

J. Michael Locke

Musings

#70: When to Go First June 1, 2020

Before turning to today's topic, I have to comment on the unrest over the weekend. In my opinion, a large part of the frustration expressed is a lack of economic opportunity and participation. It is hard to be vested in the positive development of your community if you have no money, no job, no house. The employment rate and home ownership rate of communities of color are materially lower. We must ensure all get a good education and skills to participate in today's knowledge economy. As I have written, the Covid-19 crisis has provided significant visibility to this disparity. Now to today's leadership comment.

Sometimes in a group setting, it is not predetermined who should go first. As a leader, let me recommend when, and when not, to go first.

I think it is a good practice to go first if your contribution will show by example it is alright to fail or be wrong. This is an important statement for the team to know. At one of our companies, we had an outside coach who wanted every manager to identify his or her biggest mistake and to offer it publicly to the group. The leaders went first to set the tone.

I also think it is good to go first if you are getting personal. When interviewing, I seek to provide some type of personal or intimate comment about my own life in hopes the person being interviewed will reciprocate. The HR people will tell you that you should not ask personal questions but if you volunteer personal information first, most individuals will reciprocate.

You should *not* go first when there is going to be some type of vote or seeking of unanimity. For instance, if you get a group on the phone discussing a potential new executive that everyone interviewed, you shouldn't go first because that will "taint" the process as folks won't like to disagree with the boss openly.

You should *not* go first when negotiating. Let's say you are selling. You don't know what value the potential buyer may put on the business, ask them to make an offer first. Also, some individuals negotiate by never taking a position. Be careful not to negotiate with yourself. If you have an offer on the table and they simply say they don't like it, make them put up a counter. You have to be patient. From expert negotiator Stan Goldblatt: *In negotiations, it is particularly important sit still and be quiet – sometimes to the point of creating discomfort. Everything the person across the table says is important and sometimes uncomfortable silences produce amazing results. Being quiet and listening adds greater weight to what you do say.*

Don't go first when setting a deadline for a team member to deliver a work product. Ask them when they can have it ready. This may be an earlier date than you would have requested and puts the

establishment of the deadline on them so they can't complain. If you have hired right, the team member will want to "impress" and put up an aggressive date.

Be safe. Work hard.

jml

Second Thoughts

Consumption is 70% of GDP. U.S. consumer spending [fell by a record 13.6% in April](#), the steepest decline for records tracing back to 1959. Not good.

With all of the retail bankruptcies, it is important to remember there are two types of bankruptcies: Chapter 7 which is a liquidation bankruptcy and Chapter 11 which is a reorganization bankruptcy. Most of these retailers will be Chapter 11 where the equity gets wiped out, they can close stores and not be stuck with leases and will stay alive just with the debt holders now owning the company. Some may start at Chapter 11 but then have the debt holders decide they would rather just take the liquidation proceeds (ex. Toys R Us).

Interesting world when you don't know who is really making things. Those GE appliances are not made by GE. They sold the business years ago and just licensed the name. They just did the same with their lighting business. The GE rotation out of consumer towards infrastructure and aviation doesn't look so hot right now.