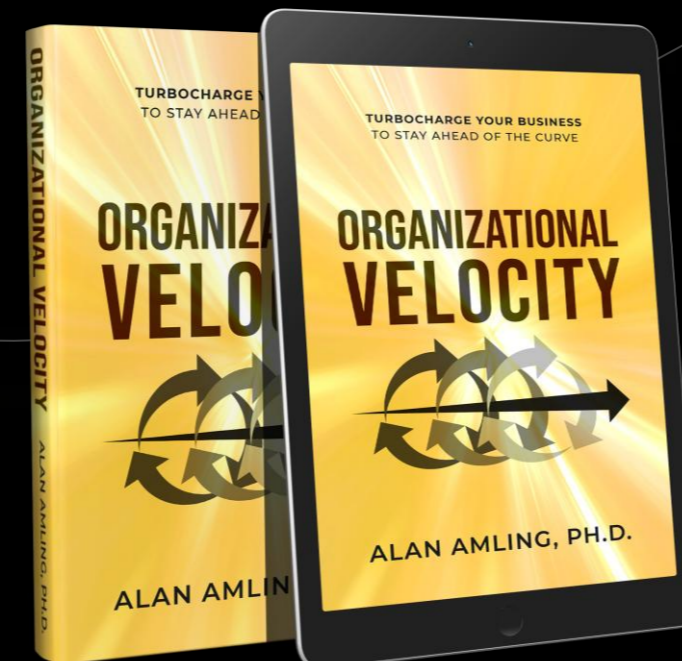




IBC Bank & Commerce
Bank 2024-2025
Keynote Speaker Series
Thursday March 6th, 2025


