not what you're proposing. Let's talk about maybe a couple of the fundamental areas of what you and Michael are putting forward.

Katherine Gehl:

I do like to quote Michael Porter. One of his famous quotes is strategies about choosing what not to do. And I certainly always use that in business, and I use it here in choosing what we focus on in political innovation. We cannot have a laundry list of things. We have to find what is at the intersection of powerful and achievable, which is to say, I'm all about action. I don't want to recommend to people something that seems really great, but we could never get done because it's against the Constitution or because of requires a Constitutional amendment that's going to take decades or something. So by achievable, I mean we could see results within a matter of years, not decades, is how I describe it.

I also require things, if they are in achievable to be nonpartisan, they cannot be Trojan horses for one side of the current two of the duopoly. And then they need to be powerful. And by powerful changes, I mean they have to affect the likelihood that Congress delivers results in the public interest, which gets back to what I said before. They can't just make us feel that the election is more fair.

For example, gerrymandering, which is politicians picking their voters instead of voters their politicians, it's really sort of undemocratic, not fair, it seems bad. But if we changed it and left everything

else the same, we wouldn't actually get different outcomes. It would be more fair, but we wouldn't have fundamentally changed the calculus of the legislators that right now keeps them from working together.

Laura Cox Kaplan:

Interesting.

Katherine Gehl:

Same thing with campaign finance. If right now we could... I mean, there's too much money, I suppose you can say, and we can find great examples of that everywhere, but if we were able to artificially reduce by a factor of 10 right now the amount of money in politics, but we leave the other incentives the same, we're just going to make it 10 times cheaper for people to get the same results out of the system, because you have to find where the bottleneck is.

It's like on a highway, if you have multiple bottlenecks and you expand the highway and fix a bunch of them, but you leave the biggest bottleneck alone, you'll just get everybody to that bottleneck faster. So you have to figure this out and I talk about, you know the efficient frontier in investing, where you have the most amount of return for the least amount of risk and where you are on that? We want the efficient frontier of political innovation. So what's the most bang we can get for the most achievable thing we can do. And that is to change how we vote. To change how our elected officials get and keep their jobs, how they are successful in their careers.

Right now, there's no connection between act in the public interest and getting reelected. There's connection between doing what party primary voters who are further to the extreme want you to do and getting reelected, doing what donors and special interests want to do.

We need change two things in our elections, the package is called final-five voting. First to get rid of party primaries. We need a single top five primary where everybody runs on the same ballot, there's no Democrat primary or Republican primary. And at the end of primary day, you add up all the votes and the top five finishers will advance to the general election. Now, even if gerrymander is still intact, we don't know who won. Right now you always know who won in 80% of the districts after the primary. But now you're going to have five finishers going to the general election. Could be two Democrats, two Republicans, an independent. Any mix of people.

Now we'll have a dynamic and diverse debate of visions, ideas, innovations, personalities, between the primary and the general. And then in the general, now that we have five, what we want to do, Laura, is figure out which one of those five has the broadest appeal to the most number of voters. Because if you had five and you voted how we vote now, which is plurality voting, someone could win with 21%. They sort of all split the boats equally, and then you'd let one of these five squeeze forward without real majority support. That wouldn't be an improvement.

We'll use instant runoffs the general election. You do this by allowing voters the opportunity to rank their candidates. People are somewhat familiar with the term ranked choice voting. You get to say out of these five, this is my favorite all the way down to your fifth choice, something like over my dead body do I want this person to be elected. You get to say that. You can rank as many or as few as you want.

Then when the polls close, they count up all the first place choices and if one of those five candidates has over 50%, well, great. The election's over. That person wins. But if nobody yet has true majority support, you begin this process of instant runoffs, where you simply eliminate the person in last place. Voters who had selected the candidate who's now been kicked out now have their single vote transferred to their next choice. Because everybody can only vote once. But then you have the first

runoff, and now there are four candidates left and you keep doing that until one candidate reaches majority support.

That's great because now you win majority support, but here's the real thing that's great about that. By voting this way, we can have as much new competition as the marketplace wants. Here's what I mean by that. The main reason why we don't get competition to Democrats or Republicans today is because of the spoiler effect or the wasted vote.

Think if, under today's rules, if you saw five candidates, you would think to yourself, and the Democrats and the Republicans would tell you, don't you dare vote for that libertarian one of the five, because you'll just take votes away from the Republican and accidentally let the Democrat win. And if you wanted to vote for someone on the left, like a green party environmentalist kind of candidate, you'd be told, don't you dare. You'll just spoil the election for the Democrat. So both sides always call new competition a wasted vote or a spoiler vote.

