

October 21, 2021

To: Members of the Management Development Program, Class of 2021-2022
Fr: Andy Davies

Re: "News of Potential Interest: Human Events!"

Hi, folks! I thought you'd find the following news of interest... from today's edition of *AXIOS AM*.



Pandemic rebound

WeWork today becomes a public company worth \$9 billion — after spectacularly imploding in 2019, Axios Capital author Felix Salmon writes.

- **Why it matters:** For many big companies at death's door after COVID hit, that which didn't kill them made them stronger.

Hertz, Alamo Drafthouse and Airbnb are among the currently thriving companies that were slammed in the early days of the pandemic.

- **As former Fast Company editor** Bill Taylor put it: "Companies Can't Be Great Unless They've Almost Failed."

Zoom out: Companies that have returned more than 10,000% over 30 years — "superstocks," as christened by fund manager William Bernstein of Efficient Frontier Advisors — all tend to crash at least once along the way.

- **Buying Apple stock** 30 years ago would have been a fantastic investment, for instance: A \$100 investment in October 1991 would be worth some \$40,000 today.
- **But it was a bumpy ride:** The same \$100 would have been worth just \$26.75 at the end of 1997.

Zoom in: The pandemic dealt a near-fatal blow to many companies, especially in the services sector, which were then forced to retrench and rationalize.

- **Airbnb** laid off a quarter of its workforce when the pandemic hit. It went public at the end of 2020 and is now worth \$100 billion+.
- **Hertz and Alamo Drafthouse** both went through cleansing bankruptcies before emerging as stronger versions of their former selves, no longer burdened with legacy debts and unwanted properties.



America's great battery rush

Almost every week, another major automaker announces a billion-dollar-plus investment in battery manufacturing, and with it, thousands of new American jobs, Axios' Joann Muller writes from Detroit.

- **Why it matters:** Carmakers are racing to create battery capacity to match their aggressive rollout of electric vehicles. They want to avoid another crisis like the current semiconductor shortage.

State of play: Toyota and Stellantis (parent of Chrysler/Jeep) this week joined other majors planning giant battery factories in North America.

- **These moves** are ahead of demand. But forecasters predict the EV shift will occur quickly as more plug-in models are introduced, and as governments increase requirements for zero-emissions vehicles.

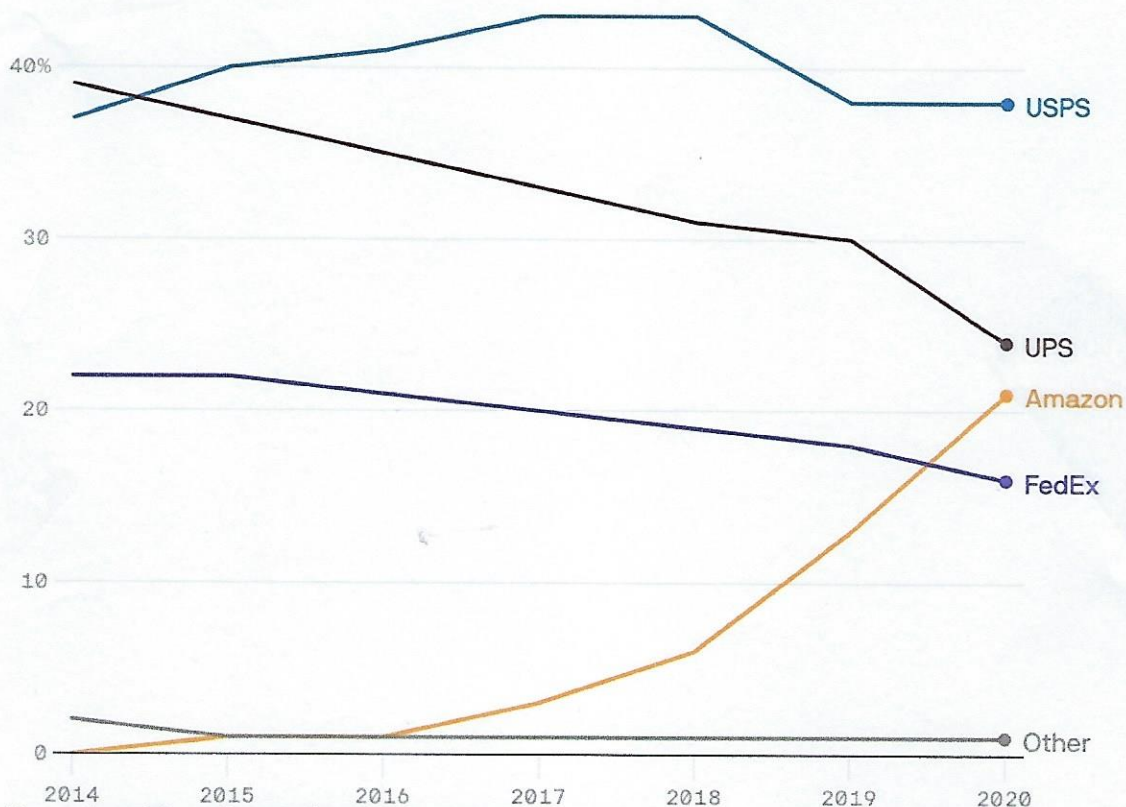




Charted: Amazon passes Fed Ex

Market share of U.S. parcel volume

2014 to 2020



Reproduced from [Supply Chain Dive](#). Chart: Axios Visuals

Amazon isn't known primarily as a logistics company, but in 2020 the company shipped more parcels than FedEx, Axios' Erica Pandey [writes](#).

