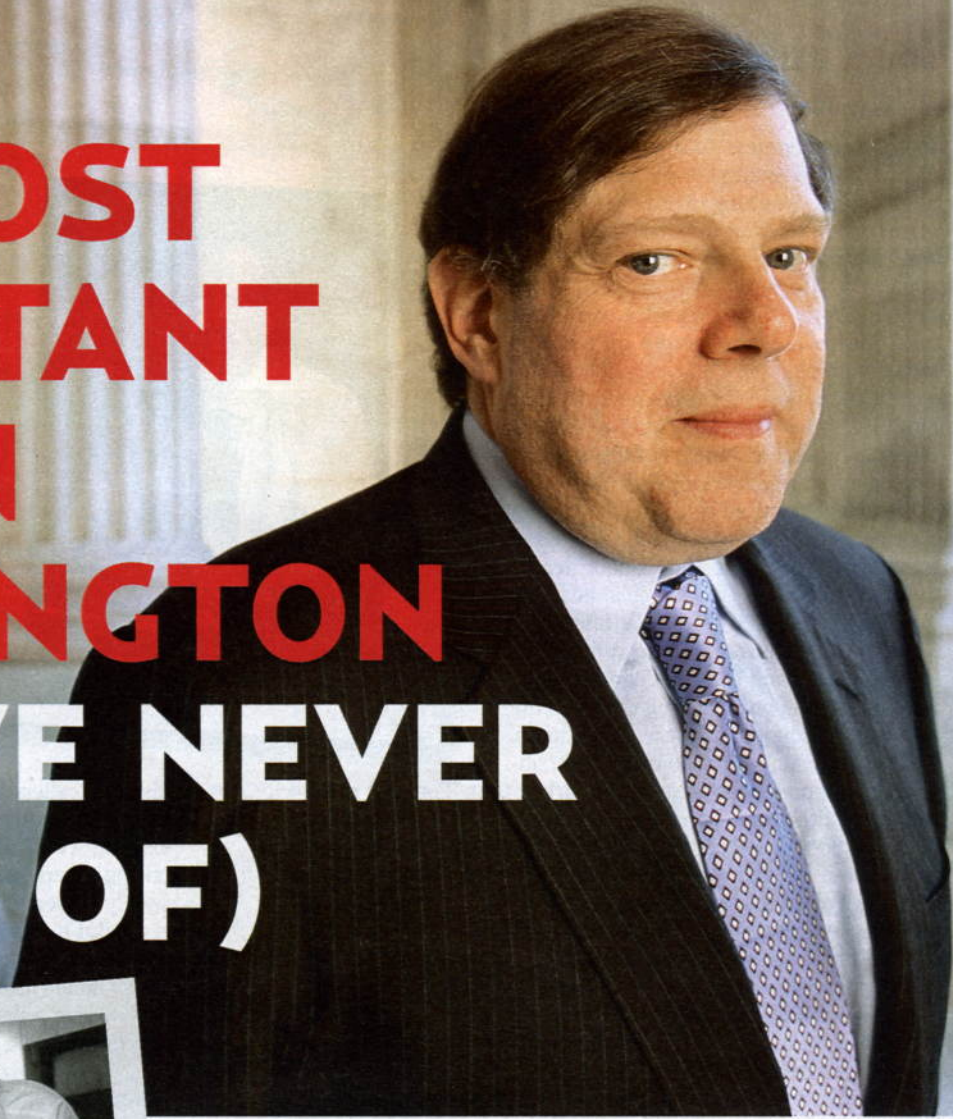


THE MOST IMPORTANT MAN IN WASHINGTON (YOU'VE NEVER HEARD OF)



COURTESY MARK PENN'S OFFICE

King of polls Mark Penn helped Bill Clinton to win, tells Bill Gates what to do, and BP and Ford hang on his every word. No wonder Tony Blair is all ears

REPORT **DAVID CHARTER** PORTRAIT **MARTIN SIMON**

Bill Gates is on line one and Bill Clinton is on hold. Hillary's people want to talk. Later, there will be a conference call with Tony Blair. Welcome to the world of Mark Penn.

