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Musings

#84: Patience July 11, 2020

Hope everyone had a good break from the musings. No more daily distribution. Musings will now be Saturday only going forward.

Usually, I would argue that impatience is a key quality of a good leader. An impatient leader will push to move quicker and not allow any imperfections to sit unaddressed. They will ask “why is this taking so long?” and set up weekend calls so the organization can move quicker than its competitors.

However, right now is a time for patience. The external environment we are all operating in is volatile, unpredictable and emotional. We have three significant crises – the Covid-19 pandemic, the economic collapse and the racial unrest. The world changes from January to July have been massive. No one really knows what lies ahead public health wise, socially or economically. Basic institutions like a police force are under question. This uncertainty creates anxiety. With the previously discussed decline of church and local community, the role of business leaders is more important than ever.

Leaders must be sources of calm and patience. Resist the fever that gets created by the 24x7 mainstream media which now reports on social media. IMO, social media is like the Id and right now there is no Ego or Superego (for those who don't remember their psychology class <https://www.simplypsychology.org/psyche.html>). The pressure can be intense but leaders must be patient and focus on the long term. Hopefully, your company has a “true north” which is known to all employees and a culture of authenticity. This provides a foundation to have open, honest dialogue. Communication should be robust and all voices should be heard.

Don't make any rash decisions. Certainly some decisions can be made – brands like Aunt Jemima need to go away. But don't make any big decisions on a rushed basis --- like Facebook/Twitter announcing they were moving to entirely remote workforces (ask Yahoo and Best Buy how well that worked).

M&A is a tricky area. One would argue for patience and being very careful about buying or selling. Ken Lewis thought Bank of America was getting a steal on Countrywide during the credit crisis but what a disaster that decision was. That said, companies will be available for purchase at better terms than historically existed and some good acquisitions can be done. It is hard to believe that debt capital will get any cheaper.

Rationality will return to our world. While the media is driving polarization supported by big data, the middle will get reestablished. If nothing else, it will because there is a business opportunity. The new CEO of NBCUniversal (Jeff Snell) has been reported to be looking at taking CNBC into primetime programming to appeal to moderates and libertarians (see announcement on Shepherd Smith last week).

We also need to be patient even within our own families. There is much discord as everyone tries to be their own epidemiologist and figure out the Covid issue. Sibling 1 might feel different than sibling 2 about getting together with Grandma. Good WSJ article: [families coronavirus conflict](#) . Don't lose sight of the big picture. Be patient.

I would also be patient with your investing. The stock market doesn't make sense to me right now. Lots of economic fragility and the Fed is buying corporate bonds to push liquidity into the system yet the equity market notches daily new records. I wouldn't chase it. Leave extra in cash.

Final note. I was one of the ignorant on "Juneteenth." It was on my Microsoft automated list of holidays and I never bothered to look up what it was. Great history lesson for me and our family. I am all for making it a holiday.

Be positive and patient. The world needs it.

jml