

NETWORK ARMIES BOOK PROPOSAL

Author: Tom Brannon

CONTENTS

Summary

Author

Audience

Special Marketing & Promotional Opportunities

Table of Contents

Annotated Outline

SUMMARY

Network Armies is a road map to the new direction in the rise of social networks. Enabled by technology and new social science models, Network Armies are made up of Americans who share common goals in privacy protection, politics, healthcare and other everyday concerns. Where large groups of Americans share a common goal, we find network activity occurring as if by itself – with astounding results. And as more Americans become frustrated by the control exerted by government and the marketplace, the network army becomes a vital force in change. This book reveals these armies, presents a look at their goals, shows who belongs to each army and how the network is causing change. Also revealed are:

The secret behind the success of Walmart as they confront the Consumer Army.

A method for every citizen to protect their privacy by owning their own data – and the ability to produce income from this.

How vehicle owners are exposed to risk by losing their vehicle data and what the Privacy Army is doing about it.

What politicians don't reveal about their work on our behalf and why politics is an enemy to the Citizen Army.

How social scientists have been slowly uncovering the network army concept and the methodologies for the future unveiling of our civil society.

What every business owner must do to plug into their Consumer Army.

How the Senior Army member can recognize tactics being used against her by the healthcare industry.

What tactics every Network Army member can use this week to achieve their purpose-driven goal.

Written by Tom Brannon whose career is as broad as the Internet, from working in the Legal Department of Ford Credit to touring with Elvis Presley. . . from singing commercials for MacDonalds to free-lance journalist at Vanderbilt University . . . from writing privacy policies for Jaguar and Mazda's Websites to conducting Y2K seminars, Brannon leads the reader on a mystical tour through Network Armies that's as deep as it is wide, as entertaining as it is important.

AUTHOR

Mr. Brannon, through his training and background in broadcasting, has been active in various aspects of the entertainment business for a number of years. Early experiences included appearances on Ed Sullivan, Mike Douglas and Las Vegas shows with Connie Francis as a part of Danny Davis and the Nashville Brass. Concert appearances as a musician with Lynn Anderson occurred throughout the United States. Prior to his Nashville activities, Brannon was a recording engineer and singer in New York. Nashville credits as a singer include Randy Travis, Dolly Parton, Frank Sinatra, Jr., George Burns, The Anita Kerr Singers, and performances on commercials for McDonalds, Coca-Cola, Pizza Hut and many others.

After a career change led him to receive his law degree, Brannon spent several years as a free-lance writer, working for Vanderbilt University's newspaper. He also wrote for technical journals in compliance and safety. He published a safety manual for children's camps and conducted safety seminars for the American Camping Association. Brannon joined Ford Credit where he worked in the Legal Department, doing research/writing and special projects; one of these was authoring the company's first sexual harassment program for a division of Ford. His interest in technology resulted in his joining Ford Credit's IT team as a business analyst and later as an Internet Specialist. While working on Ford's various Websites, Brannon began independent research into privacy issues and Y2K matters.

Brannon's experience in the IT area encompassed project management as well as representing the business side on IT teams. He managed the conversion to a new mainframe reporting system for a division of Ford Credit. He also represented that division on the Critical Situation Team, a crisis management team addressing business critical issues in hardware and software applications. Other activities in IT involved legal activities, including development and writing of Service Level Agreements and review of legal and contract issues involving the company and outside vendors.

Mr. Brannon has approached this effort free of alliances and as a willing member of most of the network armies described in the book. His boldness in stating the goals of the primary armies is based upon four years of observation, research, cautious prediction and excited expectation.

AUDIENCE

The audience for Network Armies includes members of the various armies, those interested in network technologies, social community building, and business design such as the trend toward replacing hierarchies with networks. The major armies comprising the largest social networks and the estimated membership is included in each specific chapter. These include:

Privacy Army/Identity Theft - 138 million (69% of 200 million)¹

Citizen Army - 75 million (electorate fed up with politics “as usual”)

Senior Army – 35 million over 65 years of age

Investor Army – 200 million who own stock and lost \$4.5 trillion in the last several years

Disabled Americans – 54 million people with \$175 billion in discretionary income

Vehicle Owners/Operators – 100 million plus

SPECIAL MARKETING & PROMOTIONAL OPPORTUNITIES

There are three adjunct activities to support the publishing of this first book on network armies. First, Mr. Brannon will be authoring an immediate series of follow-up books, each covering one of the various armies he has identified. These are expected to be done in the style and format of an army field manual and are expected to be spiral bound, designed as an often-used resource workbook for army members' use. The first two will be *The Citizen Army Field Manual* and *The Privacy Army Field Manual*. Other field manuals are planned for the Senior Army, the Investor Army and the Healthcare Army.

There are specific elements within each network army area that are of high sensitivity and interest to network members. These areas were touched on in this first book on Network Armies but an in depth look will be left for the field manual. For example, within the Privacy Army, identity theft is a problem of growing importance. This is one of the goals and part of the mission of successfully maintaining one's privacy. There will be several chapters in the *The Privacy Army Field Manual* on identity theft, including chapters on avoidance and recovery. Identity theft is a real and present threat to the public; it's the fastest growing crime on the government's list of consumer fraud complaints for the fourth consecutive year. According to CBS News, over 500,000 Americans experience identity theft annually, and the related dollar theft of over \$5 Billion. Every 79 seconds, a thief steals someone's identity and makes purchases on accounts opened in their name. Recovering and restoring credit can take six months to two years. The field manual will enable self-help in recovery, will save the army member time, as well as money, in

¹ A survey report from Forrester Research (*Why Privacy Matter\$*) found 69% of Internet users expressing "high concern" about Internet privacy. Further, those concerned are more educated, career-motivated, affluent and technically savvy than those who are less concerned.

completing the steps required for recovery. Other chapters in the privacy field manual will cover the onboard blackbox in our vehicles, with directions on how a vehicle owner can assert ownership of this data.

Secondly, Websites will be launched to serve each army. The domain names have been registered and initial design has been completed on www.PrivacyArmy.us. Each of the sites will function as the primary hub services entity for its respective network army.

