

## J. Michael Locke

### Musings

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#### #96: Musing October 10, 2020

Monthly job report shows the continuing bifurcation of our labor market and the “K shaped” recovery. Professionals with white-collar jobs can work from home while the hospitality, restaurant and service sectors get crushed. From WSJ: *“By September, workers with bachelor’s degrees or higher had nearly fully recovered jobs lost in early spring. But those with just a high-school diploma held 11.7% fewer jobs in September than in February, according to Labor Department data, and high-school dropouts had 18.3% fewer.”* The majority of Americans do not have savings to fall back on. According to the Fed, 47% of Americans could not pay an emergency \$400 expense. *“Financial insecurity or, as I think of it, “financial impotence,” because it has many of the characteristics of sexual impotence, not least of which is the desperate need to mask it and pretend everything is going swimmingly. In truth, it may be more embarrassing than sexual impotence. “You are more likely to hear from your buddy that he is on Viagra than that he has credit-card problems,” says Brad Klontz, a financial psychologist who teaches at Creighton University in Omaha, Nebraska, and ministers to individuals with financial issues.”* See [my-secret-shame](#) (thanks Dave Heyer).

Leaders need to be really focused on engagement and zoom fatigue in this remote world. General Stanley McChrystal: *“Many of the things we do in the workplace are nonverbal,” he said. “We’ve got to find ways to fill that void now—what’s not happening. We’ve got to remember that we’re all separated, and many people feel very, very alone.”* The conference call is making a comeback. Productivity may be the same (or even up with one third of companies reporting productivity increases) but you need employees to be emotionally engaged and connected. Time to open offices back up with appropriate protections.

Great quote from Simon Sinek, an executive coach according to WSJ: *“Crisis is the great revealer,” he said, adding that an often overlooked aspect to leadership is the ability to humble oneself. “Humility is being open to the ideas of others.”* I think this applies to leadership of any organization. IMO schools which are well run are open for business with students attending classes with hybrid formats and having sports with managed risks. Younger people do not generally have a problem fighting the virus. Good statistics in this article. [group-most-likely-to-get-covid-19-is-least-likely-to-die-from-it](#)

House democrats released a big report calling for breakup of big technology companies on antitrust grounds. Key issue is where they use their platform to then push their product like Amazon using data on what third-party products are selling to decide what to build and sell itself. Good article a couple years ago in the NYT on how Google quashes competition by how it displays search ranking (it controls over 90% of search traffic). [the-case-against-google](#)

I have written about my concern of social media on kids. Netflix documentary called “the social dilemma” on the topic. This software is intentionally designed to manipulate the brain. Interesting interview here: [former-google-design-ethicist-on-big-techs-big-problems](#)

On the positive side, Microsoft making some improvements in outlook. I have previously written how a leader needs to control his/her schedule and be a schedule maker vs a schedule taker. I don’t think you should allow others to book time on your calendar. Only you can determine the priority of your time and whether to accept a meeting request. George Fogel shared with me that Outlook 365 has a new feature that lets you “automatically schedule daily focus time.”

Companies on calendar year all heading into budgeting. My two cents on some best practices. The board should work with CEO on setting guardrails. Ideally done on a multiyear basis. Sales/bookings need to grow faster than GAAP revenue which grows faster than expenses. After guardrails set, management team nails down the revenue line first by building up your bookings plan ideally by product and channel using historical sales productivity. If you are in a SAAS business, use CAC/LTV metrics. The expense budget should “fall out” of the revenue budget. Expenses should be assumed to have increasing productivity. A given resource should be able to do 10% more next year vs this year because they do it better. Implicit assumption on learning and growing and improving. To quote my mentor REK, “margins are a state of mind.”

Be safe.

jml