Certain Uncertainty: Strategic Insights for Executive Decision-Making in 2025



**ALAN
^ AMLING**
THRIVING ON DISRUPTION

CEO – Thrive and Advance, LLC
Asst. Prof. of Practice – Univ. of Tennessee





Sleep with one eye open
Gripping your pillow tight



Today's Discussion

Certain
Uncertainty



01

Digital
Demographics
Diplomacy



02

Insights
Actions



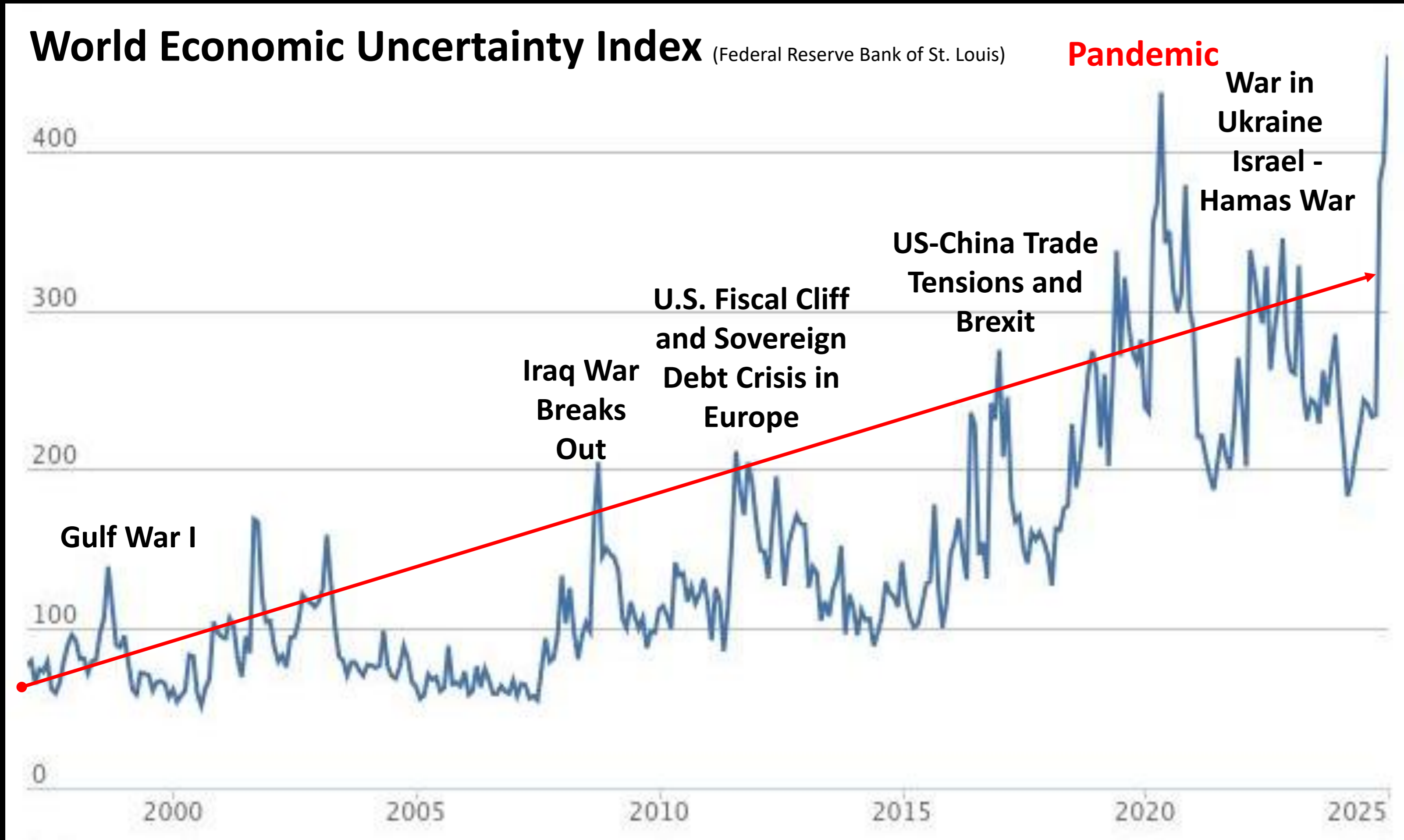
03

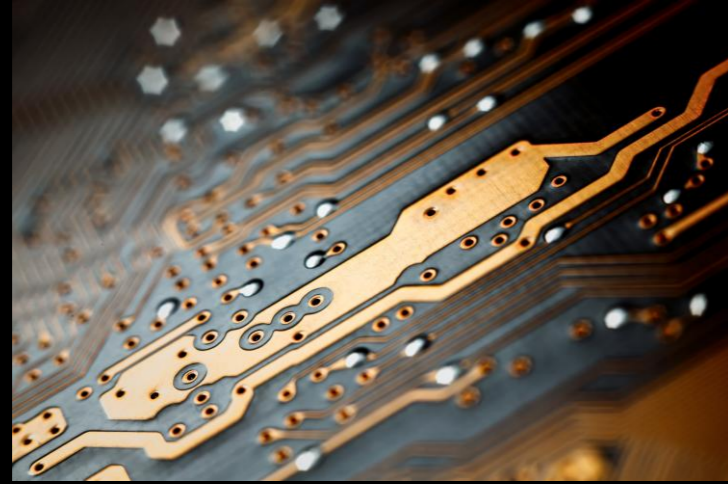
Winning
Monday



04

Certain Uncertainty





TECHNOLOGY



CYBERSECURITY



GEOPOLITICAL



Good Old-Fashioned COMPETITION



TRADE WARS



NATURAL DISASTERS



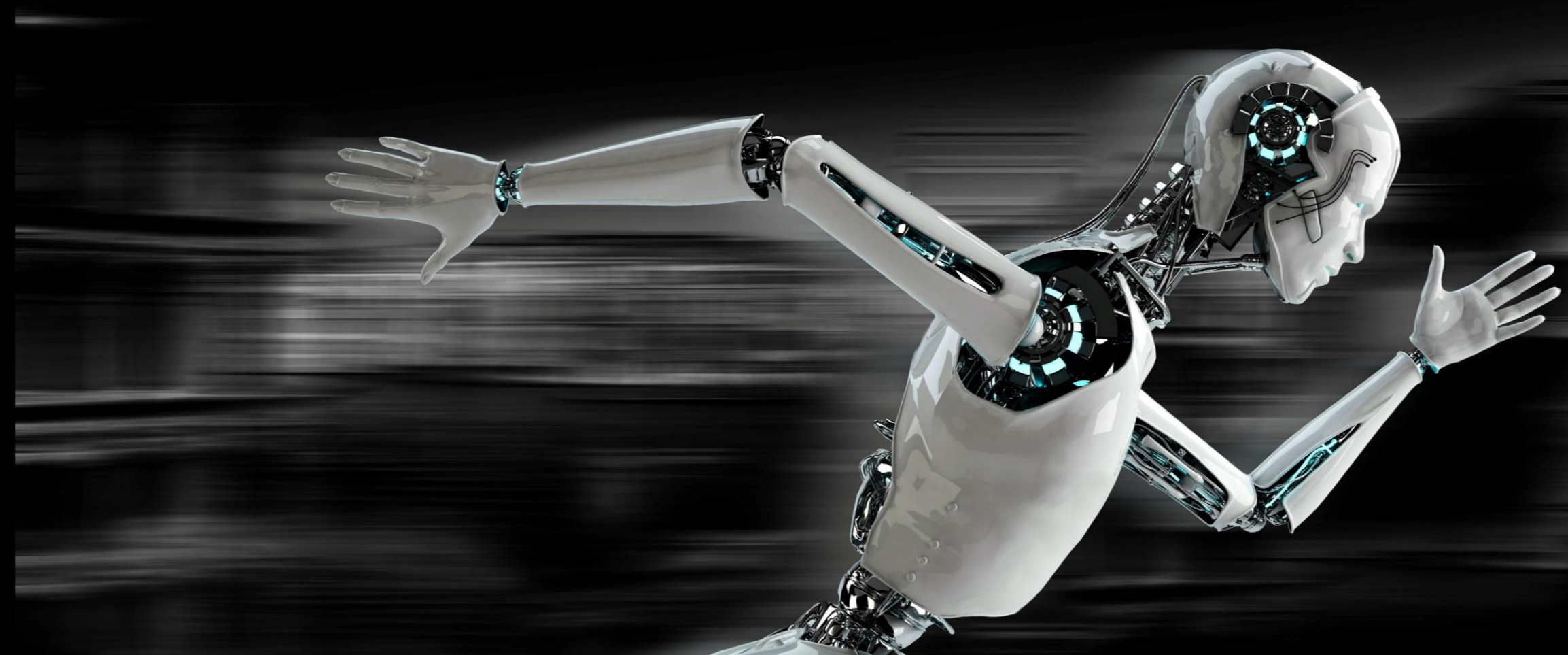
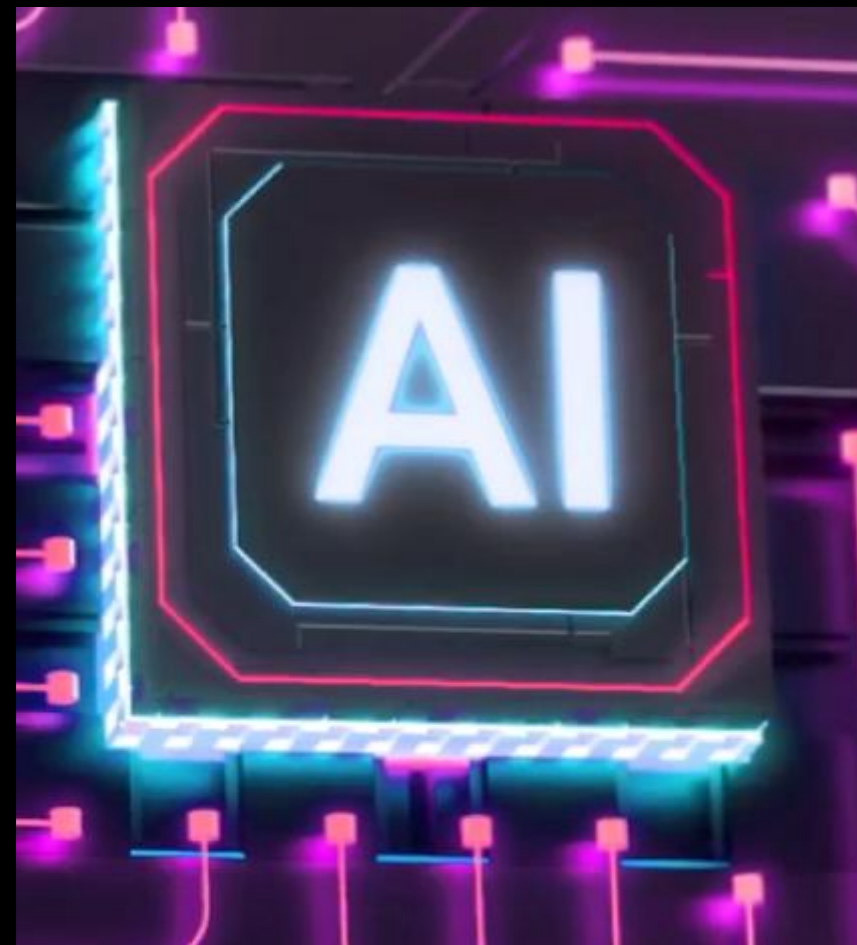
LABOR SKILLS & AVAILABILITY



DEGLOBALIZATION

Digital, Demographics, Diplomacy

AI, Robots, and Garbage Disposals?



Digital, Demographics, Diplomacy

Slow, Slow, Slow...Wow, That was Fast!

Really?



Digital, Demographics, Diplomacy

Slow, Slow, Slow...Wow, That was Fast!



Digital, Demographics, Diplomacy

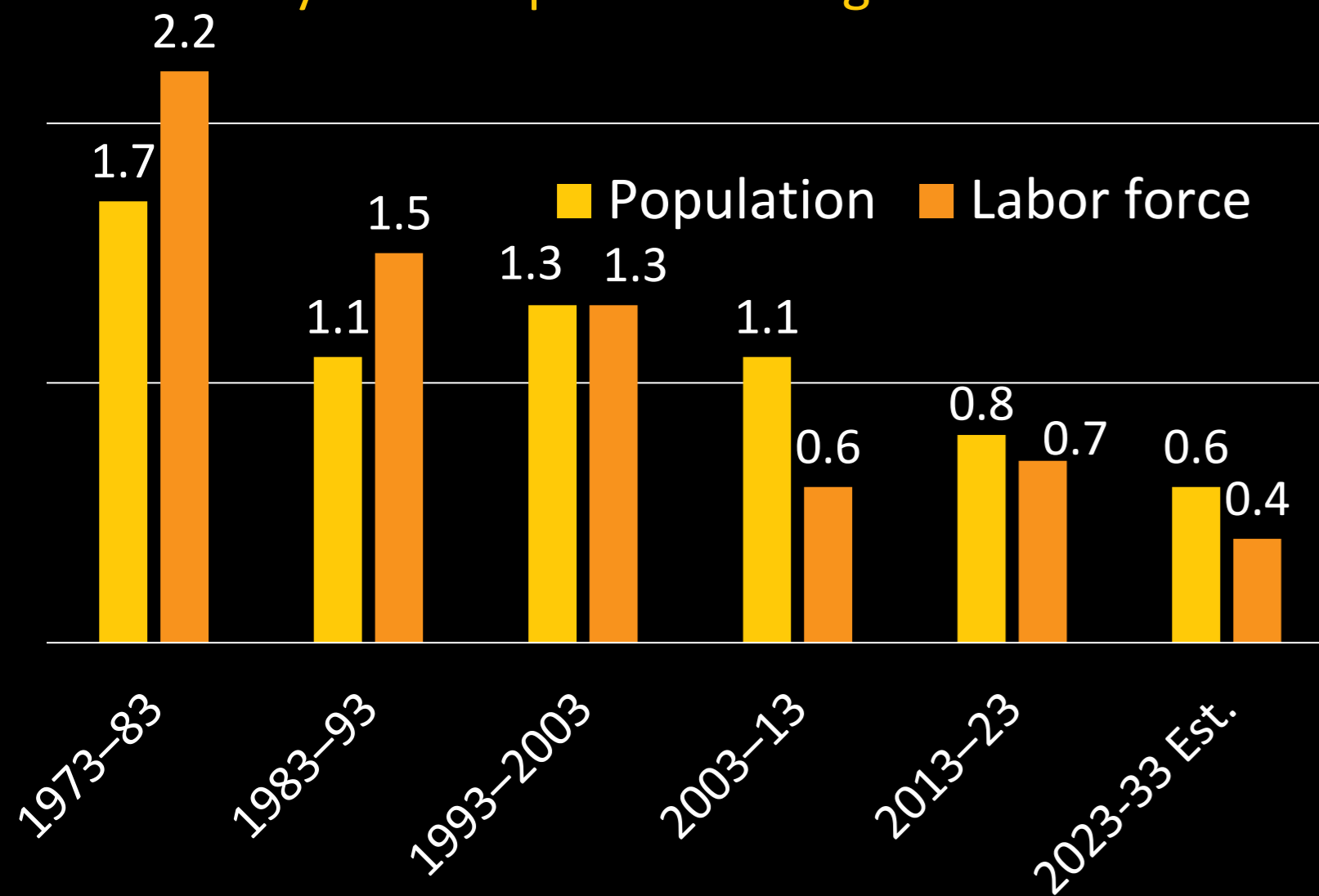
Labor Availability Will Remain Challenging

