

J. Michael Locke

Musings

#101: Musing November 21, 2020

As I have written, I believe Biden won mostly due to the “turnoff” nature of Trump’s style and personality. One quality emphasized by Biden was empathy. Leaders must be empathetic and see the other person’s point of view. However, don’t confuse empathy with being nice. A leader’s job is to be respected and followed not necessarily to win a popularity/nice contest. You have to make decisions that may seem unempathetic (like firing a nice person who is not getting the job done). Good article on this in WSJ: [joe-biden-promises-empathy-but-thats-a-difficult-way-to-lead](#)

Part of getting the job done is creating the culture of accountability. I am a big fan of having an IDR (individually directly responsible) for every area or project. It needs to be a singular IDR. If two people own something, no one owns it. That IDR then needs to have the room to execute. I used a technique to create ownership forms which were signed by the IDR and myself showing the areas of ownership, objectives and ways of measuring success. It was like an accountability contract. Then give him or her room to operate. Don’t abdicate your responsibility but delegate and inspect.

I have espoused the move to a “digital first” world and how it has been accelerated by Covid. However, that does not mean that bricks & mortar doesn’t have a role. A network of smaller but highly-visible locations support an overarching online approach. Like branches for a bank. Great quote from the former CEO Kate Spade, “Stores are a demand-generation machine.....Consumers don’t automatically go to your website. It’s very expensive to get the eyeballs.”

Fascinating to see development of a Twitter alternative by the libertarian/conservative crowd. Parler is one of the most downloaded apps right now. No content algorithm, no vetting of posts. Just a free for all. Maria Bartiromo is one of the most followed. Is America going to divide into two camps on what applications they use?

One of the brightspots of Covid business is mixed paper recycling. Originally, the waste haulers took your recycling for free because they could turn around and sell it. That market collapsed and you started having to pay for recycling pick up because the waste company had to pay to get rid of it. Mixed paper recycling is back big time. Prices for mixed paper have risen from zero at the beginning of the year to about \$30 a ton this month according to WSJ. [all-those-used-delivery-boxes-are-a-hot-commodity](#)

One of the downsides of Covid IMO is the accelerated move to casual dressing for work. Before you mutter “old school,” there is actually a scientific term for the interplay of how you dress and how you work. It is called “enclothed cognition.” Obviously Mark Zuckerberg doesn’t believe in it. From Wikipedia: **Enclothed cognition** is a term coined by Hajo Adam and Adam D. Galinsky in their experiment from 2012. It relates to the effect which clothing has upon a persons mental process and the way they think, feel, and function, in areas like attention, confidence, or abstract thinking.

The “Covid dilemma” is a real lesson in risk evaluation. A key executive skill is the management of risk. Not the avoidance of risk but the thoughtful management of it. We constantly have to make decisions which involve risk and the amount of risk to take depends on the context. We are in “open enrollment” season where families must decide what plan to take from their employer and that involves the allocation of risk between the insured and the insurer. A high deductible HSA plan puts more risk on the insured. Be thoughtful and review historical medical claims and your current finances to figure out how much monetary risk to take. The financial markets are all about risk and return. Personally, the positive vaccine news means to me indicates you can take more risk and invest in stock/equity vs debt or other safer investments. Target date funds assume a risk tolerance based on your retirement age and move the asset allocation between equity (higher risk appropriate for those with longer horizons) vs debt or cash. You want your executives to take “smart” risk. Size up the environment and look at the alternatives.

Back to Covid, the extremes are the easiest but need to be avoided. You can’t lockdown nor ignore it. Be thoughtful about the risk. Personally, I think you see friends outside. Sit a little further apart. Maybe hold off on seeing older friends. Wear a mask. Quarantine for 4-5 days (that is when most symptoms develop) if you think you have been in a riskier situation (obviously full 14 day quarantine if close contact with a positive individual). Get tested every now and then, even when no symptoms.

Happy Thanksgiving. Be safe. This will end next year.

Jml