But when we use instant runoffs, by allowing voters to rank their preferences, no vote is ever wasted and no vote spoils the election for the candidate you like sort of second best. You don't accidentally help elect the candidate you like the least. And that's how we'll get the competition.

Laura Cox Kaplan:

And how would that affect, Katherine, maybe getting more women into elected office or creating more competition. Does that have an impact on maybe getting more women to run, lowering the barrier of entry, or does that matter?

Katherine Gehl:

Oh, it totally matters that we lower the barrier to entry. But what I love about this system is that we're lowering the barrier to entry for everyone, and in a way that continues to respect and benefit from the best forces of healthy competition. Here's something really important about healthy competition. It's not just about changing who wins. In fact, my proposals aren't really focused on changing who wins. It's about changing what the winners are incented to do and on whose behalf they're incented to do it.

Go back to 92, Perot ran against Clinton and Bush and He only got 19% of the vote, but he ran on debt and deficit issues. And the pressure that his competition on those issues put on both Democrats and Republicans is what produced the balanced budgets and then surpluses of the second Clinton term, because there was competitive pressure for that.

Laura Cox Kaplan:

Interesting.

Katherine Gehl:

In this system now, we will have lower barriers to entry for, in a sense, startup candidates. The amount of money it would take to get into one of the five spots in the primary is less by far than it takes to get out of the single primary that matters in the district where the party is gerrymandered to be in power. I don't know if I've even saying that right.

It doesn't immediately mean that more women win. It means that more women will find it easier to compete. And not just more women, but more conservative women, more millennial women, more different combinations of people who just don't put together the package today that gets through that narrow entry point.

Laura Cox Kaplan:

Meaning the primary. You're talking primarily about the primaries [crosstalk 00:28:42].

Katherine Gehl:

Yeah, the eye of the needle.

Laura Cox Kaplan:

Drive candidates to the left and drive candidates to the right, depending upon their political persuasion. I see.

Katherine Gehl:

Now let's say someone runs and they get the experience of running in the general election and maybe they squeaked into that timer in the fifth place, but now they get prepared, they get known, they do a good job, they learn, they come back, they run again. And in the meantime that voice, their voice, will have been a part of the debate. And if voters resonate with it and you see that in the results of the choices, then their impact will be felt as whoever does win considers what to do.

We benefit from all the competitors, not just from the person who ends up winning. And then over time competition, healthy competition, ends up with more of an equilibrium than the artificial situation that we still see, where women are so underrepresented in Congress relative to the population. It's just clear it's not that the competition is not free and unfettered, because we would have adjusted more already.

Laura Cox Kaplan:

So fascinating. So incredibly fascinating. I have so many questions. What is required to get something like ranked choice voting, or final-five voting, across the finish line? Because this is something you have to do on a state by state basis, right? It's not a Constitutional thing. It is a state by state reform.

Katherine Gehl:

Actually, in our Constitution, Article One gives every state the power to make these rules of the election. So since they've given us the power, we better hold it carefully and do a great job with that power. We're responsible for that. What that means, each state can do it. And then how the states would change these rules depends on their own state constitution and laws. Any state in the country could pass a bill in their legislature and the governor could sign it, and then they could have these new rules.

Half the states also have the option to bypass their legislature and put a ballot initiative on one of their elections, and then the citizens can vote for it. And depending on state law you would make the change if you have over 50%, or like Florida requires over 60% for certain initiatives. So you can do it one of those two ways and each state can choose what direction they want to go.

The really exciting news today, and I hope this is still the case when you put this podcast out there, Alaska, on November 3rd, became the first state in the country to vote on, in a ballot initiative, my favorite political innovation, which is this combination of open top by primaries and instant runoff [inaudible 00:32:31] rank choice voting in the general election.

The only thing they did different is they have the top four finishers advancing, so instead of calling it final-five outing, let's call it final-four voting. And as of this morning, they're still counting. Final-four voting was ahead by about 500 votes.

Laura Cox Kaplan:

Wow, so 500. Five zero zero. [crosstalk 00:32:54].

Katherine Gehl:

500 votes, yeah. And I am very hopeful that by the time you have this podcast out, that it will be confirmed that Alaska has implemented healthy competition in elections as the first state in our union to do so.