With his untucked shirt and unkempt hair, Penn doesn't look like a man in demand by some of the most senior corporate and political figures on both sides of the Atlantic. If Hollywood were to cast him they would surely choose Tom Cruise or Michael Douglas. Not John Goodman.

Penn has a reputation for dog-like loyalty and obsessive secrecy. Colleagues describe him as touchy and aloof. He has also fallen out with some of his clients, such as Al Gore, who rejected Penn's suggestions to use the Clinton effect in his presidential campaign. Rather unkindly, his nickname at the Clinton White House was "Schlumbo".

All of this perhaps helps to explain why, even at the peak of his influence, this 51-year-old New York-born pollster is still referred to as the most important man in Washington you've never heard of. Yet in the upper echelons of the corporate and political world, he has never been more in demand. Who else would be trusted to advise both Microsoft and AOL?

The walls of Penn's seventh-floor office in Washington DC bear ample testament to his sought-after skills. Above a sofa facing his desk hangs a front page from *The Washington Post*. Just below the "Clinton Acquitted" headline is a handwritten note: "Thanks - Bill". On the far side of the room is a display of his new campaign for Ford, the latest troubled mega-corp to seek out the Penn touch.

MARK PENN

« In the corridor next to a signed copy of Clinton's 1996 inauguration address is a photo of a beaming Tony Blair. It is inscribed "Mark. You were brilliant. Thank you." During last year's general election, while the Conservatives crowded about Lynton Crosby, their expensive consultant from Australia, Penn just got on with the job of winning.

He had been recommended to Blair by Bill Clinton when they met at Ronald Reagan's funeral in June 2004. Penn and a small team started working for Labour that September. Unnoticed by the media, he met Blair almost every day of the 2005 election campaign. Penn took the Labour leader through his numbers and his analysis, gleaned from 25,000 telephone interviews with British swing voters from call centres in Washington and Denver, divining which message to push on a particular day and the best way to counter Conservative attacks. He even came up with Labour's election slogan. Commentators at the time remarked that "Forward not Back" sounded a little, well, American. They didn't know the half of it.

To begin to understand Mark Penn's powers, you need to know about his extraordinary career path. Penn was ten when his father, a Polish chicken farmer, died. His mother, a teacher whose parents were Hungarian, went back to work to put him through private school in the Bronx. He was 13 when he carried out his first poll. By interviewing classmates, Penn discovered that they were more liberal than the nation as a whole on civil rights. At Harvard he teamed up with Doug Schoen, his business partner for 30 years. They polled on every subject dear to a student's heart, just for fun.

Penn's awkwardness may help explain his obsession with polling. During the early days, he admitted that by analysing targeted surveys "you could find out what people thought without talking to them". Soon it was time to put this unusual hobby to practical use. The bright young graduates formed their own company and were enlisted on to Ed Koch's team for the 1977 New York mayoral campaign. Political pollsters are two a penny, of course. Every campaign uses some method of surveying the electorate's mood to help them order priorities and track progress. Polling has become as much a part of politics as making speeches and kissing babies. What makes Penn different is what happened next.

When the giant US telephone company AT&T started losing market share, it asked Penn and Schoen whether they could apply political polling to the telecoms sector. As part of the pitch for the contract, they prepared a presentation that compared party identification to brand loyalty, political delivery to customer satisfaction and campaign pledges to special offers. Instead of swing voters, the pair would identify persuadable customers. Corporate "message polling" was born.

What Penn and Schoen do is to identify and deconstruct clientele or voters by sifting the general population through a series of attitudinal questions – often as mundane as which TV shows they prefer – and then testing in minute detail the exact offers or phrases that will draw them in. As Bill Clinton said, his pollsters did not merely diagnose or explain, "they tell me what to do".



Penn has refined his art – or is it a science? – to a 20-minute lifestyle conversation in which the individual reveals habits and preferences, and then acts as a sounding board to assess how different versions of a national campaign will work for different audiences.

