



Philequity Corner (May 3, 2021)

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Bringing food to the table

Investment analysis isn't always about where the market is headed. Sometimes we need to go micro and look at coping mechanisms in these pandemic times at the company level. Are survival instincts affecting how food is brought to the table? No, this is not about the community pantry movement.

Many companies for the past fourteen months or so have been working from home. How do they track performance, keep talent, and even hire? Yes, even in these down times, some companies are hiring...to replace some being let go.

Most meetings have now adopted a virtual setting, even social gatherings. It no longer seems strange to eat your own food at home watching a gallery of the repast shared with the group, all in different places. (Photos please. Smile.) This virtual sharing of a fragmented banquet can be a paradigm for corporate management.

Everyone is asked to bring food to the virtual tables.

The metaphor of bringing something to the table springs from potluck parties, now being naturally adopted in virtual celebrations. The custom of not burdening a host (or administrator) with preparing food for a large group in a family reunion, requires that designated party attendees bring a dish. In the virtual setting, the host can also send food by messengers to the participants in a meeting, a costly option. Though here there is no need to clean up afterwards and pay off the waiters.

For example, bringing in a high-level executive from the outside for his revenue-generating contribution clearly sets the expectations. The recruit leverages his business hunting skills and connections for big bucks while his recruiter expects him to (eventually) justify his high Guaranteed Annual Cash Compensation (GACC) with the promised food/revenue he will bring to the table.

The company allows some time for the newcomer to settle down and rack up representation expenses, much diminished now with the lockdowns, to activate his customer network. It is then a balancing act between patience with the expensive talent and satisfaction with the new revenue he brings in.

This race from famine to feast is stacked against the newcomer. Two months after the euphoria (called the honeymoon period) for the high-level presence dies down, people around the zoom meeting clear their throats and ask for his business plans moving forward. (So, are you enjoying socially distanced golf?) Messages behind the recruit's back revolve around revenue issues—what food has he brought to the table so far?

The role of food-provider is part of the survival instinct.

In pre-historic times, *Homo sapiens* (or more precisely, *Homo erectus*—referring to his walking posture rather than the state of a particular part of his anatomy) was a hunter-gatherer expected to chase dinner and bring it back for the female nurturer. Hence the expression: “hunt for your own lunch” for the more contemporary investment bankers. (Did you bring home a hyena, Dear?)

How different is this concept of hunting for your meal from the entrepreneurial model? Companies have rediscovered this no-free-lunch model with the contraction of business in these lockdown times. If someone does not bring in food, should he still be allowed to sit at the table?

Still, it is not that simple to determine who is actually setting the table.

Is there a way to measure what a good finance and investor relations officer brings to the table? Raising revenues does not stop with bringing in the customers. What about servicing, timely collection reports on billings, market research, and enhancing customer relationship by providing good support service at all times?

The potluck model of management can warp perception of who really enhances the company's market value. Is investor relations communicating the rollout of the capex program as it attracts more subscribers? A reward system based solely on bringing in revenues can ignore the follow-through activities of nurturing the customer and building up the relationship.

Instead of asking what anybody brings to the table, it is good to check how big the table has become with everybody's efforts and what kind of setting and tableware has been set out.

Bringing food to the table needs to be planned. In a pot luck party, one should be assigned his contribution to achieve the best buffet offering. Without planning, each one just decides what to contribute.

What if everybody just brought dessert?

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