Mr. Brannon will concentrate on promotion and/or establishment of hub service activities to support and assist the various network armies in pursuing their goals. Each such entity will provide communications and coordination to the network army it serves. Those sectors expected to participate in this include marketing and advertising (re: Walmart and the Consumer Army), government, political, advocacy and think tank groups (the Citizen Army), and healthcare organizations. The book's success will also result in a new focus for non-governmental organizations and advocacy groups.

Finally, like the network armies themselves, the introduction of *Network Armies* will enlist a decentralized network of leaders in various segments of society. A working list is being developed. These people will be mentioned in the final Chapter of the book as instrumental connectors in early “army” activity. For a sample of this list, see Wired Magazine, November 2003, *The Connectors . . . Who Secretly Run the World*, pg 174. Those on the list will receive a copy of the book. Some of them may be invited to serve on the Advisory Board of the various army Websites.

These marketing tactics will better serve the expected result of the book being embraced as a pop culture offering rather than an academic book that blossoms only on C-SPAN and at University conferences and seminars. This book is aimed at becoming required reading for every U.S. Citizen, and not merely a campus offering for professors and graduate students, or computer programmers and marketing executives.

TABLE OF CONTENTS

Preface

Credit to Richard Hunter, Gartner, Inc.

Chapter 1 – Introduction

- Defined
- Compare to computer net/database [general systems theory]
- Examples of Network Armies (Political, [TN tax, Reagan film] Luther/Gutenberg, Global Protests)
- Technology Trends (chip, laser CD,sensor)

• Chapter 2 – The Phenomenon Defined

- Social Networks
- General Systems Theory
- The Network Effect - Reed's Law
- Cybernetics
- Database Administrator
- Why Is This Important?

Chapter 3 – The Privacy Army

- The Goal/Mission
- Size
- Introduction (privacy bound together with data)
 - Data Types – Demo/Transaction/Personal Profile/Temporary
- Goal Strategy – Own it, Act Like It
- FTC Five Principles of Privacy
- Current State – Legal History, Gramm-Leech-Bliley
- Identity Theft
- OBD (Vehicle On-board Diagnostics Computer)
- Trends (GPS, RFID)
- Why Is This Important?

Chapter 4 – The Citizen Army

- The Mission
- Introduction
- Public Choice Theory
- Goals – Based on Preamble to U.S. Constitution
- Strategies & Tactics
- Citizen Army Hub Services
- Why Is This Important?

Chapter 5 – Senior

- The Goal/Mission (health, retirement, worth)
- Size
- The Players (political parties, special interest groups, industries)
- Strategies and Tactics
- Why Is This Important?

Chapter 6 – Investor

- The Goal/Mission
- Size
- Introduction
- Communications and Lifting the Curtain
- Examples
- The Role of Government
- Strategies and Tactics
- What's Important – What's Next?

Chapter 7 – Other Armies

DISABLED

- 54 million Americans
- \$175 billion in annual discretionary income

POST-RETIREMENT

- Over 50 million Americans, projected to increase to 79 million by 2015

HISPANICS

- Over 35 million, projected to double by 2030, under-served by marketing

SINGLE, NO CHILDREN

- 1. 168 million Americans (60% of the U.S. Population)

HEALTHCARE ARMIES

- Patients
- Healthcare providers
- Agencies (government, non-governmental)
- Pharmaceuticals

Chapter 8 – Effects on the Marketplace

- CRM, new datamining trends, associational model,
- Walmart
- Insurance (Choicepoint)
- Future – Examples
- Why Is This Important?

Chapter 9 – The Bottom Line

- Conclusions
- Future – Probabilities & Expectations

ANNOTATED OUTLINE

Preface

A one page opening including credit to Richard Hunter, VP of Security at Gartner, the probable “inventor” of the term “network army”. Also states the general premise of network armies and of the book. A New York Time Review of Hunter's book, *World Without Secrets*, and his introduction of the network armies idea (paragraph 10) is available online.²

Chapter 1 – Introduction

ORIGINS:

There is growing evidence that the way our society is organized has entered a time of identifiable and permanent change, to a collaborative network design. The change is pulling us into the collaborative network society, away from a hierarchical design in business, government, religion, and education. This shift enables widely distributed, small actors (down to individual citizens) to connect to large networks, perform network tasks and cause large effects based upon their common membership with many others in some particular network.

PREMISE

There is a new model of the way our society works, made up of social groupings that, when viewed as a decentralized network – loosely organized around a purpose-driven goal, produces significant and sometimes unpredictable results. These groups can be thought of as network armies and they are powerful. Network armies will form symbiotic relationships with government, industry, religion, whomever and whatever aligns with the network's goal. Finally, there is an emerging awareness of these armies resulting in a new kind of services sector – that of hub entities, providing communication and coordination to the network in support of its goal. This book defines and discusses this phenomenon, identifies specific key network armies and opens up the subject in furtherance of this evolution.

DEFINED

The definition and discussion of network armies relies heavily on information technology and specifically on the similarities with computer networks and database administration. Also important to the discussion is cybernetics and a patchwork of ideas including general system theory, emergence, and the law of unintended consequences.

The concept of hub service entities, providing communications and coordination to the network army, is key to the successful functioning of the group. The hub entity is very similar to the position of a database

² [Http://www.opencontentlist.com/articles/msg00002.html](http://www.opencontentlist.com/articles/msg00002.html)

administrator. Management of a complex, distributed database environment always includes a database administrator (DBA). But these activities are less concerned with technical computer science tasks than organizational and procedural activities. Examples of the tasks and duties of a database administrator are given.

The system definition of a network entails complex interconnectivity while the sociology approach would identify an extended group of people sharing similar interests or concerns, interacting for mutual assistance or support. Both are true and the technology is as important to the network army as the social aspect.

A SAMPLING OF NETWORK ARMIES

Network armies are nothing new. Once the concept is recognized, one sees that such armies abound, and have, for a very long time. Examples and descriptions of the following network army events is presented:

1Martin Luther's 95 Theses

2The Battle of Seattle – advocates vs. the World Bank

3Political events re: Philippine President Joseph Estrada resign in response to a massive mobilization of Manila residents who, mobilized by cell phone text messages, swarmed in a protest recognized worldwide.