"It would be hard for you to come up with a subject that I haven't polled on," says Penn. "What we do is really quite different from what the public thinks we do. We help inform clients about what's happening and how they can take their message and move it to the next level to be successful in their campaigns. So we are about helping them to communicate what it is they want to communicate. And to do so with the aid of research."

Penn and Schoen's campaign for AT&T became part of marketing folklore. Within six weeks, they had demolished the "Friends & Family" appeal of rival firm MCI. They analysed the lucrative long-

distance callers market using the same kind of lifestyle indicators they used to identify potential Koch voters. They determined that existing AT&T advertising was aimed at loyal customers and missed "swing voters" such as immigrants making calls home. These were swiftly wooed with a series of targeted deals.

But it was not just the special offers that did the trick. AT&T's appeal was buttressed through its "Your True Voice" ad campaign which linked its deals to the company's values of reliability and quality. This set a pattern that Penn has refined over the years to help his clients find a message that really resonates.

Dick Morris, who brought Schoen and Penn into Clinton's ailing re-election campaign in 1995, once said: "All of American industry in recent years has moved toward values as a selling point. Southwest Airlines doesn't run an airline, it gives people freedom. He [Penn] brought that perspective into the Clinton campaign."

The whole point for Penn is that the message is not just an empty soundbite. If it doesn't resonate, it won't have impact. "I was much affected in college by reading a book by V. O. Key that said the voters are not fools. He traced elections back to show it wasn't the colour of the candidate's tie, there were real choices," he says.

"Confidence in leadership is not irrational. Who you think can lead the country in a terrorist event and how you think the health service should be structured and how that will affect you, these are real things. This kind of detailed message polling that we do is based on a model of the electorate which is a thinking electorate. It reads, it understands, it acts."

How to distil this into a campaign message? At a meeting of Labour's inner inner circle last February – including Blair, Alastair Campbell and Philip Gould – to come up with a slogan, Penn suggested "Forwards Not Backwards". It was much liked but still needed to be "message polled". So Penn took it and, along with rival phrases, submitted it to the same kind of rigorous assessment as the latest Ford slogan. Around 50 interviewers from his call centre in Denver talked to 1,000 British homes to identify the 100 or so who were swing voters.

"The more anonymous, the more long-distance, the more people feel free to reveal their



Previous page, inset: Mark Penn with Bill Clinton. This page, from top: Tony Blair's gratitude; Labour slogan, coined by Penn

MARK PENN

<< real views," Penn says. "Once someone says they're from the Labour Party they're going to tell you what you want to hear. So we would say, 'Here are a couple of phrases that politicians might talk about. For each one, does it make you more or less favourable to them?'"

"Then you might explain different phrases, put them in context. You know, that Blair wants to continue to move the country forward and the Tories want to take it back with the old policies of boom and bust, and see whether it works in context, because you have to see whether or not it resonates, whether or not it can be exploited."

The phrase he came up with ended up being modified, but only slightly. "We tested Forward Not Backward and Forward Not Back and people in Britain did not like Forward Not Backward," he says. "They saw Forward Not Back as active, they saw it as positive, they also saw it as fitting the situation."

"Howard's campaign was essentially, I've got some tough policies on immigration, I'm going to cut taxes further, I'm going to change the NHS so people can get more private care. Essentially those were the old policies of the Conservative Party. So Forward Not Back encapsulated that your choice was between letting Blair continue to make progress or going back to these old policies."

Penn's help does not come cheap. He has cost Labour around £400,000. But that was similar to the amount the Conservatives spent on their own overseas svengali, Lynton Crosby.