Labor Force ↓

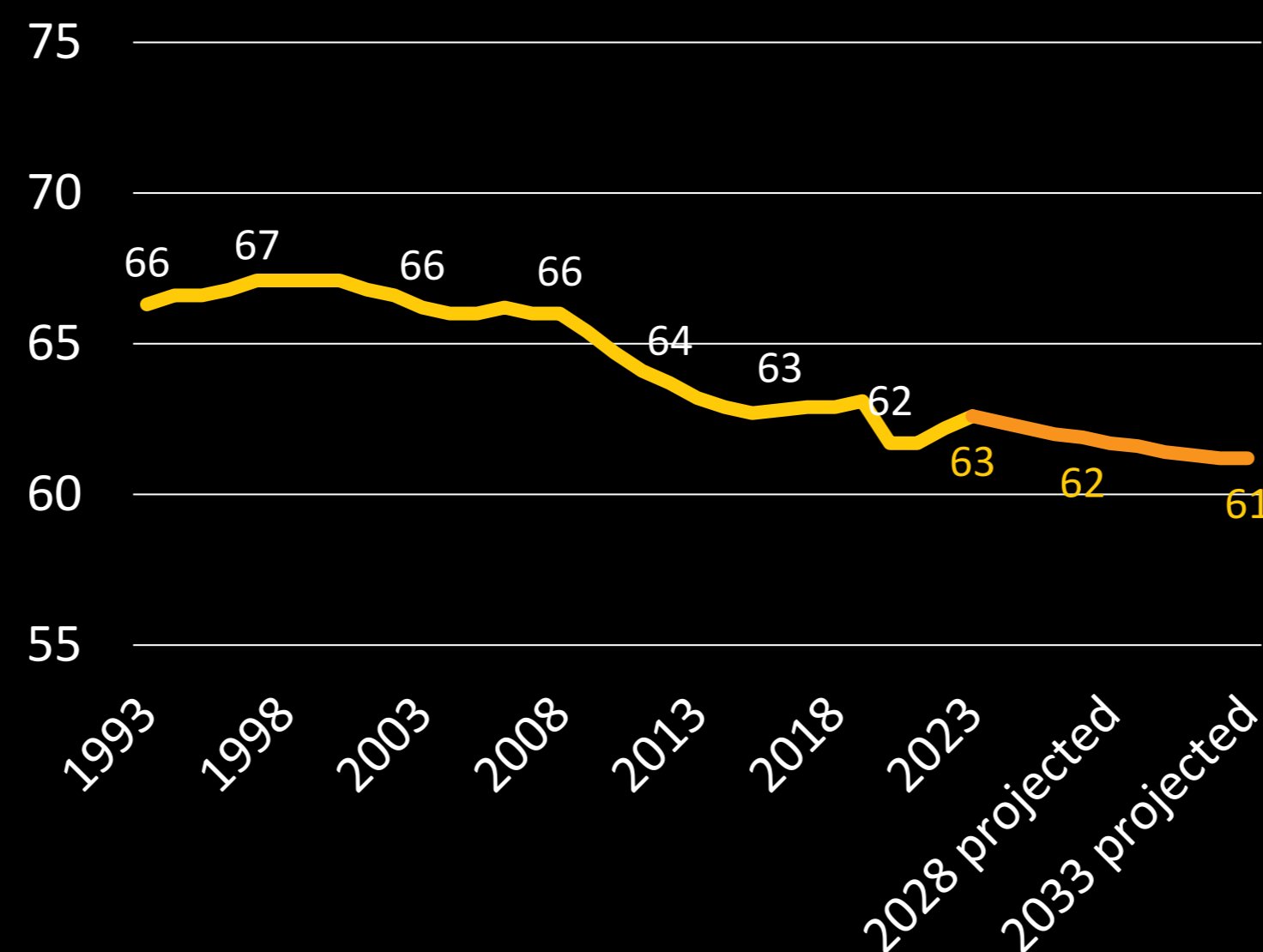
Participation Rate ↓

Immigration ?

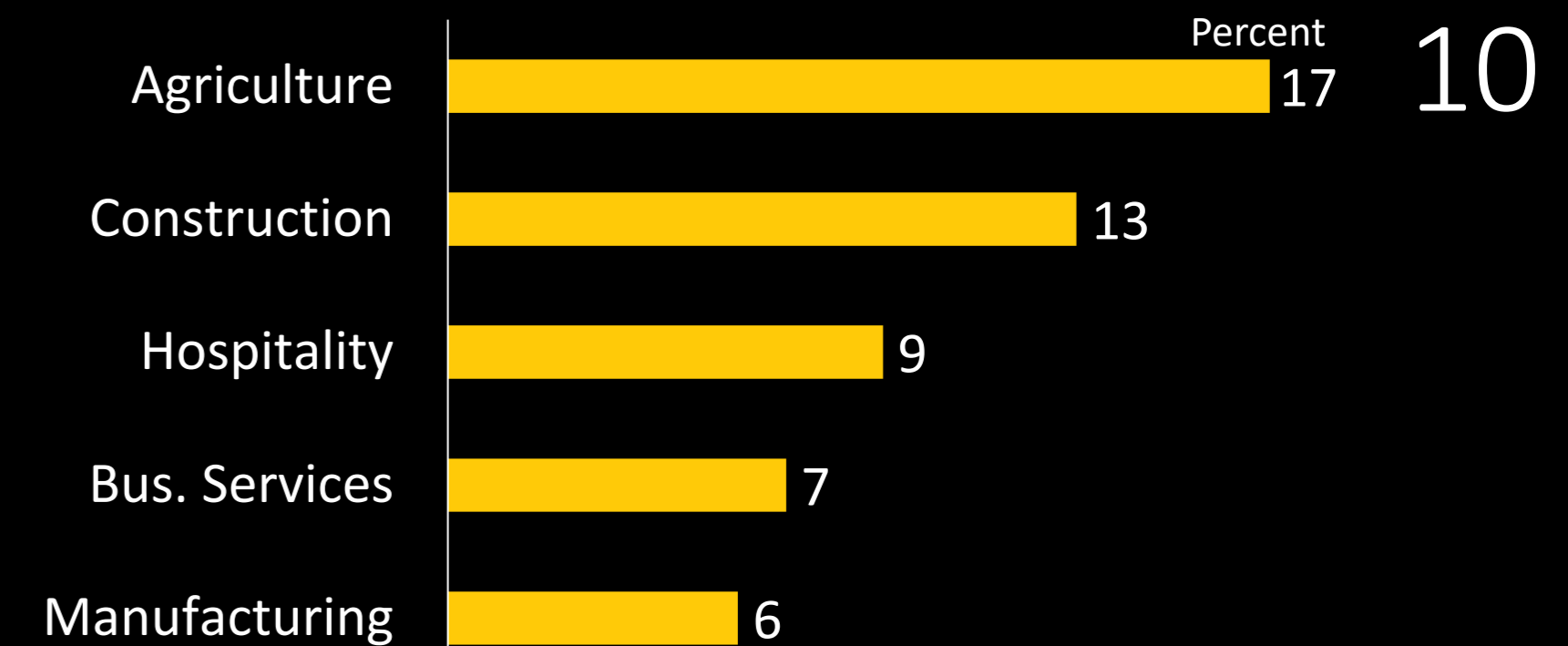
Population and Labor Force Growth
10-year Compound Average Rates



