

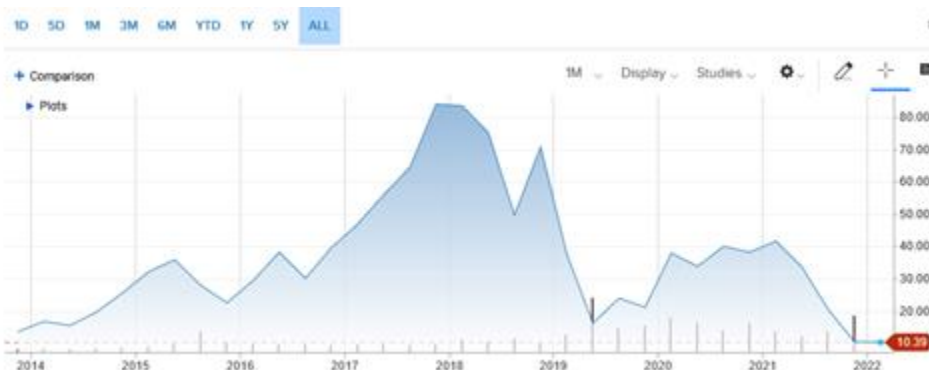
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Musings

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As technology is increasingly ubiquitous throughout an organization and SAAS models proliferate allowing easy implementation, I am increasingly a fan of decentralized IT. The model of everything running through central IT like the politburo is not well-suited for today's world. Rather, central IT should focus on security, data integrity, networks and interoperability. Every department might end up with its own IT shop starting with marketing. [diffuse vs centralized IT](#)

The basic corporate governance model in US companies is that all power rests with the shareholders who are the owners. In recent times, public equity ownership has shifted to be mostly mutual funds. We need these fund managers to step up to their governance responsibility. Too many companies are underperforming and no one is home at the board level and shareholders only act by buying/selling stock. Take this company (TWOU) which is in the education technology market. This graph is the entire time it has been a public company. Every person who has bought stock in the public market is now underwater and the same CEO continues to run the business.



Watch the siren song of data. Lots of companies have too much data and not enough information. Executives have numbers on everything but end up not absorbing it all because it is overload. Keep it simple. What are the levers that will drive growth of cash flow which ultimately determines value? Those are the key KPIs. Right now, executives should be identifying the KPIs around employee recruitment, retention and engagement.

With the end of the pandemic, employers are starting to re-open their offices. The key is to provide employees with some level of flexibility. You don't need to go all-remote IMO but you can't go back to five days in the office. The world has shifted and employees (who are in the

driver's seat in today's labor market) want the flexibility to work from home part of the time. This is playing out in employee recruitment. *"New research found that jobs allowing employees to work from home full or part-time saw seven times more applications than in-person roles last month."* [flexible-jobs-are-attracting-7-times-more-applicants](#) (thanks Jeff Dobosh).

While his background is atypical, Ukrainian President Zelensky is showing great leadership skills. He is a savvy user of social media and communicates well. Here is a table which compares "bosses" to "leaders" which someone posted on LinkedIn. Good quote from Adam Grant - *"Ukraine's president is more than a lion who found his roar. He's a lion protecting his pride. Charisma attracts attention. Courage earns admiration. But commitment to a group inspires loyalty. We follow leaders who fight for us. We make sacrifices for leaders who serve us."* Part of the post-Covid world is employees emphasis on having good leaders. It is critical to talent acquisition and retention and employers should lean into more leadership training.

BOSS	LEADER
Says "I"	Says "We"
Takes Credit	Gives Credit
Micromanages	Delegates
Criticism	Encourages
Focuses on Weaknesses	Focuses on Strengths
Blames Others	Takes Responsibility
Directs	Coaches
Speaks More	Listens More
Inspires Fear	Inspires Enthusiasm
Commands	Asks

I am usually "preaching" caution around cybersecurity and the need for companies to bolster their defenses. In this case, I am rooting for the hackers who have come out against Russia (thanks John Carolan). [how-is-anonymous-attacking-russia-disabling-and-hacking-websites](#)

One big question for me is how the war is going to affect the equity market in US. Ukraine does not comprise a material part of many companies' revenue; however, the real action is around energy and how the world (especially Germany) is dependent on Russian oil and natural gas. An unintended consequence of the push to renewable energy is more power to Russia. Interesting conservative oped on this (thanks Andy Siepker): [energy-and-american-power-vladimir-putin-russia-ukraine](#). Higher energy prices will drive even higher inflation and hurt US consumers which may play out in lower retail sales etc. as they spend more on the pump and heating their homes.

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