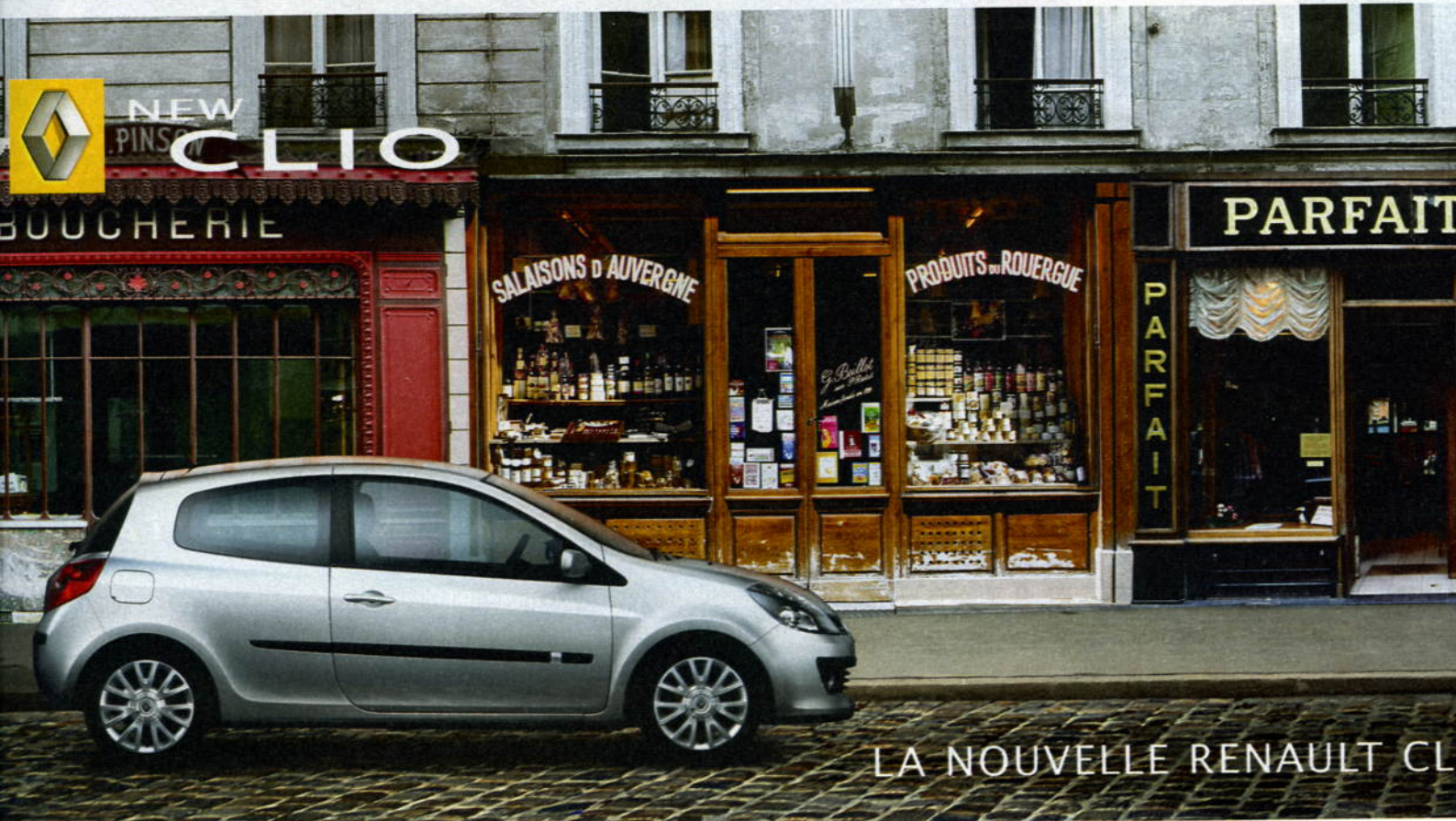
Penn adds: "Elections are often about a big question – are we mad at Blair? Should we let him continue? Is Iraq the central question on my mind? Is it that we need change? 'Are you thinking what we're thinking?' was the Conservatives' way of putting the question. Now, in America that slogan wouldn't have lasted a week. It would have been condemned as racist because if they can't say what

'THE MORE LONG-DISTANCE THE POLLING, THE MORE PEOPLE REVEAL THEIR VIEWS'

they're thinking then they're usually implying some pretty bad thoughts. But even if I put a good gloss on it, 'Are you thinking what we're thinking?' was meant to mean it is time for a change. They would have been better off saying, 'It is time for a change'. We always look at the opposition and when we tested it, it was a poor slogan."

