

For the second mentoring conversation, after exchanging short updates on the state of our lives, I took the opportunity to get the inside scoop on how the current situation has affected his business. Jeff walked me through what had happened since our last conversation: his factories in China hadn't reopened after the Chinese Lunar New Year holiday as expected, and demand for his clients' products had cratered. Luckily, one of their small startup clients had been working with them to get their product line manufactured. Their product? Air filtration masks. Because of the huge jump in demand, his company has a relatively strong positioning in the midst of this economic turmoil.

As I started asking more specific questions about the lessons he had learned and the specific decisions he'd made as the CEO, he often circled back to a central theme of personal ethics in business. During the last two years, the trade war had hit his company very hard, and then the pandemic and associated lockdown had hit them when they were already down. This had led him to make some hard decisions, including laying off a significant chunk of his workforce in October 2019. However, one fact he is especially proud of, and mentioned in this conversation and the last, is despite the layoffs, no one who they hadn't cut jumped ship when they could plainly see the company wasn't having its best days. Especially during Fall of 2019, unemployment was at all time lows, and the job market was blazing, he believes the fact that people hadn't left could be attributed to good management and actually caring about people. Flash forward to April, when his company wasn't struggling as hard as many of his friends' companies are, in large part due to luck by his own admission, and I asked him whether he would take advantage of any of the stimulus loans. Without hesitation, he replied he wouldn't apply, as although his business could probably benefit from them, other companies needed it more and he wouldn't feel morally right taking the loans instead of them. Jeff emphasized the role of ethics in business decisions and remarked that there may be some who don't care, but in management, it's a consideration that often comes into effect.

Coming from a software/tech background myself, I was curious to learn whether his manufacturing company had contracts similar to SLAs in the IT industry with uptime specifications and penalties for unplanned downtime, and if so, how he was working around those. While he noted that kind of contract didn't exist, he also said that most contracts signed in his industry had a *vis major* clause buried in their wording. A concept previously unfamiliar to me, he explained it meant "act of god" and these clauses allow an "out" for parties in the contract if something crazy happens. He said there has been buzzing in his network about how this might likely be the first time since WWII these clauses come into play in court. With regards to his clients, he said they'd been exceptionally accommodating for this situation. During the long backlogs due to lockdowns and missing labor, which normally would have been a huge deal, the depended on his manufacturing production were understanding and even encouraged his company to take as much time as they needed. He speculated they had been so flexible partly due to dried up demand for the products anyway, as well as mutual understanding. He had felt heavy disruptions through his own supply chain as a result of the pandemic, however. Labor, which he considered an important supply chain element, was in short supply for about a 5 week period after the Lunar New Year, and now they were facing shortages of materials.

Through this conversation, the most valuable takeaway for me was the personal factor in entrepreneurship, and I was again reminded of the important of flexibility, which he mentioned in the last conversation, with real world examples of what his company had gone through and overcome in the last year.