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Musings

#146: Musing October 1, 2021

With all of the discussion of remote or hybrid work, I encourage readers to focus on work-life *integration* vs work-life *balance*. Technology has eliminated the “segmentation” of our lives between work and home. First it was voicemail (remember the days of pink slips with messages that came into office after you went home?) then email then cell phones. Executives can now be contacted 24x7 and the speed of commerce has accelerated, so checking emails, etc. at night and on weekends is now expected. Personally, I don’t believe top professionals should ever turn on their “out of office email message” and should respond to emails within a couple hours on nights and weekends. I have the honor of interacting with some very successful executives later in their careers and they still are “online” all of the time as that is just part of having an important role.

The key is that work can’t become all-consuming so that no personal life exists. You must *integrate*. Professor Stew Friedman at Wharton has created an entire institute on this --- <http://worklife.wharton.upenn.edu/>. He believes there are four aspects of life that must be balanced: work, home, community, and the private self (mind, body, spirit). I have heard others describe the same four as a “cross” that must be balanced. One key is pulling the non-work segments “into the workday”. Run your errand, work out or attend a volunteer meeting in the afternoon. Work doesn’t get to push into evenings and weekends and still hold exclusivity on 8am-5pm Monday through Friday. Integrate!

Most companies have a fiscal year which matches the calendar year. As we head into Q4 and the annual budgeting process, keep your eyes on “run rate”. If you are growing, you have added expenses during 2021 but the annual 2021 results will only reflect part of that cost increase. It is key to look at your annualized run rate expense number by taking the latest month x 12 (or Q4 forecasted x 4). Same on the revenue line (if you are a recurring revenue business) as you have added or lost clients during 2021 which is only partially impacted. This run rate tells you where you are headed into 2022.

As you run the budget process, I recommend setting guardrails for revenue and profits. Don’t just ask for first cuts from the team without any guidance as this will result in a long wish list of expense increases and the whole budgeting process will be about dialing that back in. One CEO I have worked with always started with a productivity improvement assumption. His view was that employees should constantly improve so absent external factors, their productivity should go up like 10% and that should be assumed. Great cultural result if you can get a relentless focus on improvement. Some CEOs also like “zero-based budgeting” where the department leader must defend every staff member and expense rather than taking existing spend as a given that gets added to. Finally, get external benchmarks. What our “market margins”?

Great quote from Bill Shaddock (successful TX businessman): “*Your ability to build and maintain relationships will determine your professional and personal success.*” Couldn’t agree more and that doesn’t happen over Zoom.

Never underestimate the power of a positive culture. When organizations develop it and leaders drive it home in every interaction, wonderful things happen. We recently experienced it when visiting our daughter at TCU. The faculty and staff there are committed to providing students (and all constituents) a vibrant, enjoyable college experience. You see it in every interaction – whether asking a faculty member a question or having a young staffer walk you to where you need to go when you are lost. Kudos to Chancellor Boschini and his team. Go Horned Frogs! (that is right, quite the mascot).

Part of creating a positive community is focusing on support and encouragement rather than division. I strongly disagree with the developing models of “turning every citizen into an enforcer” whether it is the new TX abortion law or schools where students are encouraged to “turn other students” in for behavioral issues. Let’s focus on helping each other like the rule of improvisation of “I got your back”.

According to Scott Galloway, 43% of tech companies now go public with a dual-class structure. That is crazy. In a dual-class structure, some shareholders have a type of stock with superior voting rights so although those shareholders might be in the minority from an ownership perspective, they still control the business through enhanced voting rights. IMO, if you want access to the public equity market, you should have to adopt a one share – one vote model.

Watch the growth in non-alcoholic drinks. [an-ex-drinkers-search-for-a-sober-buzz](#)

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