



Chaotic Norm

- Al E. Bavy, President Emeritus, Kimal Lumber

Chaotic norm? There's an oxymoron if I ever saw one! I remember a few years back, just coming out of the "Great Recession"...And how picking up the pieces was producing a whole different set of dynamics on how we work, interact, and run a sustainable business. Several people described it as "The New Normal." Another expression was..."Chaos as far as the eye can see!"

So, now we've had a few years of a kind of "Ho Hum." Sales are good...Don't have to work quite as hard to attain business. There's money in the bank and that feels good. My opinion, though, is it's a very unclear picture. I think the "Chaos thing" has so wrapped around us, it's really become "The Norm!"

Look at politics...Half the country leans one way, the other half, the opposite. And not much in the middle...Very little true consensus on anything. In the cities, some are thriving, but many continue to decay from within...Chaos! We're going to be underwater along our coastlines twelve years from now. Or, no, it's mostly Fake News...There is no real Climate change. We're going to run out of recoverable fossil fuels in a couple of decades...Or, when you add up the "known" and "probable" reserves, you're hundreds of years into the future. A.I. (Artificial Intelligence) will surely bring the human race to our knees and control us at some point...Or...As with the computer, internet, etc., it will continually improve our lives. I'll stop...See the common thread in all of this? You find almost "Zero" belief in the middle. Most of what's going on is extreme...You're either a true "believer" in something...Or, you're kinda graded "below pond scum" on the other side. There's little consensus or "common sense" consensus in the middle.

So, where am I going with this? If we agree that we're living in this Chaotic world and environment, how do we adapt and live with it? I feel there is a kind of "Third rail." Take budgets...We've always prepared a budget, and a well thought through, well prepared one. It's always based on what we'd concluded on the year just finished, and then projected Sales, expenses, margins, profit into the future. We get to the end of the year...Oh, we hit budget...Hit our plan...Ho, Hum! Next year the same...It was kind of cookie cutter...Until the world all changed. The real Chaotic beginning might have started around 9-11. Cycles, peaks and valleys started to become much more severe. Look at the stock market's gyrations that move way up, then down... sometimes in a single week. So, I pull it together this way...to "up our game" and be ready for the next chaotic up or down, change, disruption, etc....with the objective of thinking a little outside-the-box. That's how you ride on the "Third rail." If it's really "Good," think of "Bad" and have a plan in place to deal with it. If it's "Bad" think of the next "Up" cycle and how are you preparing to deal with and take advantage of that? Budgets are great...Projections and planning is great, but I feel now more than ever, thinking "Contrarian" might be the best supplemental model...Nimble on our feet, adaptable to change, fleet-footed...

I'll end with this...The question: Is change/chaos good or bad? The resounding answer has to be.....YES! Just make sure you're always wearing your running shoes...not loafers.

Good selling.