

J. Michael Locke

Musings

#128: Musing May 28, 2021

Getting an early start on the holiday weekend. Some who have joined the Musings “along the way” have asked about older ones. A full compilation (for those looking for boring weekend reading to fall asleep) can be found here: <https://gilesrichard.com/>

I just don't get pharmaceutical companies marketing directly to the consumer. In one sitting watching TV recently, I was told about Stelara for Crohn's disease, Ubrelvy for migraines and Trulicity for Type 2 Diabetes. Do people really go in and ask their doctor for a specific medication? I guess I am more trusting and take whatever the doctor orders. Most insurance policies require generics anyway. Want to reduce the cost of prescription drugs, get rid of all the money spent on TV commercials (as well as PBMs – Pharmaceutical Benefits Managers which are hugely powerful middleman in the supply chain to places like Walgreens).

Is it time to update the HIPAA privacy protections (the Healthcare Insurance Portability and Accountability Act)? They were implemented by Clinton during the AIDS epidemic to protect those suffering from negative insurance actions. It has become a huge part of business processes as tech firms must ensure proper encryption and providers have to be careful about what they say. University health centers can't talk to a parent about her 18 year old kid without a HIPAA waiver. It held back telehealth. Personally, my view is that Google and Facebook know a lot more about me than the hospitals and doctors. No one is protecting that data.

The discussion about when / how to return to work continues. According to a McKinsey study, “the majority of executives expect that (for all roles that aren't essential to perform on-site) employees will be on-site between 21 and 80 percent of the time, or one to four days per week.” [what-executives-are-saying-about-the-future-of-hybrid-work](#) The author of a New Yorker piece thinks companies should pay for a “third place” for people to work from (not office nor home) with some interesting comments about the higher level of distraction at home because of the stronger emotional connection to the surroundings. [remote-work-not-from-home](#) (thanks Jean Locke)

The conference call is making a Mickelson-like comeback. [stop-with-the-video-chats-already-just-make-a-voice-call](#)

According to a study, FedEx deliveries were 71% on-time in April. US postal service was 90%. When the post office is beating you, not good.

I believe great coaches are great leaders and there was no one better than legendary European soccer manager Sir Alex Ferguson. A new movie about him “Never Give In” has just launched in cinemas and on Amazon. Here is a good quote from him:

“Psychology, I’ve never considered part of my job. The management thing is based on communication, loyalty and trust. When I went to Aberdeen, you have to give your trust to the players and you hope in time you get it back. I did exactly the same at United....My communication was really important to me, recognizing and valuing my staff. I would never let anyone pass me in the corridor or in the dining room without saying ‘good morning’. If you think back to when we won the league or the cup or whatever, I had all the staff in the dining room on the Monday. It was their cup. If you value them and give your consideration to the job they’re doing, they’ll pay you back.”

Professional relationships are just like personal relationships --- you must give as much as you take. Too many professionals forget the need to invest in a relationship and “give” by doing things like sending something to read which might be of interest to someone else’s business, referring a potential employee or client, giving some business, waiving a minimum investment level or just offering advice. I don’t believe in the RFP/procure at lowest cost/don’t do business with friends model. Quite the opposite – I say pick some good partners and build your respective businesses in a mutually beneficial way.

Great line by a stock market pundit – “Robinhood is like Tinder for investing with easy swiping, but the big difference is you can’t get rejected.”

The failures of corporate governance continue at WeWork – the “Billion Dollar Loser” Adam Neumann gets another \$245mm out of SoftBank. They agreed to reduce the “participation threshold” for his “profits interests” which is like lowering the strike price of an option. Profits interests are a way to give the recipient capital gains tax treatment for an incentive equity vehicle. Options get taxed at normal tax rates. Neumann showed great skill raising \$11 billion to create a company worth \$9 billion! The reason he has leverage on SoftBank is because he created a dual-class stock structure which gave him extraordinary voting (and thus control) rights. IMO investors should run away when they see the Napoleonic dual-class move.

While I don’t consider Heather and I to be “free range parents” who would let our 9 yr old ride the NYC subway alone ([i-let-my-9-year-old-ride-the-subway-alone](#)), we do think providing greater autonomy is important to develop and too many parents are busy “snowplowing” – as in, getting all obstacles out of the way. Kids need to learn how to figure things out and make mistakes. Cell phones have de-risked a lot of this (if they get lost, they can actually just call you). Out of a place of love, too many parents IMO are making life too easy for their kids. We are now starting to see it in the workplace with anecdotes of interns quitting because they didn’t like the negative feedback on performance or parents actually calling HR departments. [how-can-hr-deal-with-parents](#). Toughen up America, let your kids fail!

Watching Phil Mickelson win the PGA last Sunday (the oldest winner of a major US golf tournament ever at just 50), I couldn’t help but be amazed how many people waste important moments focused on their cellphone camera recording instead of experiencing the situation. Put the phones down and be in the moment.

RIP Instagram likes (or at least those who want them to die.) Facebook is rolling out a setting where likes can be hidden. Our youth’s obsession with the number of likes in the social media world is not healthy.

Happy Memorial Day weekend. Thanks to our active service members and veterans for their sacrifice.

jml