

J. Michael Locke

Musings

#83: Don't Miss your Deal Window and Taking a Break June 16, 2020

The daily musings have run their course. I think the recipients and I both need a break. As one reader shared, "reading your musings has become like work....too much." This will mark the end of the daily distribution. For those of you who joined during the journey, old musings are at <https://gilesrichard.com>. I am going to come back after July 4th with Saturday Musings (not daily). If you would like to come off the list, just email Jennifer.walsh1@collegiseducation.com.

There are times when two parties can reach an agreement and do a deal. Usually, that is not a permanent state but rather a temporary one. Don't miss your deal window. Get it done.

This may be a business deal between two companies or a personal deal between two individuals. These windows of opportunity can disappear. One party might change his or her mind or something might happen "externally."

On the corporate transaction side, even if you have "signed a deal", you want to get it closed. Most contracts have a "Material Adverse Change" or MAC clause which allows the buyer to get out if something big happens – like the Coronavirus. Or maybe you have a signed LOI which does not formally commit the parties in which case either can walk away. Get to closing as fast as you can to reduce risk of external events or a competing bid.

The hiring of a key executive is "a deal" where you want to get closed. This means having a start date earlier rather than later, and getting them out of their current employer. I am a fan of coaching new hires through the process of their resignation from their current employer – remind them why they are leaving, get them nailed down on a date, and call them that afternoon and make sure it went alright. Good employees often get counter-offers to stay so your deal isn't done until your new executive is showing up every day at your company.

When selling B2B, if the potential buyer says yes, shut up and stop talking. Then, get your deal paperwork completed asap. Don't let it linger in legal. Once the buyer has committed, get it papered as soon as you can so things won't change.

Look for a new musing July 11.

Jml

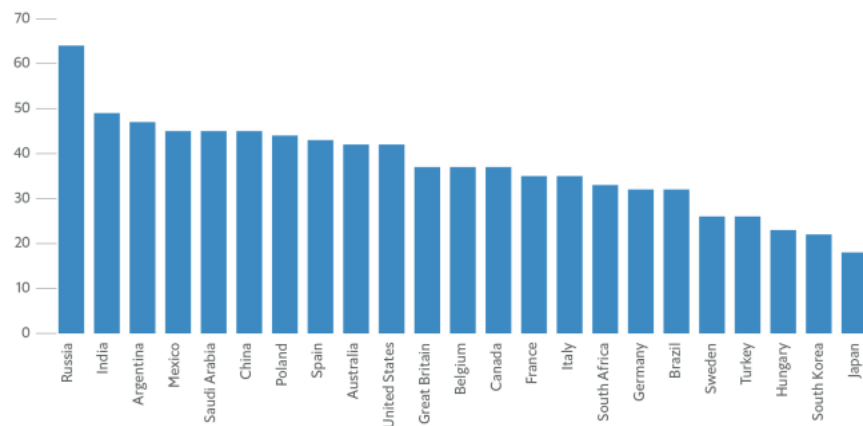
Second Thoughts

Great to see Neil Gorsuch surprise everybody on the application of non-discrimination legislation to the gay and transgender communities. Good judges are not political. It is about the law passed by Congress.

I wrote about a loss of trust in institutions. We also are simply losing trust in each other. David Brooks recently commented on the PBS Newshour that “if you ask Gen Z are most people trustworthy, 65% say no. If you ask them are most people selfish and out for themselves, 73% say yes.” Don’t think this is just a Gen Z issue. Interesting, and sad, chart from the Economist below. We all need to spend more time with our neighbors and go to church.

In people we trust

Percentage of people who think ordinary men and women are trustworthy in their country



Source: Ipsos (2019)