It all goes back to the grand battles he fought for AT&T which brought him contracts with Microsoft, McDonald's, BP and Vodafone, as well as a dozen political campaigns. "The marketing job we needed to do for AT&T – taking the political approach of understanding your opponent's message, and putting forward a message that you think is going to beat your opponent and you think is rational and detailed – was very effective. Then when it came to the presidential race, we took methods that were quite new for politics to President Clinton and when he asked me why I do it this way, I say because some of our largest corporations do it this way. And of course when I go to corporations and they ask the same question, I say it is because some of the world's leading politicians do it this way. Because what we've done is we've learnt some from both."

Penn switches seamlessly from corporate fight to political battle and back again, each time refining his method.



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He was hired to defend Pizza Hut from an assault by Papa John's. The newcomer was advertising that its sauce contained vine-ripened tomatoes. Penn counterattacked, accusing Papa John's of using canned mushrooms. "If you think about it, in Washington it's policy versus policy," he says, switching sectors again. "It's their patients' bill of rights versus ours." Only under the Democrat option, there was a stronger right for the citizen to sue. "You know, that's the vine-ripened tomatoes," he says. "That's the good stuff."

Years ago Penn worked for Ross Perot, the independent who ran for president in 1992, but since the Clinton era he has professed loyalty to the "new Democrats" because "they combine strength of leadership with progressive politics". He rejects the Republicans, he says, because "they are simply a fend-for-yourself kind of party". His wife Nancy Jacobson, a Democrat fundraiser, throws glittering parties for leading supporters at their \$5million home in Georgetown. But what makes Penn a danger in the eyes of his critics – and there are quite a few who work for Democratic rivals to Hillary Clinton – is the seemingly hypnotic influence that his polling data can have.

Bill Clinton's plan in 1997 to tackle HIV by promoting needle exchanges for drug addicts was cancelled just an hour before it was due to be announced. The President's health team was furious. Penn's polling had shown it could backfire badly with the public. Had he crossed the line into policy-making (and breaking) rather than simply communicating? Penn insists that this episode does not prove he had the power of veto over certain policies, merely the foresight to protect the president from a PR disaster.

"I think that is a policy that would have been killed without polling because I think there are some policies – like that one – that if you let them out to the public they get so roundly condemned that