Overall Labor Force Participation Rate,
1993-2023 and 2023-2033 Projected



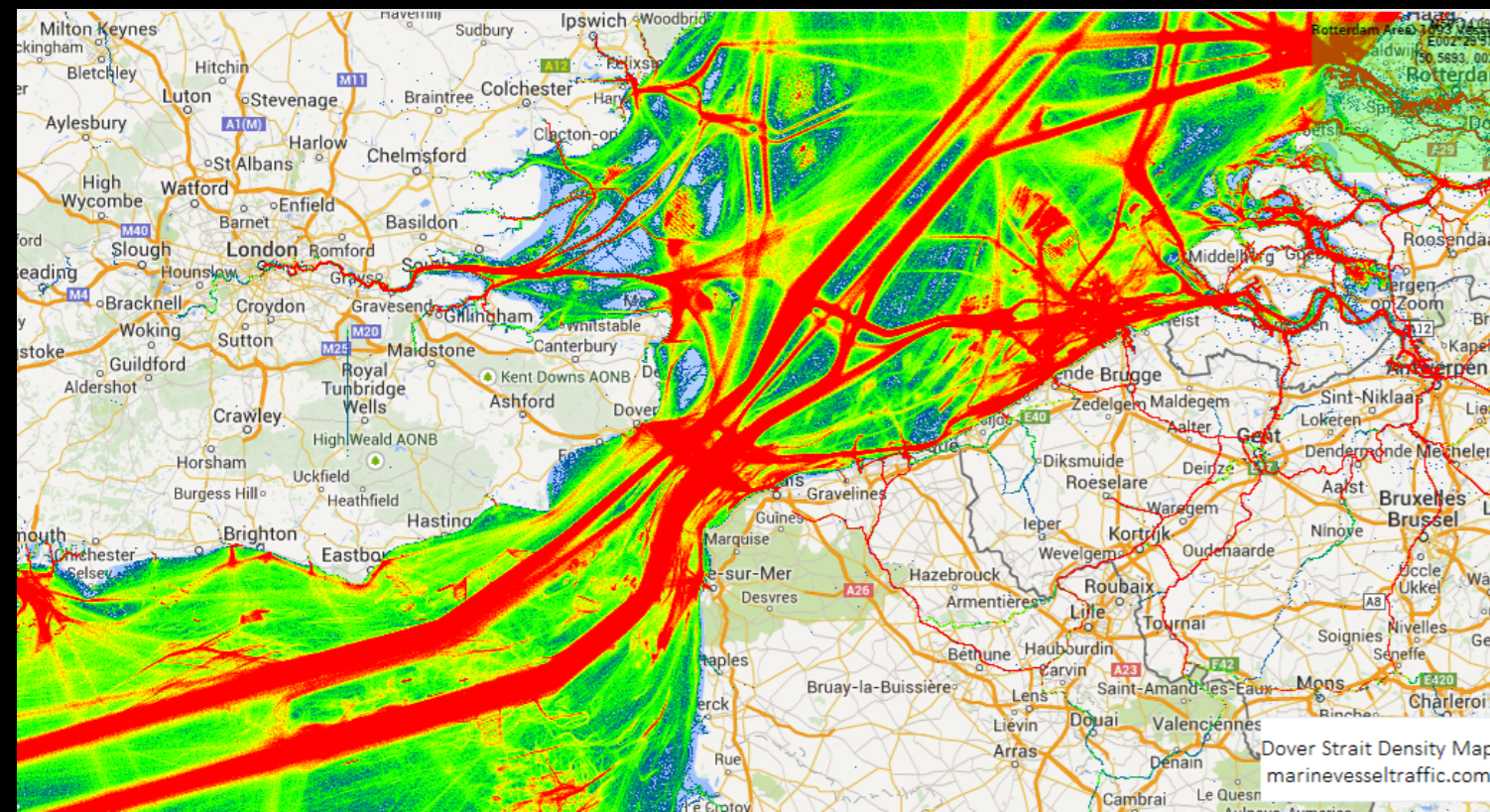
U.S. Industries with High Share of
Unauthorized Immigrant Workers



