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Musings

#175: Musing
<u>**April 23, 2022**</u>

Executives need to spend more time reviewing the capitalization of software expenses. In too many cases, wasted spending is going unmanaged because it ends up on the balance sheet through capitalization rather than running through the P&L. It is still cash out the door and capitalized expenses should be subject to a rigorous ROI process. What features/products are being developed, how much will it cost and what is expected in incremental revenue and profits. Technologists (especially coders) like to tinker and will constantly be writing new features etc. You need a rigorous intake/management system to ensure it is the proper use of resources. Netflix went many years without such a system and spent unbelievable amounts of money developing content (an underreported fact is how they have even recently been burning cash even though they reported profits because of the capitalization of content development.) Those times have come to an end with the recent reporting of a decrease in subscribers. *"We should right-size budgets depending on what the creative dictates, and what the size of the audience is," Bela Bajaria, the head of global TV for Netflix, said in a recent interview."* netflix-facing-reality-check-subscriber-loss-stock-plummet-cut-costs-vows-to-curb-its-profligate-ways

The new norm of hybrid work has arrived. There is already a movement by some to go from three days into the office to two according to some experts. *"The combination of having been almost two years out of the office and the labor market becoming incredibly tight, now firms realize that three-two, rather than being seen as generous and appealing, is average at best,"* the-optimal-workweek-is-two-days-in-the-office-not-three. As we all manage remotely, don't underestimate the value of the simple "check in" call to see how someone is doing, discuss personal stuff to stay connected and listen closely for any "hints" of challenges. Personally, I like the "hybrid remote" model where even those who are working remote have some type of local office to gather in every now and then. So those companies going remote might have a group of employees in Columbus, Ohio and rent a WeWork office for them to get together to increase connectivity. Companies often did this historically with local sales offices of B2B reps.

In today's world, everybody is multitasking during meetings usually with two screens (laptop open and cell phone resting next to it). Emails, chat room in Microsoft Teams, and texts on the cell phone are all being monitored and responded to while someone attempts to run a meeting and convey important information or have a meaningful discussion. I say it is time to go old school and require everyone to close their laptop, turn off the phone and focus on the meeting. Shorten meetings to 30 – 45 minutes and mandate dedicated

attention. Effectiveness will go up.

One of the challenges with the new "remote" work is that office phones are going away and everyone goes directly to calling a cell phone. However, you can't screen anything for urgency so often "unimportant" calls are taken in the middle of a meeting or other activity when they don't need to be. Answer your cell phone less often. Stay focused on the task at hand. If it is urgent, the caller will usually call again or reach you some other way.

The silicon valley inspired model of "ask for forgiveness not permission" is really problematic. It started with Travis Kalanick and Uber explicitly challenging municipal authorities to stop their model. The mobile-phone scooter rental companies (eg. Lyme) followed suit dumping hundreds of scooters in the downtowns of cities overnight. Trump normalized it with his debate approach (who cares what the rules are or what the moderator says) and now comes Elon Musk. He basically disregards SEC guidance. He filed the relevant paperwork late on his accumulation of over 5% of Twitter (costing selling shareholders over $150mm as they sold not knowing he was a 5% holder). twitter-investors-sue-elon-musk-for-failing-to-promptly-disclose-stake. We can't have a society or business world where people don't play by the rules. There should be severe consequences for brash disregard for laws, regulations and rules. Let's have more SMU death penalty enforcement and less Houston Astros "slap on the wrist" enforcement.

What goes up often comes down. A nonfungible token of Twitter founder Jack Dorsey's first tweet, which once sold for $2.9 million, now might fetch under $14,000. jack-dorsey-tweet-nft-once-sold-for-2-9-million-now-might-fetch-under-14-000.

Count me out on the salary transparency movement. I think what someone gets paid is between them and their employer. It should not be public information. More municipalities are pushing for more disclosure of wages. Colorado was one of the first but now comes New York. *"The New York City Council passed a bill requiring employers to give a minimum and maximum wage range in every job post. The legislation is meant to help correct pay inequities and discrimination."* what-nycs-new-salary-transparency-law-will-mean-for-you

The speed of mask repeal was pretty stunning (only outdone by the 30 day launch/struggle/closing of CNN's streaming service.) One federal judge rules that the CDC did not follow the rules that exist when new regulations are going to be passed (under the Administrative Procedures Act) and within a day, no more masks on airplanes and in Uber. Shows how our society is done with the limitations on life.

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