4Walmart and the Consumer Army. The Network Army model is used to explain the success of Walmart – compared to other success theories, e.g., disintermediation.

Chapter 2 – The Phenomenon Defined

GENERAL SYSTEMS THEORY

There are rules that govern the behavior of systems and sciences, and there are attributes common to all systems, such as communication, coordination, feedback loops and adjustments. These rules can be said to comprise a system of their own, a metasystem, if you will. First developed by biologists in the 1940s, G/S Theory was also embraced by archaeologists in the study of societies. G/S Theory is important to the operations of network armies because the attributes mentioned (particularly communication and coordination) are key to providing the support used by network armies in furtherance of the goal seeking. In fact, in the future, new types of marketing will evolve based upon providing these “hub” services (communication and coordination) to network armies. This is generally discussed in a layman approach, along with Complex System Theory and Chaos Theory.

THE NETWORK EFFECT – REED'S LAW

A network (in the world of computers) is a system of individual points (nodes) working together or joined in some way, sharing commonalities such as function, makeup or the layer in which it is classified. Robert Metcalfe, developer of Ethernet and founder of 3COM, first wrote about the valuation of the network of telecommunications customers. He pointed out that the "value" is the square of the number of customers and that this number grows exponentially while the cost per node stays the same or is diminished. That is, two people on a party-line can make two calls (to each other) while an increase of six additional users creates 64 possible calls (eight people all able to call each other). Industry has either failed to grasp the importance of Metcalfe's Law or has discounted it because the economic value derived by the seller is not where the true value lies. The phone company, after all, is only selling six more telephones in this example, not 62 more. Then, David Reed (Internet engineer and MIT software guru) stepped up to explain the benefit in a different way – ascribing the value to the customer side. Reed said that, although we don't spend every waking moment calling everyone we know on the telephone, we have the ability and right to do so. This right is much like a stock option – offering the ability to perform an action in the future, without any obligation. The typical time when one exercises this option is when there is a purpose-driven reason to do so . . . working toward some goal.³

So the primary element in Reed's Law is moving the value proposition of networks from the business end over to the user side. Reed further explains that, for the user, the Internet is an essential tool. His work is helpful in identifying and addressing network armies. "*Group forming*", says Reed, "*is the technical feature that most distinguishes the Internet's capabilities from all other communications media before it. Networked communities that support group-forming are growing in scale and reach, and network architectures that enhance group-forming processes are still being invented. Anyone who is serious about the 'net must learn to 'get' the power of group-forming communities.*" This is vital to understanding the concept of network armies. The enabling of community, of groups of people with common concerns, has led to group empowerment and is causing concern (if not excitement) in government and industry. Also discussed are the Internet and examples of the Network Army effect.

CYBERNETICS

The science of cybernetics deals chiefly with communications and control as these occur in the interaction between man and machine. Cybernetics is of particular significance for those investigating the Internet, its effects and importance to community, politics and economics. While most science deals with matter and/or energy, cybernetics deals with form and pattern. It owes much to the military. This is briefly explained. Cybernetics is linked closely with network armies because one of its main themes is classifying behavior with a special emphasis on the concept of purpose. The military approach focused in on voluntary behavior, that is, the way in which human operators of anti-aircraft guns would change their behavior (aim)

³ For Reed's discussion on the corrected meaning of Metcalfe's Law, see http://www.intranetjournal.com/articles/200101/ib_01_31_01a.html. Also <http://www.reed.com/gfn/>.

based on the feedback of error (missing the target). With goal-directed feedback (the gunner observing tracer bullets), the input could then be altered by the output to focus results toward the goal/purpose. Looking at cybernetics as a platform for study of network armies is also interesting because of several congruencies it shares with the Internet, a primary network army tool. Characteristics common to both cybernetics and the Internet are listed and explained.

HOW IS THIS IMPORTANT TO NETWORK ARMIES AND WHY?

Business and political activity that evolves following the arrival of network armies may find that the purest and most successful business models will be based upon a simple cybernetics approach. The hub services mentioned throughout this book fit very closely with cybernetics methodologies. Although the science can be said to be languishing, it is still alive and active in many universities (and possibly in various laboratories and the Defense Department). Those active in the field have said that broad classes of behavior are the same in machines and in living organisms. The methodologies may provide the most effective way to locate and verify armies. Imagine a review of an identified group (chat rooms, Weblogs, special interest groups, political parties, Southern Baptists, U.S. Catholics, college graduates, etc.).

THE LAW OF UNINTENDED CONSEQUENCES

The law of unintended consequences supposes that there may be effects resulting from an action that are completely surprising to the actor. This seems to happen very often in a government setting. Why is the Law of Unintended Consequences⁴ important to a discussion of network armies? This interesting effect is related in a number of ways, primarily for how it highlights a dangerous weakness of politics in administering the Constitution. That is, politicians spend the majority of their effort in protecting the past, slowing down the future, preventing innovation and getting reelected. And because the public sector operates without the self-correcting imperatives of the private sector, governmental activities are conducted with blinders on. The environmental laws enacted following the Alaskan Valdez oil tanker disaster resulted in a situation much more likely to lead to higher risk and greater damage than ever before. This is discussed briefly. Another classic example of the Law of Unintended Consequences occurred when Hollywood feverishly worked against the arrival of the VCR, which today is a key element in maintaining income for every motion picture through video rentals. This is also briefly discussed.

The immigration crisis is another unintended consequence. Although the economic benefit of a perpetual supply of hard-working, unskilled and inexpensive laborers was embraced by many, along with the political plum of having a large block of voters that could be easily identified and appealed to, the end result has become a very expensive debacle in California and elsewhere. The pro-labor left now finds its members injured by this massive influx of cheap, illegal labor. The U.S. Department of Labor has stated that 50% of real wage losses resulted from the rise in cheap immigrant labor.