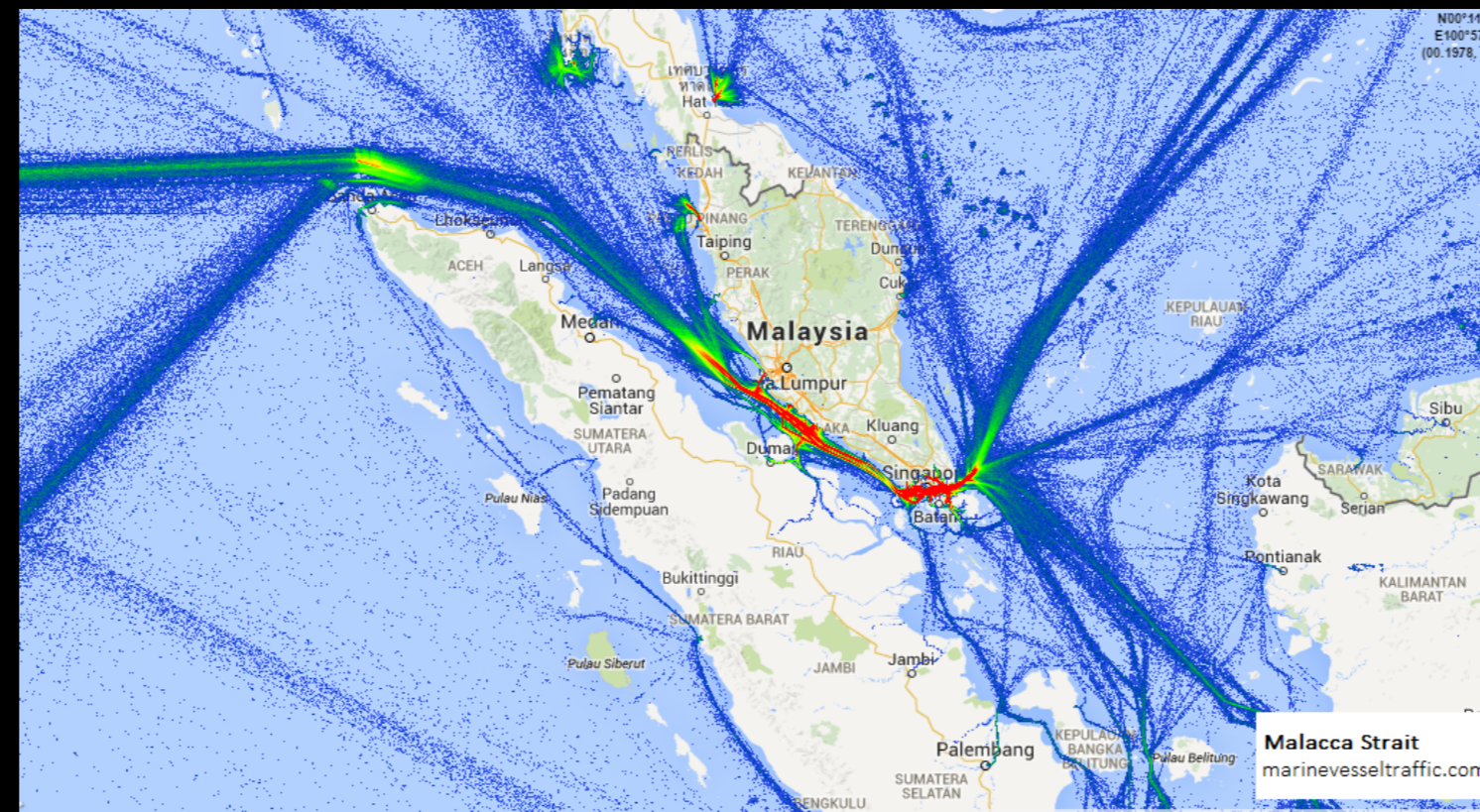
Digital, Demographics, Diplomacy

Supply Chain Choke Points

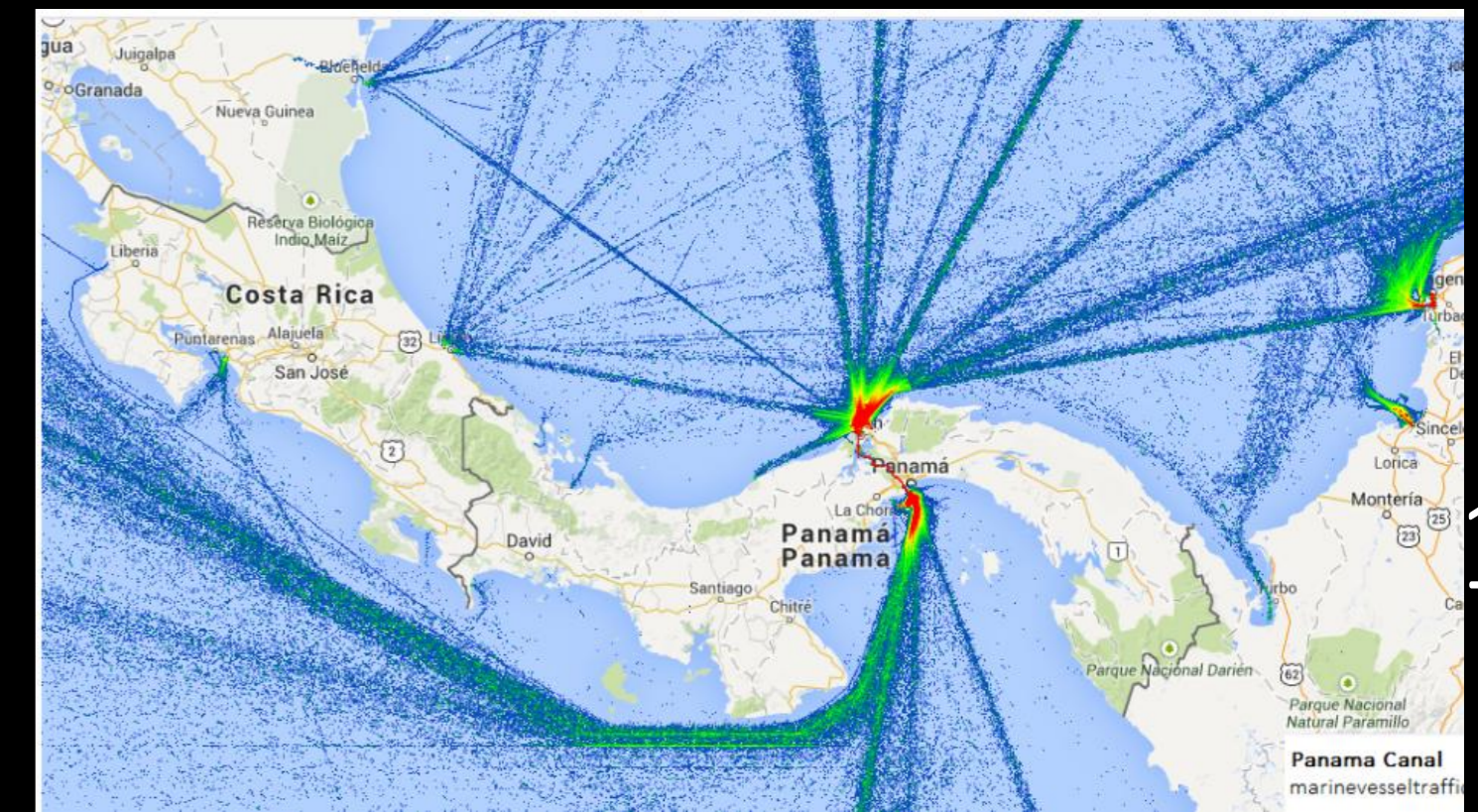
The English Channel



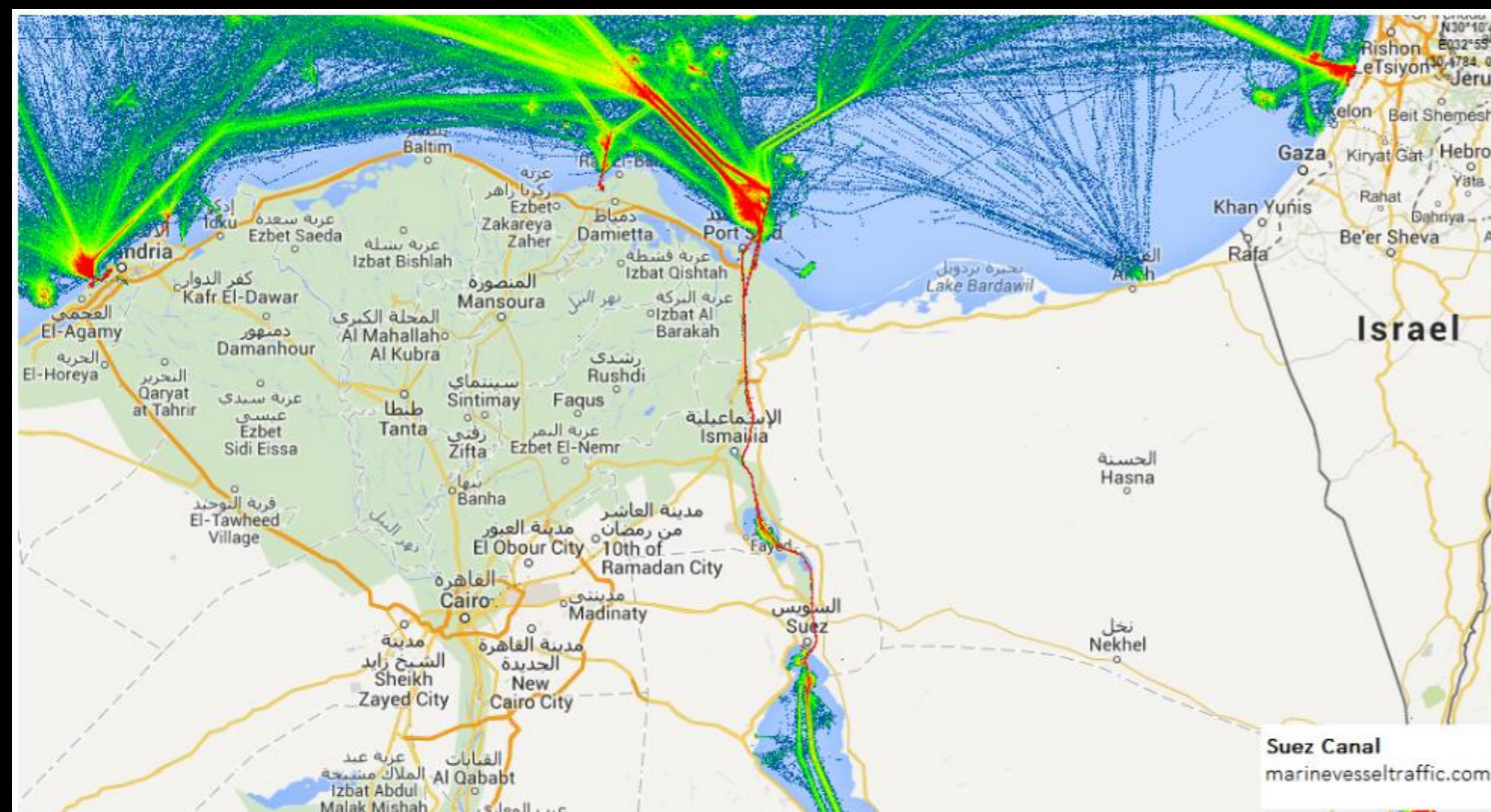
The Malacca Strait



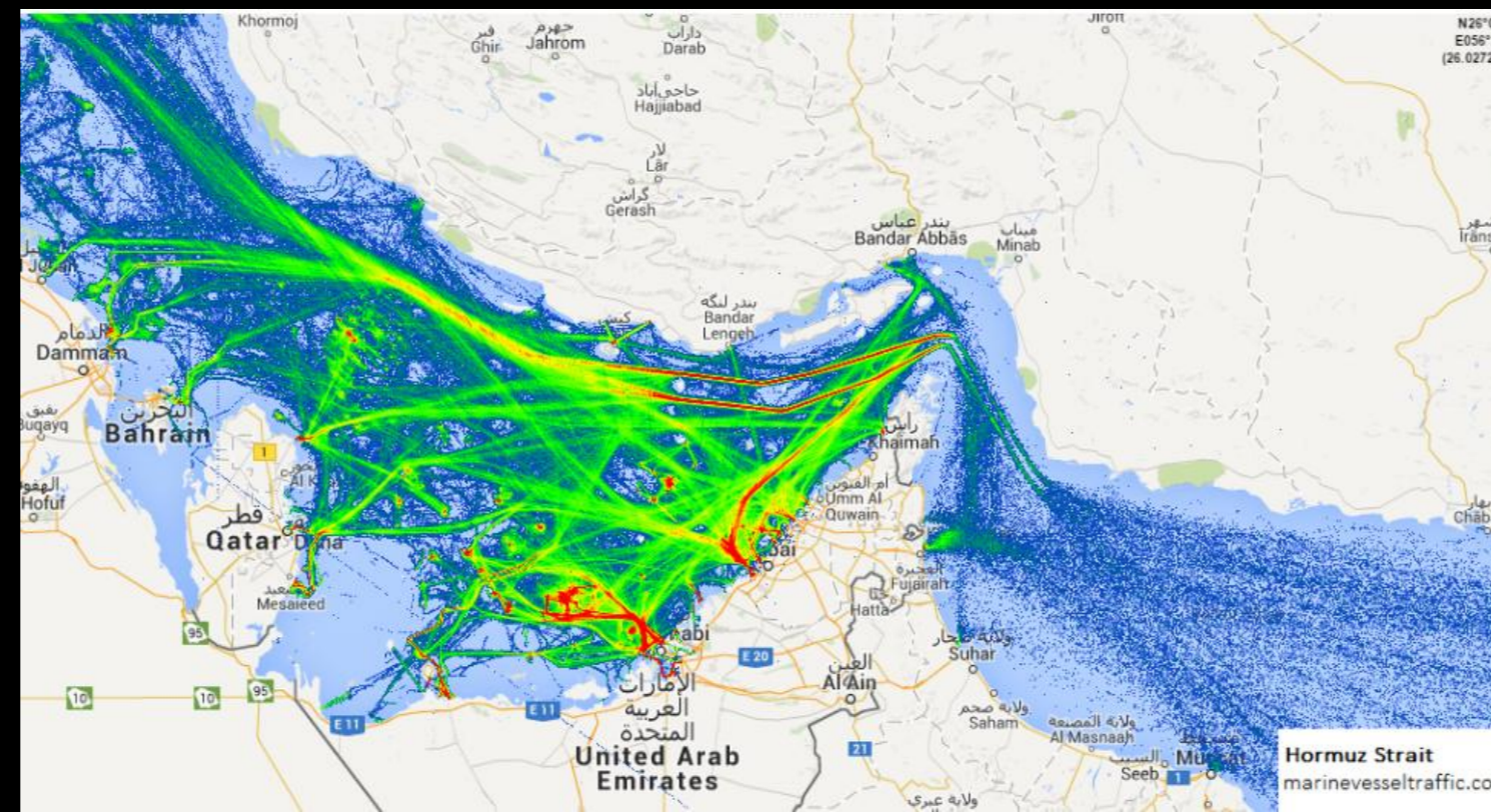
The Panama Canal



The Suez Canal