Laura Cox Kaplan:

Katherine, were they a target of yours? Were you working with the folks in Alaska to do this or did their initiative sort of pop up independently of yours? And then also a second question to that, how do you get momentum for this idea?

Katherine Gehl:

We definitely worked with them. I can't speak for who came... We didn't go and find them. So we worked with them early, but they probably reached out to us. I wouldn't take credit for any of the work that they've done, but we collaborated with them. I did a lot of speaking. I raised money for them. Those of us in this political change industry know [crosstalk 00:16:02].

Laura Cox Kaplan:

Why do they recognize it sooner than other states in the union? What is it about Alaska that's different in that regard?

Katherine Gehl:

It's not that Alaska's different, it's the small number of people in Alaska who said, let's do this. So people always ask me, particularly political people are very familiar with campaigns, they say, "well, what states should you do this in?" As if there's an analysis we should run to say, based on these demographic characteristics and the policy preferences and the voter turnout numbers, et cetera, these would be the states that will adopt this first.

That's not how I look at it at all. Here's where I put my money. Just like a business person wants to invest in management teams, I want to invest in the leadership. Who's going to make this happen? It's the states with the most committed leadership, where they're saying. We're going to do what it takes and we're going to spend the time to make the case to everybody.

Let me interrupt myself. I founded an organization with another CEO in Wisconsin called Democracy Found to, as he put it, put my money where my mouth is, so to move for these changes in Wisconsin. And three years later we're working on it, it's going really well, but we're taking our time to get people onboard.

Another friend of mine, someone I went to high school with, we had lunch not too long ago, and she said to me, "You must be so surprised by all of these people that are onboard with this." Because we have such bipartisan support. And I said, "Actually, I'm not surprised at all." I mean, maybe I should be surprised, but this makes so much sense that there's never been a part of me that has not believed...

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Katherine Gehl:

There's never been a part of me that has not believed that if people took the time to understand what healthy competition could bring to solving complex issues in a collaborative, innovative kind of way, would do for a country that people would say, "No, I don't want that. I'd rather have it how it is. I'd rather that the two sides keep hating each other and demonizing each other. And I'd rather make sure they're not as centered or rewarded for working together." I mean, people don't choose that. The reason they choose it right now, Laura is because they think that's the only choice they have and if you do only have two choices and they're this far apart, you can imagine many people would be pretty darn passionate about one or the other.

But if you say to them, you know what, you can achieve something different. You could still keep believing conservative, right of center things or believing liberal left of center things and have a government that's able and capable of working through some of those differences to craft solutions and solve problems and create opportunities in Washington, D.C. I mean, people don't turn that down. So the challenge is mostly, do people give you the time to listen to that? Are they open to believing that there could be something that could deliver that? And it's our own passive acceptance of the system, the way it is as normal like it couldn't get any better than that. I mean, we expect more performance from our phones than we expect from our political system. And this is the United States of America. We should raise our sights and we're always expecting things that the people like they're supposed to do everything in spite of the system. But how about we have great candidates, great people and a great system? We can have it and we just didn't know. I didn't know. I mean, I didn't know. I was doing traditional stuff.

It's amazing to me actually. Sometimes I lie in my bed, I'll wake up at night and I said, "Oh my God, is it really this good?" And I think, yeah, it really is. Don't get me wrong, Laura, this is democracy. Democracy is messy. It is hard. And we have hard problems. If we implement final five voting, we will have democracy that is messy and hard trying to solve hard problems. But what we'll have is some success. Whereas right now what we have is messy, hard and we solve nothing, right? So let's have messy, hard and solving.

Laura Cox Kaplan:

Katherine, what does all of this do to the enormous amount of money spent? I'm not going to come down on one side or the other. It is what it is. It is a necessary evil if you ask me, but it's a huge amount of money that is spent on politics, spent on primary, spent on general election. Talk about what happens to money in the system with final five voting or rank choice voting.

Katherine Gehl:

Right. So final five voting is I'll just help all of the listeners is the name for the combination of open top five primaries and grand trace voting in general elections.

Laura Cox Kaplan:

Got it.

Katherine Gehl:

And we really need to do both by the way. From here on out, everything I work on will be both. Other people may work on one or the other, like half of it, but I'll be working only on things that are both-

Laura Cox Kaplan:

You need both-

Katherine Gehl:

... things that are both. And this isn't a thing where one plus one is not two, primary reform or primary innovation plus voting innovation the general election is like one plus one is 10. I mean, it has to be both. Okay. So what does it do to money?