⁴ See <http://www.econlib.org/library/Enc/UnintendedConsequences.html>

Chapter 3 – The Privacy Army

THE GOAL/MISSION

Members of the Privacy Army share the following goals:

- Increased security and protection of privacy and personal data
- Protection from identity theft
- Empowerment in reconciling identity theft and fraudulent activities
- Asserting ownership of data and share in data benefits/income

ACHIEVING THE GOAL BY OWNERSHIP OF DATA

*"Networked, distributed computing environments, such as the Internet, offer unprecedented opportunities for the invasion of privacy. In our opinion, the ultimate solution to this tension is the establishment of a full partnership with consumers, in which they control ownership of their demographic and behavioral data and determine the manner in which it will be used, if at all."*⁵

There are several data types with which the Privacy Army is involved – demographic, transactional and consumer profile data are the most important. All the data types are listed and defined.

- Demographic data - arises automatically by our actions, where we live, what numbers are assigned to us when we obtain a telephone, or open a Web session.
- Transactional data - generated every time a commercial transaction takes place. From a daily grocery store purchase by credit card to sending in the monthly bills, each connection by the consumer creates a quantity of data that a business can use for future marketing.
- Consumer Profile Data – made up of personal preferences, the subjective likes/dislikes that translate into decisions on how we spend our time and money. This is the holy grail of data.
- Medical Data – As the population ages and laws are passed specifically dealing with medical data, the value of and interest in personal medical data ramps ever upward.
- Temporary Data – Temporary data is a trend that is growing with technology advances. The earliest form of data that is collected and refreshes itself, thereby destroying or removing prior data is found in every automobile manufactured since 1998, the onboard diagnostics (OBD) computer or black box. Clickstream data that forms the trail of breadcrumbs during our Internet surfing is especially

⁵ Vanderbilt eLab, 2000 by Donna L. Hoffman and Thomas P. Novak.

valuable and transparent. We hardly know it's there, yet its use to marketers and law enforcement is a very sensitive thing.

- Digital Data - Data that is digitized (created or converted into a computer code binary format of ones and zeros) is particularly suspect in a privacy sense. Such data is unreadable to us, easily transmitted and stored, may be filed and retained permanently, etc.

GOAL STRATEGY – OWN IT, ACT LIKE IT

An idea for personal ownership of one's data is presented and discussed. The legal considerations are extremely exacting and important. These are discussed, along with court cases and case law. Confidential business information is treated as a property right by our legal system; confidential personal information is not! It is unlikely that citizens will ever obtain satisfaction in this area until something as substantial as a Privacy Army advances the cause. If citizens are able to assert ownership of their private information, the face of privacy issues in American will be changed forever. During proof-of-concept research on this idea, a discussion was held with a Vanderbilt Law School professor who specializes in Cyber Law. He verified the ideas presented by Brannon that would enable an individual to assert and sustain a claim that the data resulting from the individual's daily life and activities could reasonably and legally be owned by that individual sufficiently to be able to protect that ownership through legal action, if need be. This is a revolutionary concept, not heretofore possible, or for that matter, imagined to be possible in America. This issue alone may be the focal point of the book's lasting impact.

This chapter also presents the value proposition of consumer data and why companies collect it and value it so highly. The personal ownership idea will result from hub services that will assist army members in storing, aggregating and offering their data for sale. This will create the necessary attributes of a profit expectation to support legal recognition of data ownership.

Other topics discussed include the FTC five principles – slightly over half of U.S. Companies are meeting four of these! . . . Gramm-Leech-Bliley is discussed . . . vehicle data is covered at length (OBD considerations).

TRENDS (GPS, RFID)

This section will be vital in presenting new information in what is expected to be the greatest challenge to privacy and personal freedoms. GPS (global positioning satellite) chips are projected to be part of cell phones, automobiles and other devices in the near future. Those with access to this data will be able to track our every move. The newer technology of radio frequency identification is even more troublesome to many, and it's arrival has just occurred. These tiny radio transmitters are required by Walmart of all vendors, to track and measure product during transit through the Walmart distribution system. When

installed on individual products, these chips may allow us to walk past a receiver with a cart full of groceries and transmit an instant inventory and total price of all our purchases. If the chips are not disabled as we leave the store, the ability to follow the product into our homes results in an alarming loss of privacy. Also discussed are the various methods of capturing, storing and aggregating data by American companies and their datamining and CRM (customer relationship management) programs.

WHY IS THIS IMPORTANT?

Privacy concerns are at the top of the average citizen's fears of technology, the Internet and of using the new technologies to make purchases and manage her affairs. In a mere handful of Internet privacy cases to date, the courts have held against ANY protection for the average consumer. Using case law and well-accepted legal doctrines such as *Assumption of Risk*, the courts have pointed out that consumers have no expectation of privacy and consumers are taking no significant actions to assert any expectation of privacy. Asserting our right/expectation to privacy is the ONLY act that will overcome the legal theories that destroy our privacy. It can be clearly demonstrated that industry, given the opportunity, will advance a position that benefits them over the interests of their customers whenever these interests were not merged (such as privacy to data). There is no avenue for the consumer to advance this interest although, conceptually, he should easily prevail in showing a superior right to his own personal (nonpublic) information. Intrusion into our privacy comes at us from at least three directions, (1) our government and various federal, state and local agencies, (2) business and industry, our free market economy which is dependent on promoting our purchases of their products and services, and finally (3) thieves who seek to share our identity and to make us responsible for whatever benefits they can capture from our data – leaving our empty bank accounts and damaged credit ratings behind. The Privacy Army may enable actions to remedy these intrusions and will open up avenues to assert protections against risks in new technologies and new anti-terrorist laws that are non-existent today.

