

J. Michael Locke

Musings

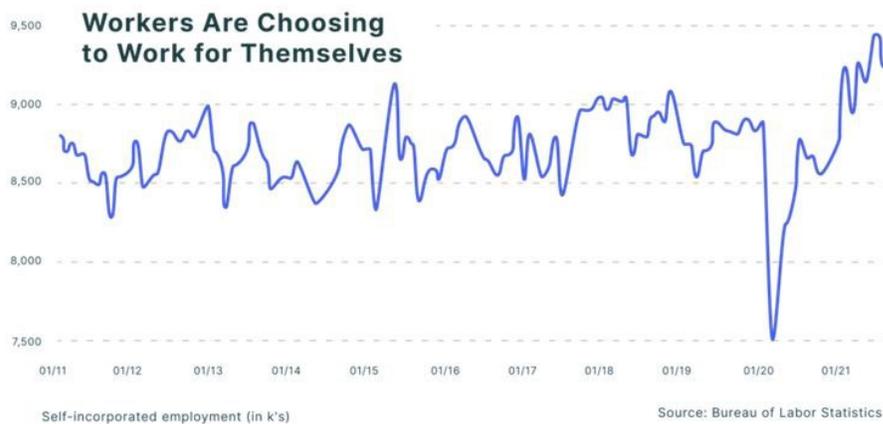
#169: Musing March 12, 2022

With the dislocation created by the pandemic, it is sometimes hard to measure growth through “comps” or comparables. The standard of comparing to last quarter (if the business has no seasonality) or to the same quarter last year (if a business has seasonality so can’t look at sequential quarters) is hard. I think comparing to pre-pandemic levels is now the way to go. For instance, at Uber gross bookings from airports were up 50% in February compared with a month earlier but that doesn’t really give the long term health of the business because last month was during Omicron. The better stat is that Uber ride hailing volumes in February were down 10% from where they were February 2019.

Anyone who is a parent knows the value of structure in human behavior. Starting with babies’ sleep schedules, kids do better when they have routines and structure. Adults are no different. The romantics who preach remote work and total flexibility for employees underappreciate the value workers get from structure. Good article on this (thanks Heather Locke): [working-at-home-remote-work-office-anxiety-depression-drinking](#).

Office time will be different. Not a required 9-5/5 days but rather coming in for meetings, connections and gathering. Forward thinking companies are redoing their “landscaping” of cubes and figuring out how to foster connections. From Salesforce (thanks Joe Brady): *“Creating a “destination workplace. Over the past few months, we’ve seen a steady increase in people coming into our offices for events, customer meetings, and team workshops. Today, 88 of our 110 global offices are open to employees, and we’ve found that Tuesdays and Wednesdays are the most popular days for employees to come in. Our offices are key to how we connect, but we also know that they are just one place where work gets done.”* I think Goldman Sachs and other financial firms demanding full return to office are in for a surprise.[goldman-sachs-return-to-work-employees](#)

Employers also need to more robustly leverage gig economy workers as part of their labor model. Many individuals do not want to go back to work full time and would rather work on a project or “gig” basis. The following graph shows the expansion of individual workers. Companies should have a “stable” of gig workers who they routinely go to especially in difficult to fill jobs like digital marketing.



A good technique to galvanize a group of individuals/company is to create an “enemy.” Coke vs Pepsi or Burger King vs McDonalds. This is what makes sports rivalries so popular. IMO Putin has inadvertently done just this with the western world. A year or so ago, most Americans would probably have voted to reduce funding for NATO. Not now. The nightly news of Russia’s action in Ukraine is galvanizing the world and bringing life back to NATO.

I hate \$5+ gas like anyone but from a macro-economic perspective, let’s not overstate the impact. According to Labor Dept., spending on gasoline accounts for only about 3.7% of consumer expenditures. This is more of a headline issue than a true economic issue. That being said, overall inflation is a problem with CPI up 7.9% from last year (largest increase since 1982 according to WSJ). My point is that it is not about the Russian invasion and energy but more about excessive fiscal stimulus, supply chain issues and labor shortages creating a wage/price spiral.

I am surprised by the persistence of a couple items reflective of our historically sexist (and often misogynistic) society. Hooters, Twin Peaks and Tilted Kilt continue to do major business with the simple marketing message around a woman’s chest. Secondly, look around next time you are driving. 80% of couples in cars have the man driving. No rational reason why. Will be interesting when the day comes of as many men riding in the passenger seat as driving.

Speaking of cars, the dealership model doesn’t make sense to me. State franchise laws prohibit Ford et al. from selling direct and also from being open on Sundays. How about we stop protecting politically-connected dealers and allow companies to respond to what the consumers want?

RIP pitchers batting in the major leagues — National League to adopt the designated hitter model. American sports consumers like scoring/points/offense — thus the three point line in basketball or the reduction in goalie pad size a couple years ago in hockey.

Don’t forget to switch your clocks in the Midwest tonight. I don’t have a strong feeling about

daylight savings time and whether it should be eliminated but we should not overstate the impact. It is kind of a pain but I can't believe that it creates health events, psychological challenges and is difficult to adapt to like some argue. One day of transition and it is over. Stop being dramatic.

jml