Well, let's ask ourselves, what's the real problem with money in politics? Here's a couple of points I'll make. It's not that some number, like some specific dollar number of money in politics would be helpful. And above some specific dollar it's now no longer helpful. It is what is that money getting? You know? And so if it's a super small number, but it's still getting policies that benefit the few at the expense of the many or that get in the way of a rational solution to a problem, well then that's a problem, no matter what amount of money it is.

Right now, one of the main reasons there's so much money in politics is because the return on investment is so good. In general, people have a lot of money, have gotten that because they've made good decisions about deploying their money to make more money instead of lose money. So they are likely making many good decisions about deploying their money in politics to get results that they would like out of politics.

And by the way, some people are deploying their money as a special interest for the general interest. Money doesn't always go in the system to benefit that individual person for something that's bad for everybody else. A little lot of money in there for really sort of reporting things that, I mean, depending on the view would be good for everybody. It's not all self interested, but nonetheless, what we have to do to get self interested, benefiting few versus many money out of politics is we just have to make the investment not worth it. And how we make the investment not worth it, it's not by artificially reducing the amount of money which I mentioned earlier. We have to increase the power of votes. Think of it as an exchange rate.

The problem we have right now is not too much power to money; the problem we have is too little power to votes because the only votes that matter are that small number of votes in the one dominant parties primary. This is the only votes that have any power. Like if you went to the bank to try to exchange your dollar for some euros, and it is like, is the dollar worth a lot, or is the dollar worth a little? You can exchange a primary vote for a lot of action or at least ideological positioning on the part of whoever you're voting for. Primary vote will get you a lot. A general election vote is going to get you nothing because it's worthless, it's immaterial. Doesn't matter. I always tell people that you can only vote once show up in the primary don't even bother. And yeah, and now I'm talking about Congress again, so separate out that the presidential election no matters after the primary too.

So what we need to do is increase the power of votes and then money will, if it can't... Look, if someone can't get elected, it doesn't matter how much money you gave them, they can't do what you wanted them to do. So that will provide an alternate force in the market place that will more effectively address pernicious negative effects of money in politics that artificially restricting it, which is a, probably requires a constitutional amendment.

Laura Cox Kaplan:

Right.

Katherine Gehl:

B, it likely has lots of unintended consequences and sets up just new ways to get around it and optimize and c, it's just going to make everybody mad. And it's going to take forever. It's not on the efficient frontier of political change. And as I said before, if you leave the existing incentives the same, you're just going to make it cheaper, because they still only will care about party primary voters, donors and special interests because that's the only people that affect reelection in the current system.

Laura Cox Kaplan:

Yeah. Katherine, this is fascinating. We could literally go on all day, but I do want to pivot a little bit and talk a bit more about the whole of your career. You ran a food company, innovative food company that your grandfather started back in the late 1890s as I understand it, who then passed it along to your father, who then passed it along to you. Maybe talk a little bit about lessons learned in that family business and how you're applying them to what you're doing now. We've talked a lot about competition and a lot about how you're applying business sense to this, but maybe on a more personal level, what you learned that you're applying to your work today.

Katherine Gehl:

I'll talk in a more personal level in a moment, but I really did. I'll just close up our previous section on this benefit of competition and the efficiency it drives and the innovation it drives. I've started to call our effort free market politics so that we can get the innovation, the results and the accountability that is, that exists in healthy industries. So I learned that in my entire business career, not just, of course during the time I spent in my family's company. Now, for personal things that I learned, oh my goodness. I mean, my life is just one mistake and learning after another.

Laura Cox Kaplan:

The best way.

Katherine Gehl:

Yeah. It is the best way. Although, I mean, you learn so much. What's my favorite? It's not my favorite, but there's a saying that I heard some time ago. I wish I knew what I know now when I looked like I looked then.

Laura Cox Kaplan:

Amen sister.

Katherine Gehl:

You're now at that point where I'm so happy with everything I know. I mean, and I'm not saying I know everything, but you know, I know a lot more than I did before, but there's a costumed years. So here's the biggest thing I learned in my career in business about personal, which is you have to take a lot of risk. So in the early years of my career, I did it a bit more like school, which is, oh, this is what's assigned to you. These are supposed to be this long and you have to reach these criteria for your paper or your tests, whatever. And so do the assignment and do it well and get your A and move on and then they give you the next one.

