

## J. Michael Locke

### Musings

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#### #66: It is Alright to Beat the Dead Horse May 28, 2020

Not sure where the saying came from, but you hear “don’t beat a dead horse” sometimes in business. I disagree. When diagnosing the reasons for a failure, beat away.

I have previously written that most individuals are conflict averse. They would rather move past conflict to reconciliation. Most humans also don’t like to dwell on the negative. People are inherently attracted to positive thinking. However, if you want a learning culture you can’t always do this. If something goes wrong, you need to figure out why. This may mean discussing something bad and uncomfortable for a while.

I am experiencing this real time right now. An idea which I promoted at one of our companies has caused problems. I am trying to figure out “what went wrong.” That is an important part of learning as an individual and as an organization. It would be easier to move on, but that would reduce long-term growth. So, I have asked for multiple follow-up calls after the initial surfacing of the problems. I will stay “on topic” until I can mentally reconcile what I got wrong with the idea. Mistakes happen. That is being human. The same mistake happening twice is a failure to learn and not acceptable. Beat the dead horse until you have learned.

Often, the problem comes in implementation and dynamics between individuals. To work on this, you must get the relevant parties on the phone or in person at the same time. I would recommend this as a basic technique whenever there is discord between individuals. Don’t provide a listening ear while one person complains about another, get them together hashing it out in front of you.

“Going wrong” can mean financially underperforming plan. A good practice is to maintain your original projections or pro formas which justified an investment or supporting pricing on a new client. Then, go back and compare actual results to these initial models. I know some good private equity professionals who go through the “underwriting” process on their investments every year even after they have been made. This discipline of going back and figuring out where you got things wrong helps improve your game.

Be safe. Work hard.

jml

#### *Second Thoughts*

Astronauts were scheduled to be carried to the Space Station yesterday on top of a SpaceX rocket. Getting lots of coverage because it is the first time a private company has operated the rocket

rather than NASA. A positive development. If private enterprise will do it, why does the government need to? I trust a good private company way more than I trust the government to do something well.