

## J. Michael Locke

### Musings

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#### #98: Musing October 31, 2020

Great to see such a turnout for voting in Tuesday's election. Civic engagement is a healthy sign of a community. I hope everyone can be patient as the election results are likely not to be known for a while with the counting of mail in votes.

Watch the Covid fatigue. Governors need to be careful not to "overplay" their power to limit citizens behavior. Here in Illinois, the state high school association decided to have winter basketball despite the Governor's directives. Chicago Tribune headline "IHSA won't play ball with Pritzker." I like the move in France and Belgium to reduce quarantine time to increase compliance. They are reducing quarantine from exposure to seven days rather than 14. While it increases risk for that individual still spreading, the community risk will be reduced through higher overall compliance.

California Governor going to the other way. He released guidelines requiring the host of any private gathering to limit attendance to no more than three households and the duration to no more than two hours. Does he really think the government should tell its citizens they can only have their grandma and two siblings but no more for Thanksgiving?

Turning to management. As a leader, don't allow "victimization." If a member of your team starts blaming other people or factors, cut them off. Individuals must manage those dynamics. This is why the group learning method in business schools is so effective. You learn how to manage having a suboptimal member of your team and still deliver outcomes. You also must manage the environment you operate in by "looking around the corner" and predicting things with decent probabilities and making contingency plans. It can be simple things like flying in the night before an important meeting so you are not dependent on the morning flight being on time or leaving early for a car commute in case you hit a train. Or having someone read back your order so you can ensure they got it right. Good operators are held accountable and are never victims. They simply get the job done.

The economy in general is coming back. GDP grew 7.4% in the third quarter from the prior quarter. However, prior quarter was a record decrease so still have a way to get back to pre-pandemic levels. Current surges in Covid and resulting government "lockdowns" are going to hurt.

Tech continues to be an area of strength in earnings season. The Amazon juggernaut continues. Revenue soared 37% and profit nearly tripled propelled by strong online sales as well as digital advertising and growth in its lucrative cloud-computing arm. Facebook revenue grew 22% based on strong digital advertising. Not to miss out, the Alphabet empire was clicking. *"Helped by stay-at-home trends, YouTube pulled in more than \$5 billion in advertising for the first time, gaining 32% over the same period a year earlier. Google Cloud revenue climbed 44%, topping \$3 billion for the quarter. Even "Other Bets," a company category that includes areas such as self-driving cars and internet hot-air balloons, eked out more revenue than previously."*

A positive social move by Apple. According to the WSJ, *“Starting in early 2021, Apple’s operating system will require apps to get “opt-in” permission from users to collect their advertising identifier, a key number used to deliver targeted ads and check how ad campaigns performed.”* The beginning of the pushback on the addictive nature of social media as discussed in previous musings and “The Social Dilemma.” Per last week’s comment on the power of the default position, opt-in will create far fewer participants than opt-out.

Happy Halloween.

jml