What I finally realized in business was that doing the assignments as they came in a sense led to this really slow, slow climb. You never had any breakthroughs and everything was... I mean, my career was good and it looked good, I suppose, but I always kind of knew that, oh yeah, I'll be able to do that.

There wasn't any risk in it. I wasn't doing things that I might fail at, which really means I wasn't doing things that were pushing my limits. I also wasn't doing that many things that were going to make as much of a difference in the organizations I was working in or the causes I was working for, because really risk is coupled with advancement as an individual and as an organization. And so eventually, I mean I did figure that out.

Laura Cox Kaplan:

Was there an aha moment? Was there a moment that crystallized for you? Oh my gosh if I had just been doing this sooner?

Katherine Gehl:

You remember, there are somewhat multiple moments, but here's one that's emblematic of the realization and goes into my personal life, which I'll share with, she said, she said. I don't know, meet the press, but they haven't invited me. Okay. So here's the thing in my early thirties, I was in a relationship with someone, a wonderful person who was absolutely wildly successful. I was doing very well, shall we say? But I mean like very well would be here and then sort of his success will be something you cannot see in this little box. And we intellectually were very compatible and at one point, so it sort of felt like we were very much peers in a lot of ways, but at one point we discovered that we had both been voted most likely to succeed in our high schools, just a factoid.

But for some reason I thought about it. Okay. So we both had this raw talent and everything, why am I here and he's here? And I didn't really want to be here in his career, but he was on a totally different trajectory than I was. I mean, completely. I realized, oh, he took tons of risks and I took none. I took none. I took the assignment people gave me and did a great job at it and didn't take any credit for anything. And didn't put myself out there and no risk, no reward. And he took risk after risk, after risk, after risk. And they didn't all pay off, but enough of them paid off. And I would say that really was one of the turning points for me.

Laura Cox Kaplan:

Yeah. If he hadn't taken those risks, they never would have paid off, right? Not taking them is not going to get you that outcome.

Katherine Gehl:

Yeah. And so it just provided like a personal illustration of, oh, I better get going because the slope of my line is not getting there.

Laura Cox Kaplan:

Yeah. How much of that Katherine do you think is kind of hardwired? He was a man, you're a woman. How much of that do you think is sort of natural wiring versus something that you can clearly learn? Does that make sense?

Katherine Gehl:

I don't think it's natural wiring, but I think it's often learned wiring from a very young age. So we just think it's kind of natural. Now, I'm not a psychologist or an expert on any of these things, but in general, speaking in generalities, I think that at least when I was growing up, men were learning more to take these risks and women were learning more not to take them. One thing that I've only recently realized is

also that men were learning to take credit for their accomplishments. And women were learning to live by the aphorism, there's no limit to what you can get done if you don't care who gets the credit and that I totally lived my life by that. And that is true in any particular project.

But here's the problem, if a woman lives by that and therefore is part of a very successful project, but then doesn't get credit for it and someone else does, let's just say a man, for this purpose, then when we get to the next hard project, the man is in charge of it and she's junior and then there's success in that project. And then we get to the next project and he's out here and she's still here, meaning eventually the credit does matter because if you don't get it, you don't grow the foundation to be in charge of the next. So there's the saying that the rich get richer. There's also those with credit get more credit. And so women need to [inaudible 00:53:38] women... Everybody. I mean, people do need to concern themselves with credit if they want to increase their ability to make a difference in the world. Not because just for some egotistical purpose. Although there certainly, I mean, that's a factor that affects people's motivations, but because if they don't, then they don't get...

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Katherine Gehl:

... then they don't get considered. They have to not accept being pushed to the background and not... You always want to share credit. You just don't want to get like, "No, it wasn't me. It was them." Be self-effacing. And I was totally ... Well, I don't know that maybe my family wouldn't say it was self-effacing, but it's in general doing things and be, "Oh, no, it was that person or this person," or whatever. And then finally I realized, "Hey."

And that actually happened to me in this book in a lot of ways, because even though I originated politics industry theory and the whole strategy for change-

Laura Cox Kaplan:

And connected the dots.

Katherine Gehl:

[crosstalk 00:54:56] and then I have my coauthor, and because I [inaudible 00:00:59], people do have a hard time conceiving that I created it and not him.

Laura Cox Kaplan:

Fascinating.

Katherine Gehl:

And to think I am his junior partner, even though like, I'm the first author. I mean, they just can't conceive that it was me.

