

J. Michael Locke

Musings

#160: Musing January 7, 2022

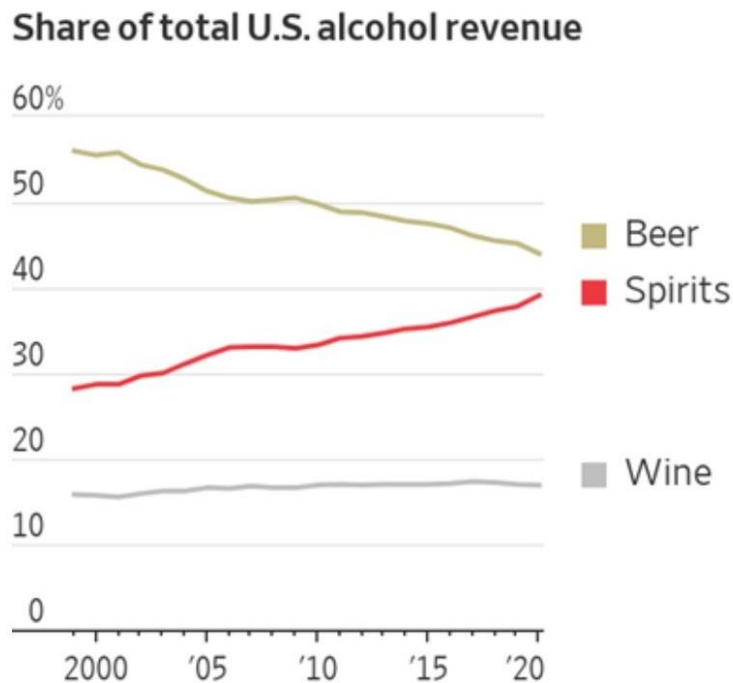
I am always amazed by how many companies drop the ball on simple customer service. They understaff their help desk and support lines, don't communicate what is going on or leave you standing in a long line to check out and spend money with them. Companies spend enormous amounts of money attracting clients but then treat them poorly when the client wants some help. My colleague Jennifer spent 1 hour and 34 minutes waiting for someone to talk to at United Airlines...they kept pushing "go to our website" but in this situation, the website could not be used. I battled the Carvana "text bot" as they sought to use AI to answer my questions. Comcast/Xfinity is simply horrific to deal with. Keep it simple – have someone answer the phone and help your customer. Overstaff your help desk. As they say, it is cheaper to keep a customer than to get a new one.

The same "prioritize the new" and "neglect the old" can happen with employees. Priority number one should be keeping your good employees. A record 4.5 million workers quit their jobs in November. To quote Tom Gimbel of The LaSalle Network, this currently means you have to "re-recruit your current employees" as they likely are getting calls from outside. It also means that now may not be the time to follow the generally accepted "rule" against counteroffering when an employee gets an offer and resigns to go to a new employer. In general, you don't want to be reactive and should periodically do market checks and make sure your employees are being paid appropriately. In tight labor markets like this, you need to step out of the annual "raise" cycle every now and then and adjust if you are off market. In today's labor crisis, I also think "countering" an offer from outside to one of your people might make sense. It all depends on the situation.

Much of life is how you perform against expectations. The actual performance almost takes second seat to what expectations were. Today's job report is good example. CNBC headline is framed negative: *"Hiring falters in December as payrolls rise only 199,000, though the unemployment fell to 3.9%."* Those are good numbers. The labor market remains very tight. The issue is economists had higher expectations. It is key to set expectations at an achievable level with your boss or with clients.

Our society seems infatuated with trials – Elizabeth Holmes, Ghislaine Maxwell, Kim Potter, Kyle Rittenhouse etc. It makes me think about a statement a prominent law school professor once taught me. In his words: *"Our jury trial system is not meant to discover the truth, it is meant to provide judgments acceptable to the public."* This is in part why the rules around jury secrecy. We don't know what happens in that jury room when deliberations are occurring and usually juror names are kept confidential. I am not saying juries provide a bunch of bad verdicts, but the overall system is designed so society accepts the results. The system works pretty well IMO.

Short the beer industry. Today's youth are turning to hard alcohol. Rum & Cokes and High Noons have replaced Budweiser and Milwaukee's Best as the college staple. Not sure this is a good development overall as the inherent volume dynamic with beer made it harder to be abused. [covid-america-alcohol-](#)



Source: Distilled Spirits Council of the U.S.

Interesting stat from WSJ: *“Roughly 18% of online sales are returned....11% of total retail sales were returned....up from 8.1% in 2019.”*

Sony announced at the annual big electronics show (CES) that it is going to make a car. Tesla deliveries grew 80% last year. The change in the car market is amazing. The core capabilities of the diesel engine incumbents look to no longer be relevant. It is about software now.

Time to change the way we discuss and react to Covid. It is here to stay. We should stop closing down in reaction. Decent article here: [stop-counting-learning-live-coronavirus-risks](#) . I think this also means we never fully return to office. Need more training for everyone in managing remote employees.

What does it say about me that I go to Costco for lunch?

RIP the Blackberry. It had the pole position to take the business community into the smart phone age and blew it. At one point, it was indispensable. What a terrible job of “looking around the corner” by the leadership to understand where market was going. [blackberry-pulls-life-support-once](#) .

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