The Hormuz Strait



Mexico-US Border



Digital, Demographics, Diplomacy

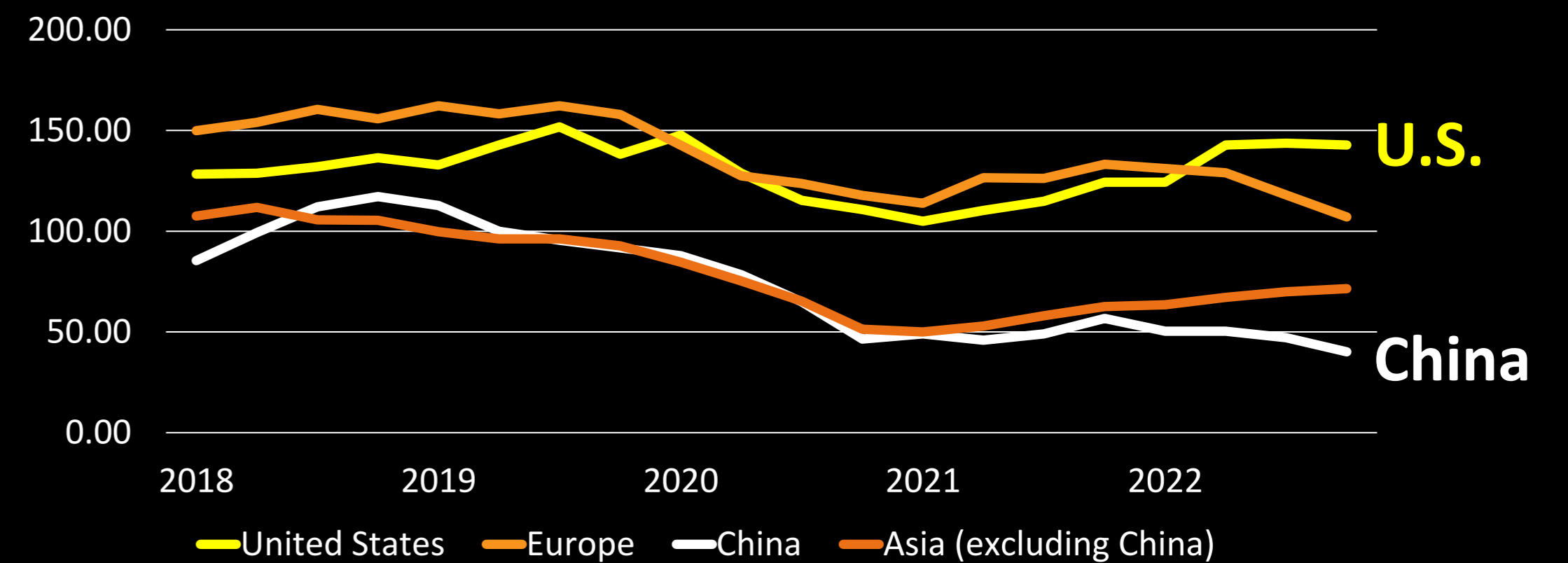
The State of Globalization in Four Charts

↑ Previous

$$P_{AB} = fD_{BA}$$

Foreign Direct Investment in Strategic Sectors

(number of investments, four-quarter moving average, 2015:Q1=100)