Chapter 4 – The Citizen Army

THE MISSION

The Citizen Army includes those Americans who desire the advancement of the values of our founding fathers as enumerated in the Declaration of Independence and the Constitution of the United States. The membership of this army likely exceeds 100 million and may be much closer to 200 million. The Army is one of the more identifiable networks, highlighted by citizens "fed up" with politics, with a feeling of powerlessness regarding directions in which our country is pointed by government, Wall Street, marketers and others that act as though they are in control of the country's future. The Army is beginning to sense that this control is not a foregone conclusion. The majority of the Army would probably agree with the following key beliefs:

- For the continued success of our Nation, government is important, politics is not.
- Constitutional government is the embodiment of our national heritage and culture. We acknowledge it as the controlling document to govern the affairs of our nation. We expect and demand that all those who govern will do so in alignment with the Constitution and we assert that any action lacking this alignment is contrary to our nation's goals and purpose.
- We acknowledge the religious imperative in our nation's founding, the importance of God to our founding fathers and His continuing influence in our daily activities.
- We recognize politics may be necessary for the functioning of government; however, we believe that citizens are the body politic and those holding paid positions in government are responsible to the citizenry and to the goals stated in the Preamble to the Constitution.
- We assert that a majority of the political process, the two-party system and of the actions and ideas of many politicians serve to separate us from the ideals of good citizenship, and to negatively influence our ability to be a good friend and neighbor to our fellow citizens.
- While we appreciate the benefits of access to information and entertainment afforded by the media, we also recognize that the media's primary goal is to benefit its shareholders and owners, achieve its goals of dominance over its competition, and prioritize these ahead of the interests of the Citizen Army.
- Finally, we believe that the founders of America established the Constitution to accomplish the goals stated in its Preamble, including:
 1. Establish Justice – Every citizen has the right to (five rights are listed)
 2. Insure Domestic Tranquility – The government will operate to ensure (two rights)
 3. Provide for the Common Defense – Government will protect (four areas are listed)
 4. Promote the General Welfare – We recognize that the general welfare of our citizenry will be enhanced by reasonable and limited Federal activities to promote/ensure (four)
 5. Secure the Blessings of Liberty for us and our children regarding (three freedoms)

INTRODUCTION

There is a growing realization among the citizens of the United States that unless there is a return to the fundamentals, a renewed attention to the beliefs and actions of our founders and a movement to deal with and remove barriers to this, our nation is in very real danger of a continuing demise. As the new century began, this was evidenced by an upsurge in conservative values as trumpeted in parts of the mass media and in the voting booth. Certain of the Constitutional goals are eroding in areas such as the judicial system, immigration and education. Citizens are losing patience with the politics involved.

Another element, more in the shadows and thus more dangerous, is the manner in which politics is used to separate the citizenry into Democrats, Republicans, liberals, conservatives, rich and poor. Many people cannot chance visiting with relatives or neighbors about politics for fear of damaging their relationship. In the workplace, the wise approach is seen as "neutral", any mention of things political can only hurt one's career track. Patterns of attack by politicians seeking to win some advantage over an opponent often prevent citizen dialog and hamper our working together on common interests to benefit the nation. Through it all, the media willingly joins in to accent and support the separation strategy, to conduct itself in furtherance of economic goals and ratings rather than providing the citizens with the communications they really need to make this a more successful nation.

The idea that forces are at work seeking to separate Americans into certain "camps" or voting groups is one of the most insidious activities experienced in the last 100 years – and it's a growing trend. In order to "win" a particular issue or secure certain benefits/rewards that accompany a specific result, politician, marketers, industrialists, stock promoters, etc. most often pursue the unfortunate strategy of separating us into "for", "against", or "undecided". Through surveys or other market tactics, they work very hard to track their status and thus measure their chances of success. This is advantageous for them in a number of ways. Tracking reveals their strengths and weaknesses, methods to attack the other side, tactics available for winning over the undecided, and ammunition for fund raising. In fact, politics owes its continued existence to the separation factor. In the end, the Citizen Army is not Republican or Democrat, not conservative or liberal – it is American.

PUBLIC CHOICE THEORY

There is a theory regarding the public economy called Public Choice Theory, developed by James Buchanan, a Nobel Prize-winning economist of the mid-Twentieth Century. During his intensive examination of politics and government, Buchanan observed that government is not the efficient, altruistic entity that it's often imagined to be. This is chiefly because government is administered by a group of elected individuals pursuing their private interests through taxation and regulation. A study of elected officials, seen through the Public Choice Theory looking glass demonstrated that the average politician is

driven by his/her need to maximize their income, provide for their family, and to protect their power and position vis-a-vis getting reelected, along with maneuvering for positions of influence and power. In other words, a politician is just like the rest of us – doing his best to earn a good living. Lobbying and similar financial activity that diminishes our social wealth is discussed, including the litigation lobby that results in plaintiff's bar being a fourth branch of government, achieving regulation through lawsuits (tobacco litigation as an example).

This public economic theory is used to build a case for the Citizen Army position of pro-Constitution, anti-politics. The discussion also compares using alternate approaches, including free markets, as a way to guide the activities of our public society. Enron is presented as a case study.

The job requirements of a politician are listed:

- 1 Promoting the U.S. Constitution
- 2 Protecting American citizens
- 3 Working to assist the American citizen to be successful, safe and happy
- 4 Promoting the party's position by winning today's issue (as measured by polling and the media)
- 5 Promoting the party's position by attacking the other side (measured by polling and the media)
- 6 Ensure the voter sees the difference in the parties views – indoctrinate to achieve separation
- 7 Obfuscate as needed to shift focus, shield voter from risks, non-beneficial aspects of supporting the party position on the topic
- 8 Examine topic for empowerment issues – can voter be directed toward feeling a political solution is superior to his own action?

Now . . . prioritize the list to put the party's own goals at top. To the extent the Citizen Army has sensed all of this to be probably true, the wind is beginning to change.

GOALS OF THE CITIZEN ARMY (FROM CONSTITUTION PREAMBLE)

The five goals of the Citizen Army are discussed

STRATEGIES AND TACTICS

Put simply, network armies achieve their goal by acting in concert, by group action as a community. As expressed by Clay Shirky⁶, Internet writer and consultant, in a technology lecture on network communities, a group generally becomes its own worst enemy. This is because it's impossible, says Shirky, to predict in advance what the network effects will be (while the network runs tactics in pursuit of its goals), and it's very difficult to mount a defense to, for example, a mountain of emails or an ocean of telephone calls made by the network to their respective legislators. Since the network is simply doing what the communications systems were designed to do, receive and route communications, it's not generally possible to program different technological responses based on the one-too-many emails. This is why Shirky stated that the network is its own worst enemy. The interesting thing is that the attack element (shutting down the phone systems in Congress or crashing their Internet servers) may be the very effect that serves the network in achieving its goal. Another even more interesting thing is that, in this example, the technology and the sociology cannot be separated. It's a classic network army event, fodder for the next cybernetics conference.