Laura Cox Kaplan:

Yeah. When it was you who attracted him to the project. Right?

Katherine Gehl:

Yeah. [crosstalk 00:55:21]-

Laura Cox Kaplan:

[crosstalk 00:55:21] =who said-

Katherine Gehl:

The politics industry theory was fully developed before he joined as the co... And again, it's been a phenomenal partnership, he's brought a lot to it, but the misperception... And that's because he has so much credit. I mean, well-deserved, and that's wonderful. But, because in part, not that I had done things that would have garnered me the credit that Michael Porter has in his sphere.

But because it's sort of like, "Well, how did she come from nowhere to come up with this idea? It must have been his idea," that hurts. And here's why it hurts because... And this is there's time in my life where I really pushed for the credit as the originator of politics industry theory. And here's why that matters, because if I didn't get the credit for it, you wouldn't be talking to me.

Laura Cox Kaplan:

Right.

Katherine Gehl:

You would be waiting until he fit it into his schedule. And so getting credit for this is directly related, and it's the right assessment of what I did in this effort. And that's related to whether it's ever going to be successful or not, because I'm the one who works in this full-time and is driving this forward.

So it just totally matters for the work. And there have been times when I have had to say things that, even seven years ago, I never would've said. I never would have corrected people about something at my family company that I did instead of my father doing. But in this work I have, as hard and as uncomfortable it is, it has often been careful. I mean, it's still hard. But to make clear where the ideas came from, et cetera, so that I can have as much power as possible to make as much difference as we want to make.

Laura Cox Kaplan:

Right.

Katherine Gehl:

[inaudible 00:57:34] really need to do that. And they need to stop thinking what I thought for the first 49 years of my life, that you shouldn't want credit for anything.

Laura Cox Kaplan:

Right. Or shouldn't seek it. Right. You can want it, but not actually-

Katherine Gehl:

I even thought you shouldn't even really want it. Like some of that was bad. Like if you wanted it, you weren't really a very good person or something. You know what I mean? So now I say, no, no, no, go get it. Because here's what the world needs. More people with more credit, making more difference. Credit is not like a limited thing. If you get it, everybody else gets less. It means we have more powerful people that people would be willing to follow to do things.

Laura Cox Kaplan:

And for women in particular, that's a very powerful message.

Katherine Gehl:

Totally. We need more people that we would like to say, "Oh, are you campaigning for that or leading that? I'll invest. I'm a, yes, I'm on board." We need more buy in. Not less buy ins. We need more leadership, not less leadership. These are difficult times, more is better. So women should grab the deserved more.

Laura Cox Kaplan:

I probably shouldn't ask this question, but I will. Do you think that the lack of credit was because you are a woman? I kind of hate this question, but it seems like such an obvious thing to ask. That because your co-author is a man, a very experienced one, credentialed Harvard professor, clearly has a tremendous pedigree. Right? But so do you. Different, but you have a tremendous track record in business. Was it because you are a woman?

Katherine Gehl:

So let me say a couple of things. I do have a great track record. I did an amazing turnaround in my company also, which I didn't sort of ever put out there [crosstalk 00:59:46]-

Laura Cox Kaplan:

Right.

Katherine Gehl:

But it's not my co-authors pedigree. I mean, he changed the way business is run globally, you know? So, I mean, there's no comparison between our track records when we got to this project. I wouldn't say that it's because I am a woman, that people had a hard time sort of conceiving that it was mine. I think it really was the ease of just assuming that it was this brilliant person's next brilliant idea.

Laura Cox Kaplan:

Right.

Katherine Gehl:

But, let me tell you that there is now data, I'm looking for this book. Okay. I can't find the book it's called, The Formula.

Laura Cox Kaplan:

Okay.

Katherine Gehl:

And it is about what success comes from. And meaning success is defined by, in a sense, who gets credit for things. And so there's academic data. It's a brilliant professor, professor Albert Laszlo Barabasi, I think, I'm sorry if I'm not saying that correctly professor.

So I read this book partway through my journey on this writing with Harvard Business School and then with Michael of the book. And there is a quote in there that says that his data show... He looks at like how people author academic papers, and who's the first author, and who's all these other things. And there's a quote in there, that says, "The data show that if you are a woman economist publishing with a man, you might as well not bother."

Laura Cox Kaplan:

Is that right?