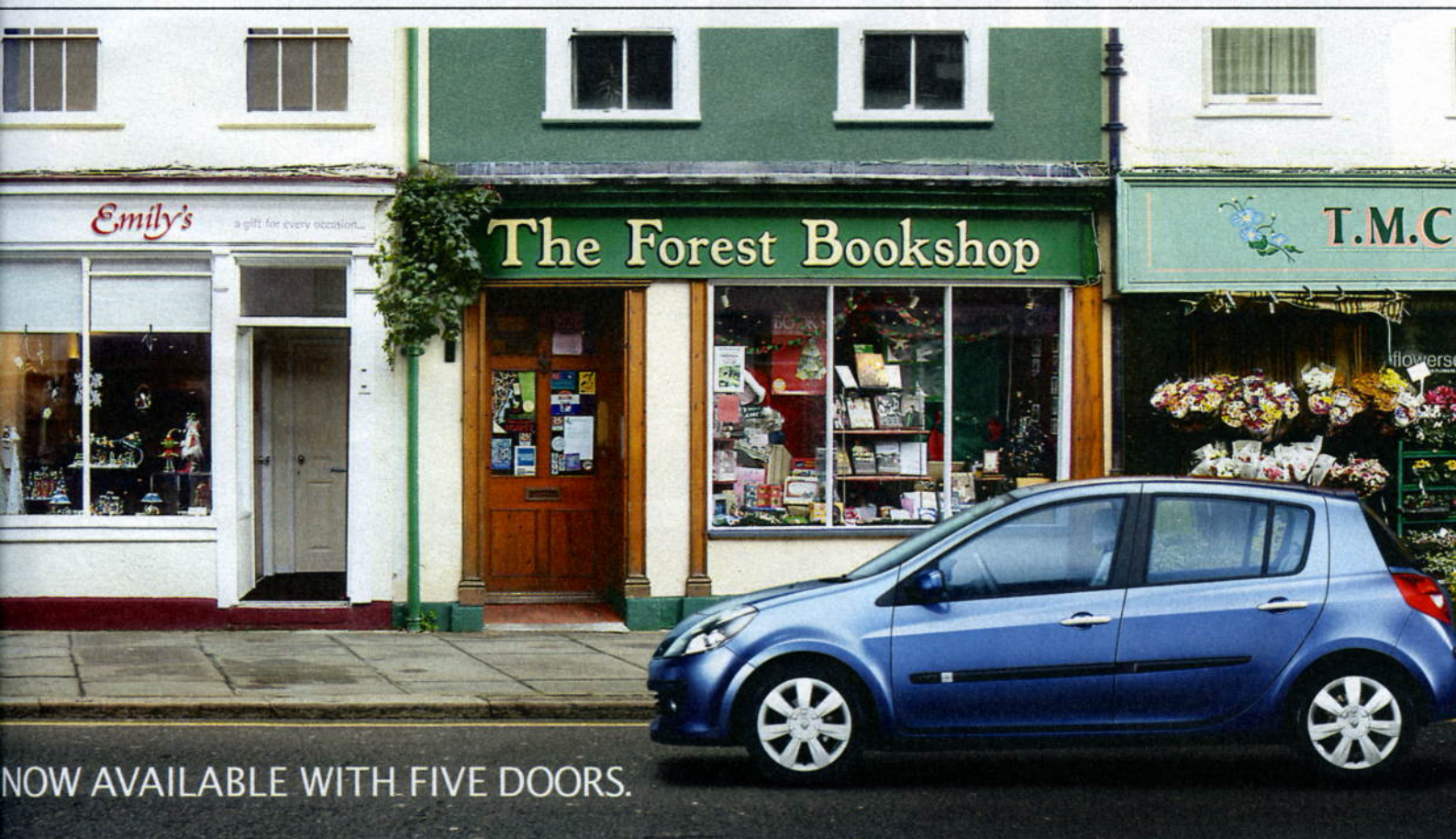
they would fail. And so part of the job is to alert people to a policy that's unlikely to succeed and may or may not be worth the fight, or may be sending the wrong signal or message.

"If you're at the time trying to send a message that you're going to be tougher on drugs but more compassionate to people in need, this policy may confuse the message and give an opening to your opponents. So I think we were not killing the policy, we were giving an advance warning of a policy that would have been killed."

When it comes to his work for Labour, Penn is adamant that he is focused entirely on helping communicate its aims and its agenda, not determine its policies. "People often start politics in the US with kind of a message or a general viewpoint and eventually they get to policies," he says. "British politicians compared to American politicians live policy, and Blair has an extensive policy operation. We help them shape the message around them or help them emphasise."

Penn's close working relationship with Labour is set to continue with the appointment of the party's former general secretary, Matt Carter, as head of a newly opened London office of his company, Penn, Schoen & Berland. So will Penn be helping Blair to counteract David Cameron and his resurgent Conservatives? Just as he refuses to answer questions about his role as Hillary Clinton's personal pollster, Penn isn't giving much away. "Words are not deeds. A new leader has to prove himself and he can say the right words," he says. "But can he really junk what has been 50 years of Tory policy in a couple of speeches? I think that's a question he will have to answer."

Interestingly, shortly after Penn gave this opinion to *The Times*, Blair said that Cameron was talking the talk, but the test would be whether he walked the walk. Had the most important man you've never heard of struck again? Mark Penn's not saying. ■



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