SEPARATION, CONFUSION, SURRENDER

Three major barriers that are continually put before the advancing Citizen Army are separation, confusion and surrender. These are discussed. The separation tactic divides 175 million citizens into camps, opposing groups, political parties, etc. Although transparent, this separation attack on the Citizen Army will be extremely difficult to defeat – having been established through many years of continued emphasis. The army will need to take inventory of that which all members have in common and to realize that commonalities are much stronger and of greater value than the differences they "suffer". Dealing with separation will also require hub services entities to provide the platform for attack (detailed below). Separation used as a strategy to win political advantage will come to be understood as intrinsically a bad thing. Another view of separation is that which lies between fellow members of the army. As hub services are launched, the bonding and common purpose of Citizen Army network members will be greatly enhanced. The army network is highly distributed with most members unaware of other members. The common goals shared among members makes internal member "separation" inconsequential. This is not a weakness to the army; on the contrary, it is a strength in the way it enables size and growth of the network

Confusion is another attack strategy used by politicians, lawyers and the media to thwart Citizen Army goals. Here, past history highlights success by those using confusion to slow down network activities, and to win in the Public Choice arena. Those who are against the goals of the army have managed to obtain

⁶ [Http://shirky.com/writings/group_enemy.html](http://shirky.com/writings/group_enemy.html)

agreement by us all that a "political" view of our government is appropriate and correct. By participating in the public process as "political" beings, we can be made skeptical about things we should believe in and hold dear; meanwhile, we blindly accept the entreaties of politicians as being true and good. What must be remembered is that, like a successful attorney, an adversary (e.g., a politician) will do or say anything needed to move his agenda one step closer to success – and is willing to deal with fallout later in order to win in the moment. And like the frog in the pan of warm water, we don't perceive the rising in degrees as the stove is slowly turned up.

The third weapon used to keep the citizenry "in its place" is the tactic of promoting a feeling of surrender, continually instilling a lack of responsibility. This is the most insidious of the three. When our politicians say "it takes a village to raise a child" or "we're all in this together", they are attacking the family and all of the constitutional values relied upon by the family. This contributes to the breakdown of the family and the promotion of big government. "If your family and your neighborhood fails", says the politician, "City Hall and Washington will help you." We're encouraged to abdicate our responsibility, to "give up" and look to government programs to get us through whatever we're suffering. Our founders didn't see government that way and assumed that we're all responsible citizens able to work together to reach solutions, supported not by tax/welfare dollars but by the freedoms of the Constitution they so carefully wrote. It becomes very tempting when one is out of work or cannot pay the bills, or is suffering from a split in the family – there's the welfare system, just waiting to help. Kay C. James, Secretary of Health and Human Services in Virginia, who authored the book *Transforming America: From the Inside Out* stated this eloquently when she said:

Real solutions are not political – politics will not fundamentally change this country. Our nation is only secure when it is honest, truthful and virtuous. It's tough medicine, but we need to get out of our easy chairs – love and discipline our children, be involved in our schools, be faithful to the call of God in our lives, be ethical in our businesses, and be involved in our communities. Welfare is our federal government telling us it will take over the responsibilities and obligations of our family and community. The government cannot be our parents, cannot teach our children about responsibility and character, cannot regulate individual behavior and create opportunities for every individual citizen.

In fact, it might be said that the only hope America has is in a social movement that is aware of Public Choice Theory and that promotes moving to a constitutional government view – not a political view. If successful in this goal, we will thereby achieve a return to individual/family/community responsibility – we will begin to remove confusion, the separation from our daily lives. And we will begin to erase the surrender, the abdication of responsibility.

CITIZEN ARMY HUB SERVICES

Hub services have a responsibility to decrease the army's dependence on politicians and journalists as our primary sources of information and reality. Can they really be the only ones who know what the citizenry really needs? While we all know that they cannot be totally trusted, that they often lie and deceive us, the big three (separation, confusion and lack of responsibility) tactics keep them in the winner's circle.

Examples of hub services provided by advocacy groups, non-profits, Websites. A description of each and method on contacting will be included.

WHY IS THIS IMPORTANT?

The close of this chapter will describe possible effects of Citizen Army activity and suggest trends to be created by these activities.

Chapter 5 – The Senior Army

This chapter will target the 35 million Americans over 65. The oldest segment, those over 85, is the fastest growing and could reach 19 million by 2050. This is a very important segment for attention for a number of reasons. The ratio of male to female decreases markedly in the senior years as does their need for personal assistance with everyday activities. The Senior Army will empower this group, will enhance their security and quality of life and, if the network is successful, will enable them to help each other and reduce the projected increases in government spending.

This network presents an example of a successful hub services entity, AARP. Formed in 1958, AARP has over 35 million members. The organization is very close to a pure example of providing typical hub services to a network army. The book presents discussions similar to those of prior armies in the following areas.

- The Goal/Mission (health, retirement, worth)
- Size
- The Players (political parties, special interest groups, industries)
- Strategies and Tactics
- Why Is This Important?

Chapter 6 – The Investor Army

ARMY DESCRIPTION

Over the last thirty years or so, Americans have become stock investors with a vengeance. Over 71% of us own stock – and since the dot com bust we've lost \$4.5 trillion dollars! The ethics of our financial advisers have given us much fear and anger to accompany our loss and related class action suits have skyrocketed – up over 100% in a year's time. This in spite of a 1995 federal law written to slow down such lawsuits (Private Securities Litigation Reform Act of 1995). According to estimates, 98% of all these cases are settled. Americans are angry about this and the Investor Army of 200 million Americans has taken form to express this anger and to seek the following goals.