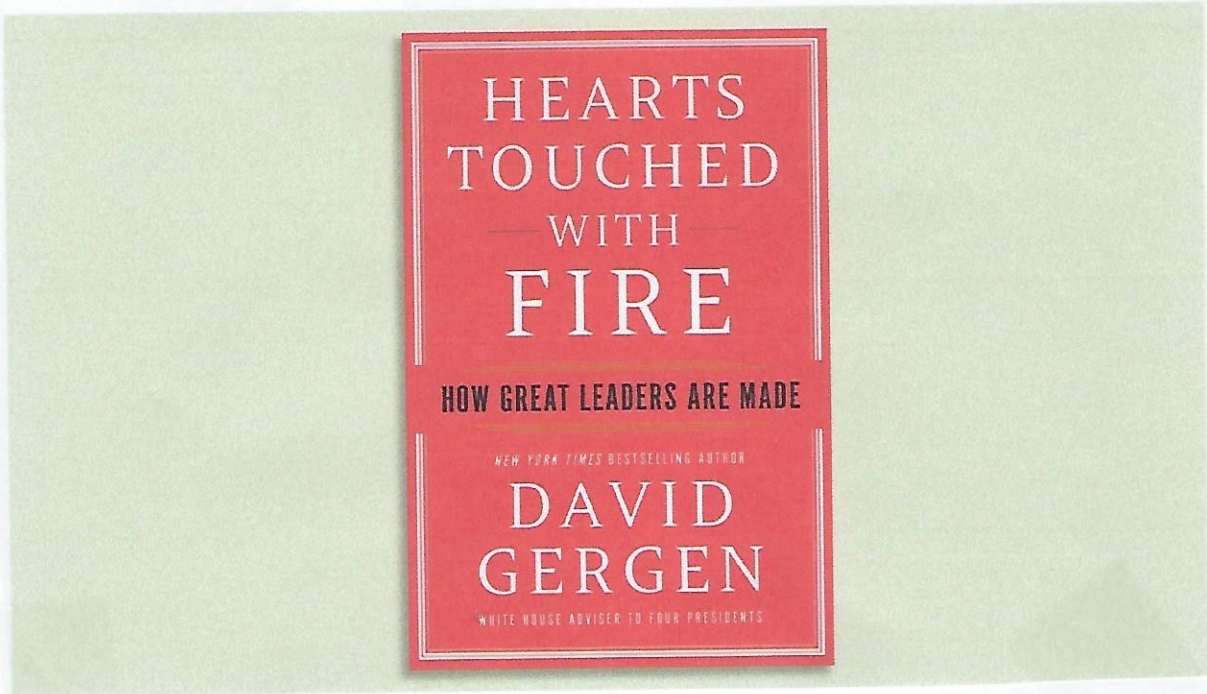
- **Why it matters:** Amazon had zero share of the U.S. shipping market as recently as 2014.

Logistics is a \$1.5 trillion business, and it has long been controlled by a handful of players — FedEx, UPS and the Postal Service.

- **Amazon has 21%** of the U.S. shipping market — behind UPS (24%) and ahead of FedEx (16%). The Postal Service remains dominant — 38%.
- **All other shippers** account for just 1%, according to Pitney Bowes.



First look: David Gergen's playbook for young leaders



Coming May 10 from David Gergen, White House adviser to four U.S. presidents of both parties (Nixon, Ford, Reagan, and Clinton) ... "Hearts Touched With Fire: How Great Leaders are Made."

- **Gergen says** in a statement from Simon & Schuster: "Amidst growing perils to our democracy, one of America's best hopes for the future is to pass the torch to a new generation of leaders — young people with fresh vision and a fierce dedication to progress."
- "**Drawing upon** a half century I have spent in the public arena as well the lives of many others," Gergen says, "'Hearts Touched With Fire' is written as a practical playbook for anyone who seeks to become a great leader. Taken together, I hope the stories here will strengthen your faith that our democracy can ultimately prevail."

Robert Barnett was the counsel to the counselor.



1 for the road: New Yorkers' new complaint



New York City's 311 hotline received 17,733 complaints about helicopter noise through September, tripling last year's figure and eclipsing the total number of calls made in 2019 and 2020 combined, the N.Y. Times reports (*subscription*).

- **Why it matters:** City dwellers have historically viewed New York's "urban cacophony" as an acceptable price to pay. But the pandemic silence that fell over the city for months last year has "led New Yorkers to rethink their relationship to noise," The Times writes.

The resurgence in sightseeing flights has driven the bulk of complaints, with the constant buzzing sparking fresh demands for regulation from New Yorkers "under siege" in their home offices.

only in NYC!!

enk