Katherine Gehl:

Yep. That's what it said. And that's his data, not my data. But now I was a woman, who's not even an economist, but publishing with the most cited economist and business and strategy in the world. So I was like, "Oh, this doesn't bode well." So there's something about the dynamics and just the shorthand. And I'm not even blaming, people are busy, just make an assumption about who's in charge. You know? So, again, yes, I think some things are because not that I'm a woman, but just because of how society has made this work.

And I personally think it's my responsibility. It is my responsibility to say the hard things sometimes, that might make people think, "Oh, she's a little pushy," or something. It's my responsibility. Not just for me, but for other women. And also not just for other women, but for anybody who might be in a position to be growing their platform, and therefore their power and influence to affect change in the world to be put in a position to do that.

But, we should do two things. Not because it's right to do it this way, because it's most effective. We should take responsibility for ourselves. And then we should do as much as we can for other people, you know? So even if someone's not doing it for us, we should be doing it for other people. We should not just be doing it for other people, we should also be doing it for ourselves.

And we can look out into the world and read a book like The Formula, which is this Professor Barbasis' book, and understand the dynamics in the marketplace because we want to be realistic, but we should not understand them simply for the purpose of saying, "Oh, so that's why it's stacked against me?" We should [inaudible 01:04:01] that for the purpose of saying, "Okay, I see what I have to do."

Laura Cox Kaplan:

Yeah, love that. I love that. That's awesome. One final question, just very quickly, the impact that you hope you will have had.

Katherine Gehl:

I am a lover of our country, of the sort of potential that we have in the world. As imperfect as we are, because we have not lived up to our ideals, but our ideals is that North Star and the progress, uneven though it's been that we have made, I believe in this. And I absolutely do not believe that if we leave our elections the way they are now that this country is going to make it as the free representative democracy, that it is.

Because, if we don't change the way our elections work, we're not going to deliver results that improve the opportunities and quality of life for the broad group of all Americans. And democracy is an ideal that is really important, but democracies need to deliver results or people will reach for something that they think will deliver results. Because yes, everybody would rather have freedom and results, but

you can't sustain generations of freedom with no results. Because people will look at their children and their grandchildren, and think they need some results.

And I'm talking about their economic situation, their independent agency, their quality of life, all of that. And so then they'll reach for something else and they won't know that they're turning away from democracy, but they'll reach for something. And eventually you move into authoritarianism. I mean, that's [crosstalk 01:06:26]-

Laura Cox Kaplan:

Right. [crosstalk 01:06:27]-

Katherine Gehl:

Failed over the years. And so what I hope is that I can be one of the people in this day and age who bring forward, what I think, is the best opportunity we have to powerfully alter Congress's delivering of results in a shorter period of time as possible. With all the caveats I gave you earlier about how democracy was still being messy and hard, and all of that. I'm completely committed that this happened, and I'll know interimly... Or in the interim, if it's a success in the sense of, well, how many campaigns did we get started?

How many campaigns won? How many people got elected under these rules? But eventually you have to look and say, "Okay, did Congress actually solve these issues that already behind closed doors the broad outlines of agreements have been reasonably known for 10, 15 years, but there's no political will to get them done?" And that's the end outcome. So I want to do what ever I can to look back in 15 and 20 years, and say that I was a part of changing the incentives, so that we could do what needs to be done in this country to keep our promise.

Laura Cox Kaplan:

Yeah. Katherine loved having you, this was an amazing conversation. You are incredibly inspiring. I know our listeners will really love hearing your thoughts and perspectives. Again, the book is called The Politics Industry, and I will include a link to the book, as well as to your terrific organization in show notes. So, thank you again.

Katherine Gehl:

Thank you so much, Laura, it's a real pleasure to be here with you today.

Laura Cox Kaplan:

If you're new to, She Said/She Said Podcast, please be sure to check out our past episodes, including the new short form pods. These are five to 10 minutes of perspective on a topic that comes up, that I think you guys will really appreciate.

And before I let you go, I also want to ask a favor, if you're enjoying, She Said/She Said Podcast, and I sure hope you are, I would be so grateful if you could share us with your friends. And I would also be so grateful if you would go on iTunes and give us a nice review. Just a few quick words and five stars, if you don't mind, would be awesome.

Nice words and nice reviews, make a big, big difference. They help us move up the charts and they help others who are looking for content like this to find it more easily. I really appreciate you being

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here as always. And I hope that you found some great perspective and got a positive lift for your week. I'll see you next time. Take care.

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