GOALS

- To be dealt with honestly
- To feel that the management of "their" company is working on their behalf (or at least on behalf of the company itself)
- To be successful in their ownership/partnership with the company as evidenced by positive company income, dividends and stock prices
- To take any possible action to deal with adversaries and to protect their investments

There are two defining elements in the founding of America that set us apart from all history and that have characterized our place on the world stage – this continues to be the case, as this platform continues to be unique to the United States. First we are a Christian democratic republic; secondly, our existence is dependent upon being a free-market economy. These two were designed into America by our founders, in the Constitution and all other aspects of living in America at any time in our past are "downstream" from these two concepts. That is, nothing about being an American "works" correctly if the two elements are not allowed to guide that activity. If this is true, then anything that acts to change either of these elements is a danger to our nation. Working for a salary, spending one's time to earn a living is a defining characteristic of every American. It is however, quite a new idea for the average American to be spending his money to earn more money. Investing has reached critical mass in just the last 30 years, which accounts for about 12% of our nation's existence; the idea of spending our money to make money is a very new idea. Unfortunately, such investing has become mandatory because, on average, without longterm investments into retirement-focused plans, we can't "get by". This also is a new challenge for Americans, and the alternative to successful investing is turning to the government, looking to Social Security, Medicaid and other forms of welfare. It's valuable to remember that every dollar channeled through these welfare systems is a dollar taken away from our "bucket" of income.

Given the imperative of retirement investing, it will ultimately be unacceptable for the Investor Army to acquiesce to theft and mismanagement concerning such investing. Historically, the investor has had little to say. Communications and coordination of the investor network at any publicly held company was (1) controlled by management, (2) on a cycle that was annual (annual report and shareholders meetings), (3) conducted through agents that were controlled largely by management (stockbrokers, analysts, reporters, TV shows, etc.), and (4) absent any significant investigative (board room) oversight.

One of the challenges for the early participants in the world of network armies is to identify that there is in fact a network army at work and then to identify its goals. Perhaps the easiest method for this is to simply look around. What's in the news, what seems to be bothering people. Further what congressional investigations are being pulled together? What new laws are being written? Such observations will likely lead one to conclude there is an Investor Army at work with the purpose-driven goal of protecting the investor's funds that are entrusted to America's securities industry, for the purchase of stocks, bonds and other instruments offered by publicly held firms.

As the century turned, Wall Street and Boards of Directors seemed to lose control, to be caught in various business spirals creating huge losses and volatile audits. This was all probably inevitable. First came the invention of the mutual fund, followed by the disintermediation of the financial services sector. Everybody was selling everything and the high-technology Internet boom tried to move values as fast as the web could deliver a broadband packet. The unrealistic boom was revealed for what it was and along the way, unscrupulous CEOs and CFOs did their tricks. The backlash was comprised of new laws and an explosion of lawsuits. Driving this was the Investor Army and another instance of "we're mad as hell and we're not going to take it anymore"! The increase in investor lawsuits alleging fraud against U.S. Publicly held companies during 2001 rose between 60-120% (depending on various studies). Again in 2002 an increase of over 30% occurred. The high-tech sector produced entirely new types of claims, so-called IPO laddering schemes featuring collusion between underwriters and new companies to prearrange new offering prices – in order words, price fixing before something even existed that could have a price on it. The most frequent defendants were high-tech, telecommunications and media companies, but suits cut across all sectors from healthcare to Martha Stewart.

The days of an annual cycle and little oversight are over. The speed of dynamic updates to investor information are closer today to hourly than annually – a paradigm shift in responsibility and attention for the CEO/CFO. The Investor Army began by moving toward its goal in the most obvious way, by canceling their owner participation. But things have changed profoundly and so long as the Investor Army exists, business recovery and a bull market is dependent on industry aligning with the Army's goals. In fact, if the price of a company's stock is important to the company, managing the Investor Army goal is becoming at least as important as the Fed, interest rates, GDP, housing starts, unemployment figures, war, security, and so on.

In demonstrating that corporate America understands what's going on, Chief Executive Magazine's online site ran a story in June 2003 entitled "Network Armies" detailing "how to deal with them before they strike".⁷ If you have money in stock and believe you may be an Investor Army member, this article is a good read. The Internet is featured prominently as a favorite tool of the Investor Army. Perhaps most important, writer Amy Cortese mentions that criticism of corporations is nothing new – "environmentalists, nongovernmental organizations, religious groups, shareholder activists and labor unions" have faced off against the Board rooms for years. But there is a new consciousness – a new way of working together that creates a "bewildering, multiheaded foe".

The Investor Army emerged identifiable in second quarter 2001. Public concern with issues such as unconscionable compensation packages moved from concern to outrage. This issue may be the greatest challenge for CEOs and senior management. One CEO at a high-tech company (a leader in its sector) managed to bump his annual salary of \$300,000 up to \$35 million annually for six years by manipulating options. And the way these were reported in financials made one year's actual 29% drop in earnings look like a 21% increase. Adding insult to injury, the CEO converted every one of his own options to cash, thereby owning 0% stock in his company. The Investor Army is going to be demanding that CEOs everywhere work to raise stock prices for the right reason rather than to simply reach the strike price so they can cash in their options.

In a recent event exhibiting the Investor Army at work, Michael Eisner, head of Disney, went from "arrogant" to "confident" to "resignation" as Chairman of the Board of Disney Directors. This is discussed at some length.

The fallout has been evident in many publicly-held companies for the last several years. During May and June of 2002, over 125 corporations saw their CEOs resign. With increased scrutiny by investors, Board members and the government, new CEOs will get harder to find. There is a growing involvement by Boards of Directors. They're taking more responsibility, becoming more involved in daily issues and certainly becoming more independent of senior management.

Changes being demanded by the Investor Army include:

- 1 Treating stock options as an expense on earnings statements
- 2 Fair disclosure of information
- 3 Assistance with complaints, more proactivity from Mutual Fund companies in this regard

A study of network armies will sometimes point to a convergence factor, an apparent unfolding of the army and its goals that is self-perpetuating and coming from different directions. This may partly explain a new economic view first revealed and promoted by Yale economist Robert J. Shiller in his book *Irrational*

⁷ <http://www.chiefexecutive.net/depts/management/189a.htm>

Exuberance, a title taken from Alan Greenspan's description of the 1999 bull market. Economics, says Shiller, is more about emotion and psychology than data and numbers. Shiller's "behavioral economics" believes that the investor community will proceed down the path of the spirit and context of the times and the shared perception of the group. This seems to be another way to define and describe the Investor Army. More than that, Shiller is confirming the power of that army!

