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Musings

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Apple has a looming issue with its supply chain. From Google: *"Out of the 30 countries where Apple devices were manufactured in 2020, six accounted for over 80% of annual production. China contributed 42%, followed by Japan (16%), the US (9%), Taiwan (6%), South Korea (5%), and Vietnam (4%)."* Not sure this model works in the future. From a supply chain guru in HBR *"Over the last three decades, firms have taken advantage of reliable, low-cost transportation and a benign trading environment to leverage low-cost labor in Asia to deliver a plethora of products to distant markets. But now supply-chain "resilience" is getting tangled with economic and technological "sovereignty," a euphemism for more localized production.....Managers who have relied on labor arbitrage or distant global sourcing strategies increasingly will have to develop regional alternatives. This likely will mean more balancing of production capacity and consumption within geographic trade blocs."* [are-the-risks-of-global-supply-chains-starting-to-outweigh-the-rewards](#) The movement is towards a "supply web" rather than a supply chain. Like Intel building outside of Columbus, Ohio, this may be the rebirth of rural America with cheap land and labor.

Watch the disruption in the world's food supply coming as a result of the Russian invasion. According to Peter Zeihan, the world's largest wheat exporter invaded the world's fourth-largest wheat exporter. We are coming into planting season in Ukraine which increasingly looks unlikely. There are also issues in the global fertilizer market according to Zeihan with reduction of exports from Russia and China.

Too many companies and executives try to eliminate judgment calls and instead opt for "black and white" rules. This leads to suboptimal consumer experiences when the service professional has no room to exercise judgment. It can lead to missed opportunities to invite high performers to certain events or meetings (this meeting for vice presidents and above). It can even apply to wedding list compilation. Everyone needs to operate more "in the gray" and use judgment on what is right.

We hear a lot about Unicorns in the venture capital world but how about Dragons? *"Fund managers are often blinded by the idea of investing in Unicorns (companies with a valuation in excess of \$1B). However, the true secret to outsized fund returns lies in the pursuit of Dragons. A Dragon is a portfolio company that, upon its exit, returns the entire fund at least 1x, regardless of the return multiple on the individual investment. A company does not need to be a Unicorn to be a Dragon. The fund manager needs only to own a meaningful stake in the company – to "have enough skin in the game", if you will. Ownership will ultimately determine*

which exit will be more impactful for returns.” Good blog on portfolio construction (thanks John Hughes) [vc-portfolio-construction](#)

Let the battle of the dress code begin. The business world was already going more casual but post-pandemic is putting more stress on the topic. Does the dress code apply to remote workers participating in zoom meetings? Can employers ask employees who have been in hoodies and leggings for two years to dress up as they come back in the office sometimes? I say “business casual” --- no sandals or t-shirts but nice sneakers and leggings ok. [dress-code-office-blazers-hoodies-sneakers-boss](#)

Can a nurse’s medical error be a criminal act? A jury convicted a former Vanderbilt nurse of criminally negligent homicide based on her giving the wrong medication to a patient which led to death. Count me out on this. Doctors and nurses operate in a complex, dynamic and stressful world (especially now) and unfortunately mistakes happen. Now they have to worry about getting criminally charged?

Are you a two spaces after the period person? This is what I learned thanks to Strunk & White but apparently that is old school. Younger folks are taught one space is ok. [nothing says over 40 like two-spaces-after-period](#)

Do executives get to “check out”? Of all the things I have written in these musings, this topic is the one which led to the most “I disagree emails.” As I write this from my Spring Break vacation, I continue to believe that executives simply cannot “check out.” I understand the need to slow down sometimes and relax a little but IMO you have to stay connected. I don’t think you should ever turn on the “out of office email message.” This doesn’t mean you work just like normal on vacation but there is a difference between not participating in “regular weekly calls” and not being available for “special calls” on important topics (ex. negotiating a big deal or trying to recruit a key executive). Work/life integration rather than work/life balance. Gray vs black/white.

Interesting comment from President of NAACP Legal defense fund on Will Smith incident: *“I know we’re all still processing, but the way casual violence was normalized tonight by a collective national audience will have consequences that we can’t even fathom in the moment.”*

Rip the cover letter. Who even reads them anymore? Send me your LinkedIn profile and let me check with folks you have worked with on how good you are (note this is the same behavior I ascribed to consumers last week using referrals and customer ratings to make purchasing decisions).

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