

J. Michael Locke

Musings

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Inflation is driving a big “price trade down” where consumers are looking to buy the cheaper version of a product if the higher price is not justified by a quality differential. One big area of growth is private label brands from retailers like Costco (I.e. Kirkland) or grocery stores. For those in Chicago, I bought Binny’s vodka recently at fractions of the costs of Tito’s. Amazing how this area has developed as the “generic aisle” in the grocery store growing up was one to be avoided (even though many of the products were made by same high-price branded suppliers). Just needed better marketing. Good article in WSJ. [store-brand-products-market-share](#)

All companies need to be looking at their pricing and ensuring they effectively communicate value. You don’t necessarily have to cut price if the value is there, but you must make it clear why you are better than the cheaper alternative.

A basic good executive skill is simple project management. Run a process with discrete timelines and checkins. Look at drafts along the way. Set a deadline with a little cushion from real deadline in case something goes wrong. Finish the ultimate work product early ahead of deadline.

I am also a big proponent of over communication. Let people know what’s going on. Mix up your modality — emails, voice recordings, meetings. Especially if you are in a period of transition or fragility, constituents will be anxious and want to know.

You can get a good feel for a company just by its office space. Fancy offices should be avoided as they indicate a misallocation of resources (even service providers like law firms --- my reaction to their usually elaborate offices is that my legal fees are paying for it!). I passed on a venture capital opportunity when I visited their fancy office – young companies should be scraping by as good stewards of capital. Good “workmanlike” space --- not shabby but not fancy is the sweet spot for me.

Good Tom Brady quote: *“To be successful at anything, the truth is you don’t have to be special. You just have to be what most people aren’t: consistent, determined, and willing to work for it.”* In a similar vein, my advice to new college graduates is about as simple as it gets – be a good employee. Show up on time. Look presentable. Offer to stay late. Work well with others.

I am not sure exactly how much Ai is going to change business but my antenna is way up. Too many smart people are telling me it is going to rewire how business is done and you need to be “playing with it” right now to see how it might help your business. Interesting article here how Swedish company Klarna is using it to drastically reduce labor needs (thanks Mike Sanders). [klarnas-new-ai-tool-does-the-work-of-700-customer-service-reps/](#)

Glad I am not in the car business. There is one software company with a dominant market share. It had

a cyberattack this past week and dealers are having to conduct business in paper and pencil. Technology is great but the dependency on enterprise software creates a real vulnerability when things go wrong.

I am not a fan of the millennial movement to turn the workplace into a political entity. Companies should be politics free — they should not endorse candidates or positions. The CEO of Google got it right when he fired some employees after they protested like the kids at Columbia. From Forbes: *“He described Google as a “workplace” and a business with clear policies and behavioral expectations. Most important, he said that it was “not a place to act in a way that disrupts co-workers or makes them feel unsafe, to attempt to use the company as a personal platform, or to fight over disruptive issues or debate politics.”* [google-ceo-sends-the-perfect-message](#)

Sometimes “progress” is overrated. I am back to “wired” apple headphones and away from AirPods and I know others doing the same. Too much volatility on iPhone Bluetooth connection and AirPod performance on calls.

Fun quote: “Zyn is gas station Ozempic.” I wrote about Zyn months ago and anyone with a son between 16 and 30 knows what I am talking about. Interesting podcast link under my initials below.

Jml