Behavioral economics is now, after Shiller's best selling book on the subject and the bust of the dot com/high-tech boom, an idea known to most all of the economic community. When Shiller says that markets can move based on collective beliefs and emotional perceptions, he sounds like a network army proponent of the first order. In fact, in the first few years of the 21st Century, stocks moved as often based on the behavioral momentum of large groups of investors as they did based on financial statements, annual reports and P/E ratios. Historically, Wall Street has believed in the "efficient markets theory" – the idea that stock prices efficiently reflect all the information that is known and communicated to the public; it's all sort of sensible and realistic. Does anyone believe that any more? Shiller has said, "efficient markets theory may lead to drastically incorrect interpretations of events."

Actually, the issue is not settled and Wall Street is probably not spending lunch time discussing the emotions or psychology of the Investor Army. This is a serious mistake. When the NASDAQ crashed in April, 2000, efficient markets theory could offer no explanation . . . the information hadn't changed, the dot coms were still upbeat and earnings showed no radical changes. The bottom line is that the Investor Army model is just one more possible way for economists to look at behavioral economics. But it's more than simply that. Remember, the network army acts based on purpose-driven goals. And these are more than simply a dollar of profit. Honesty, trust and success are key elements of the goal of the Investor Army – and don't forget the "mad as hell, not going to take it any more" effect.

Finally, if Shiller has the chance to read this, or otherwise be exposed to the network army idea, he'll see a matchup with his stated views about the Internet and current social interaction with technology. In an online "Frontline" interview, Shiller described a new "information economy" and an Internet effect causing integration of all markets on a global level.

WHERE TO TURN

A major source of assistance for members of the Investor Army is the Internet. Presented is a list of websites as a starting point, offering information, assistance and relief:

Chapter 7 – Other Armies

These are discussed in a similar manner to prior armies. These include the following:

DISABLED

1. 54 million Americans
2. \$175 billion in annual discretionary income

POST-RETIREMENT

1. Over 50 million Americans, projected to increase to 79 million by 2015

HISPANICS

1. Over 35 million, projected to double by 2030, under-served by marketing

SINGLE, NO CHILDREN

1. 168 million Americans (60% of the U.S. Population)

HEALTHCARE ARMIES

1. Patients
2. Healthcare providers
3. Agencies (government, non-governmental)
4. Pharmaceuticals

Chapter 8 – The Consumer Army – Effects on the Marketplace

This chapter serves several purposes. The various network army members will see that every network, every set of goals is impacted by the marketplace. This is because, as said earlier, the two defining elements of the United States are that we are a Christian democratic republic; secondly, our existence is dependent upon being a free-market economy. Any of the network armies will be more successful acting in pursuit of its goals if it stays aligned with these two national characteristics.

Another primary interest in this chapter should be focused from those who own their own business or who have decision-level responsibilities in marketing, IT, legal, or customer service with their employer company. The primary interest should also come from homemakers and family adults who seek a successful functioning family.

CRM, NEW DATAMINING TRENDS, DATABASE MODELS

CRM (Customer Relationship Management) is where marketing has landed during the last several years. It has been recognized that, with many products, a lifetime value of a loyal customer can be measured in dollars and that becomes the focus of the relationship with that customer. Marketing departments have discovered that it's cheaper to keep a customer than to go hunt down a new one and pull them into a purchase. This is especially important in a longer purchase cycle like homes, cars and major appliances. We don't buy a car every year so GM really wants to be sure that every GM customer stays with them for the car. Customers are tracked, managed and manipulated during their ownership cycle.

Collecting and utilizing data almost develops a Hollywood plot line. Clickstream data (Internet surfing data) has revealed that when a consumer first looks at a car Website, the automaker knows how to follow the most probable activity line and knows when to jump in to grab for a sale. For example, a first time looker will spend a relatively long period on the site, will open flash movies on various models, will go into 3-D pictures of the interior, etc. When the consumer makes several subsequent visits to the site, the automaker can track this and determine what the consumer is doing. The visits will become more frequent but of shorter duration. Then the consumer goes to the payment calculator page to play with monthly payment possibilities, then perhaps fills out a contact page or an online initial credit approval. It's time for the automaker to give them a call, to alert the local dealer to a hot prospect, etc.

In another example, review of consumer profiles finds a high correlation between owning a Jaguar and preferring red wine. Suddenly, certain consumers in specific zip codes of homes with a certain value who are identified as red wine drinkers (and who don't own a Jaguar) are targeted and contacted about “special deals” at their local Jaguar dealer. Consumer datamining is vital in today's marketing environment.

WALMART

Walmart presents a stellar example of network army marketing. Their business model has been described as being focused on disintermediation and this is correct; however, disintermediation is but a tool to assist Walmart in establishing the handshake with the membership of the Consumer Army.

INSURANCE (CHOICEPOINT)

The personal data available for sale is shocking to many people – the Privacy Army will make all of us aware of such activities as the prominent data collection firm that serves up all insurance claims data of private individuals to subscriber insurance companies, which can examine in detail your insurance experiences before they approve a policy application – and perhaps price the policy in accordance with their perceived risk. Choicepoint also offers subscribers access to more than 17 billion current and historical records on individuals and businesses, with instant browse access using only a name or Social Security Number. They describe themselves this way on their Web site:

ChoicePoint has grown from the nation's premier source of data to the insurance industry into the premier provider of decision-making intelligence to businesses and government. Through the identification, retrieval, storage, analysis and delivery of data, ChoicePoint serves the informational needs of businesses of all sizes, as well as federal, state and local government agencies.

WHY IS THIS IMPORTANT?

There are numerous business environment changes (made possible largely by technology) that act to equalize the playing field for small and large businesses. The Internet is one of those changes. It's quite possible that the most significant change over several decades will be the use of hub service marketing to network armies by both small and large businesses. What would happen in your business if you identified the user or consumer armies who formed your customer base, determined the specifics of that army's purpose-driven goal and took on the hub services required by those goals? There may be value in identifying and playing to ancillary armies, also. Anyone to whom marketing products and services is critical will value a look at the contents of this book and the opportunity to try out the marketing tactics used by Walmart.

Chapter 9 – The Bottom Line

CONCLUSIONS

(Under development)

FUTURE – PROBABILITIES & EXPECTATIONS

(Under development)