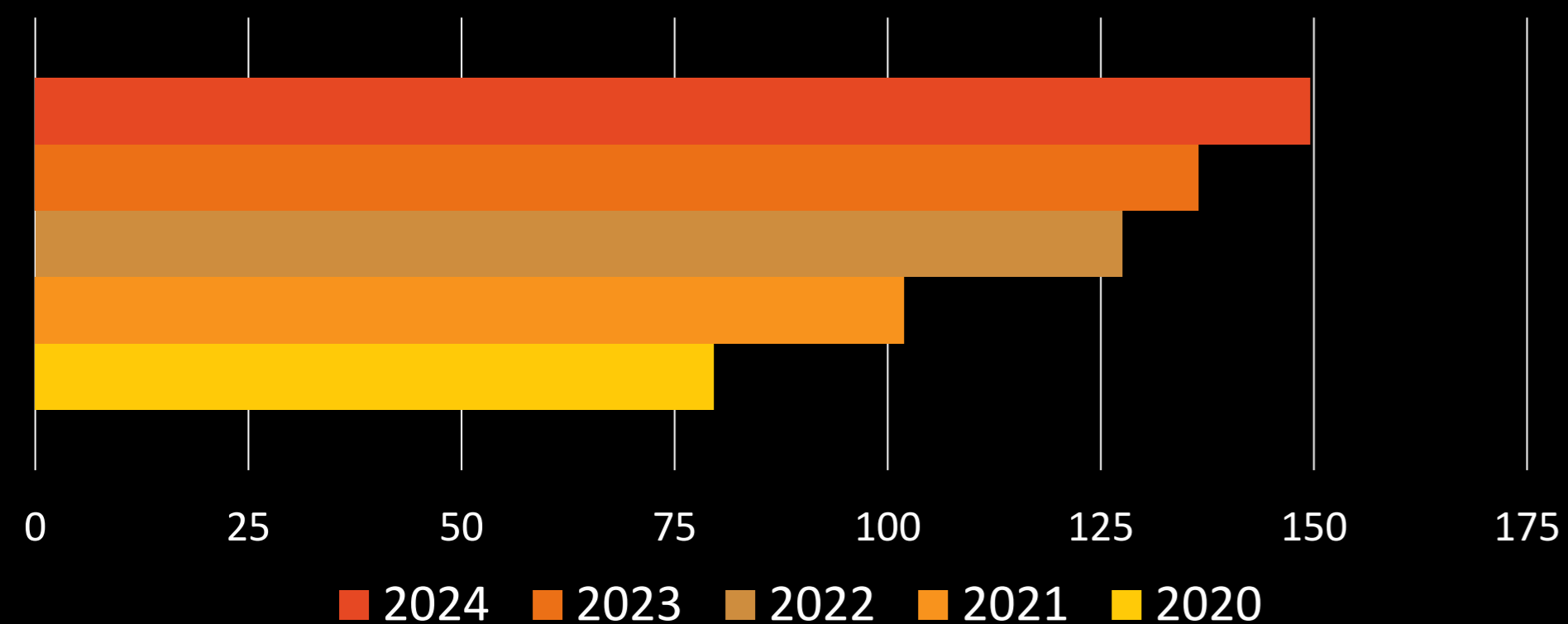


Sources: fDi Markets; and IMF April 2023

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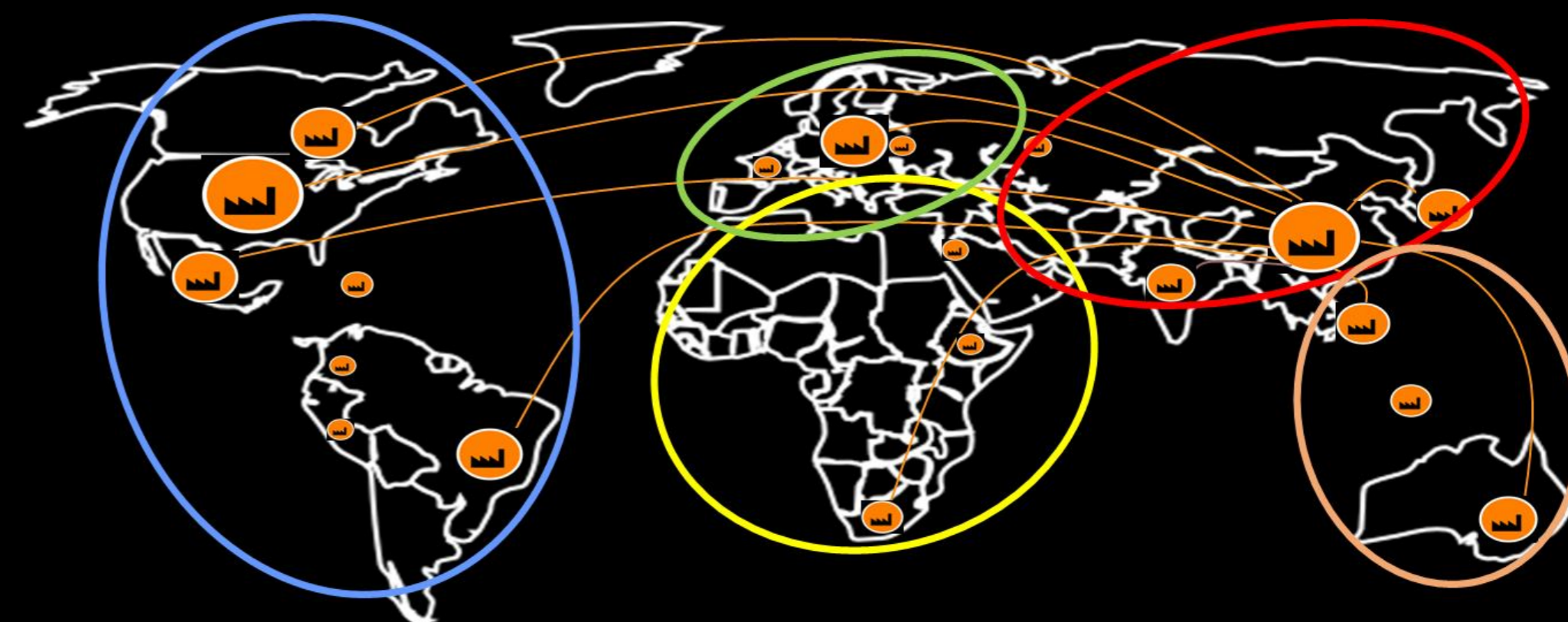
Rising U.S. Imports from Vietnam

(U.S. Billions)



Sources: World Trade Association, Office of the United States Trade Representative

Regionalization is Accelerating



Next ↓

Digital, Demographics, **Diplomacy**

The **ELEPHANT** in the Room



↑ Previous



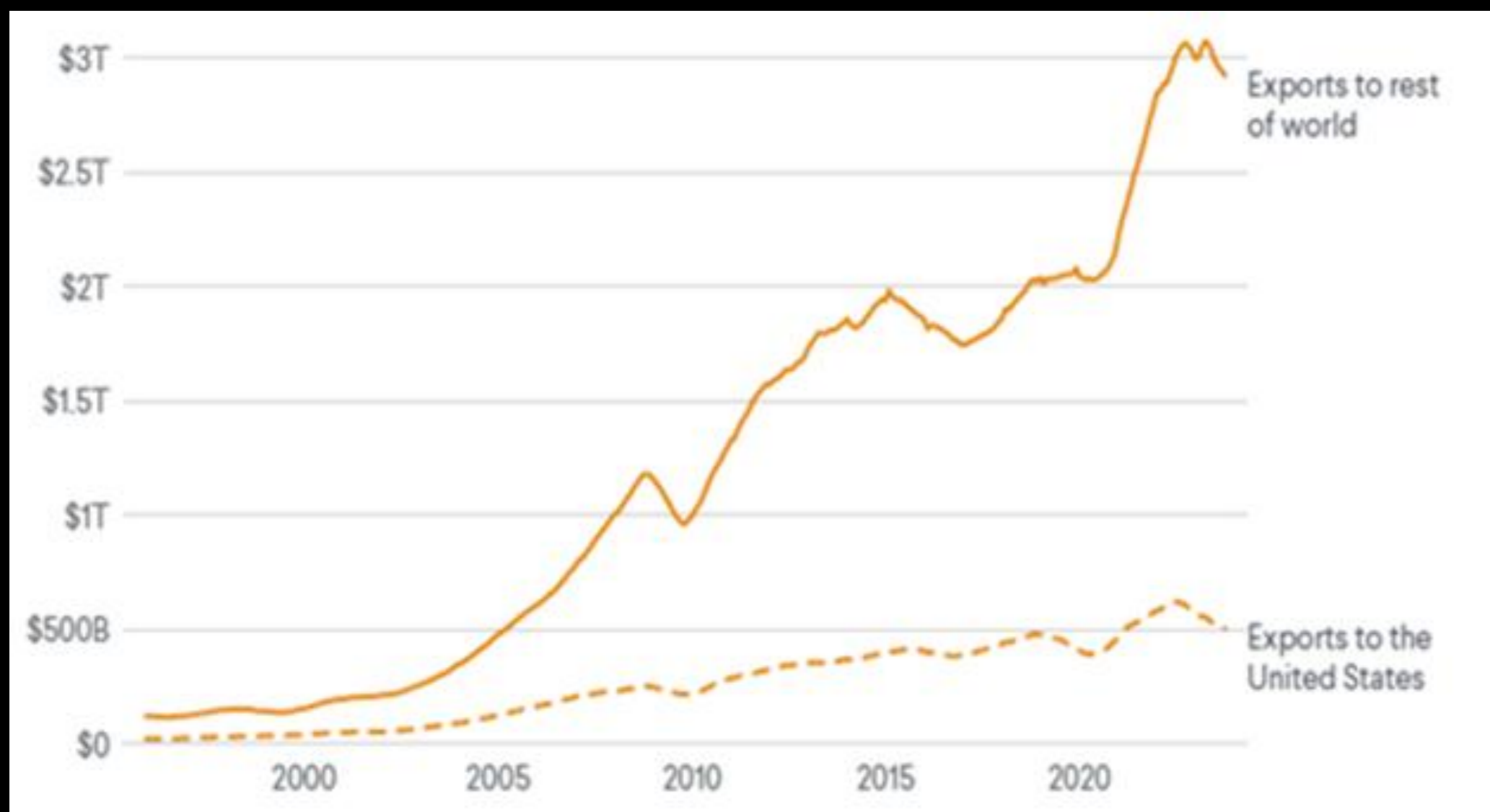
13

Next ↓

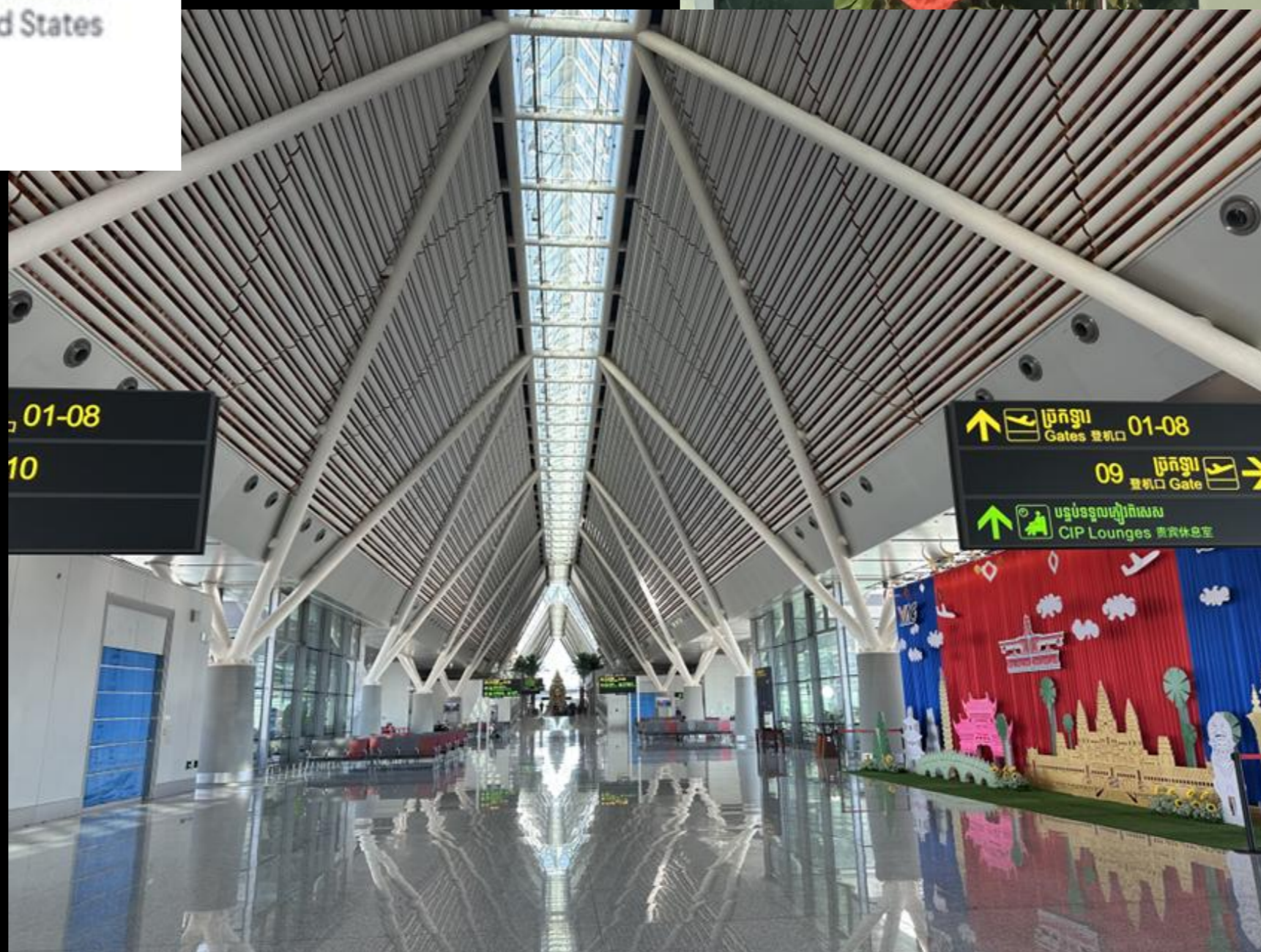
Digital, Demographics, Diplomacy

Don't Underestimate the Long Arm of China

China's Total Exports Rose Despite 2017 US Tariffs



Source: International Monetary Fund, Council on Foreign Relations



Risk vs. Uncertainty

The concept of uncertainty being fundamentally different from risk has a long history in economics (Knight, 1921)

The greatest challenge of threat recognition may be that action must be taken before outcomes are known, even probabilistically (Alvarez & Barney, 2005)

Risk



Known range of outcomes that can be quantified using probabilities (Teece & Leih, 2016)

Prepare
De-Risk
Insure

Uncertainty



What's left over after all the risks have been quantified (Cleden 2009)

Observe
Accept
Act

Tariffs Introduce Significant Uncertainties

...even if just a threat

How will U.S. **consumers** respond?

How will U.S. **companies** respond?

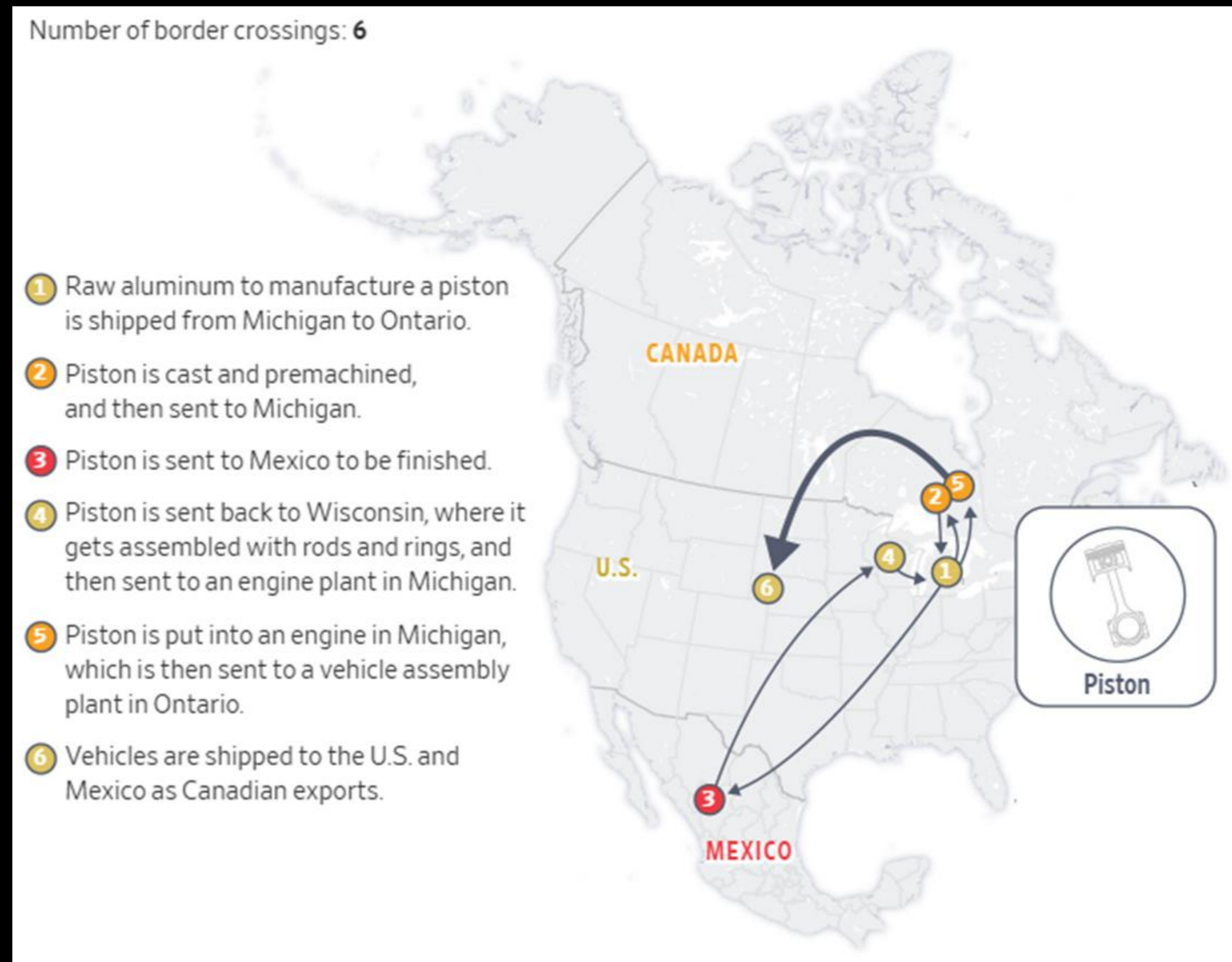
How will U.S. **trading partners** respond?

How will U.S. **adversaries** respond?

Other **unintended consequences**?

\$1.6 Trillion of Goods Moved Back and Forth Between the U.S., Canada and Mexico in 2024

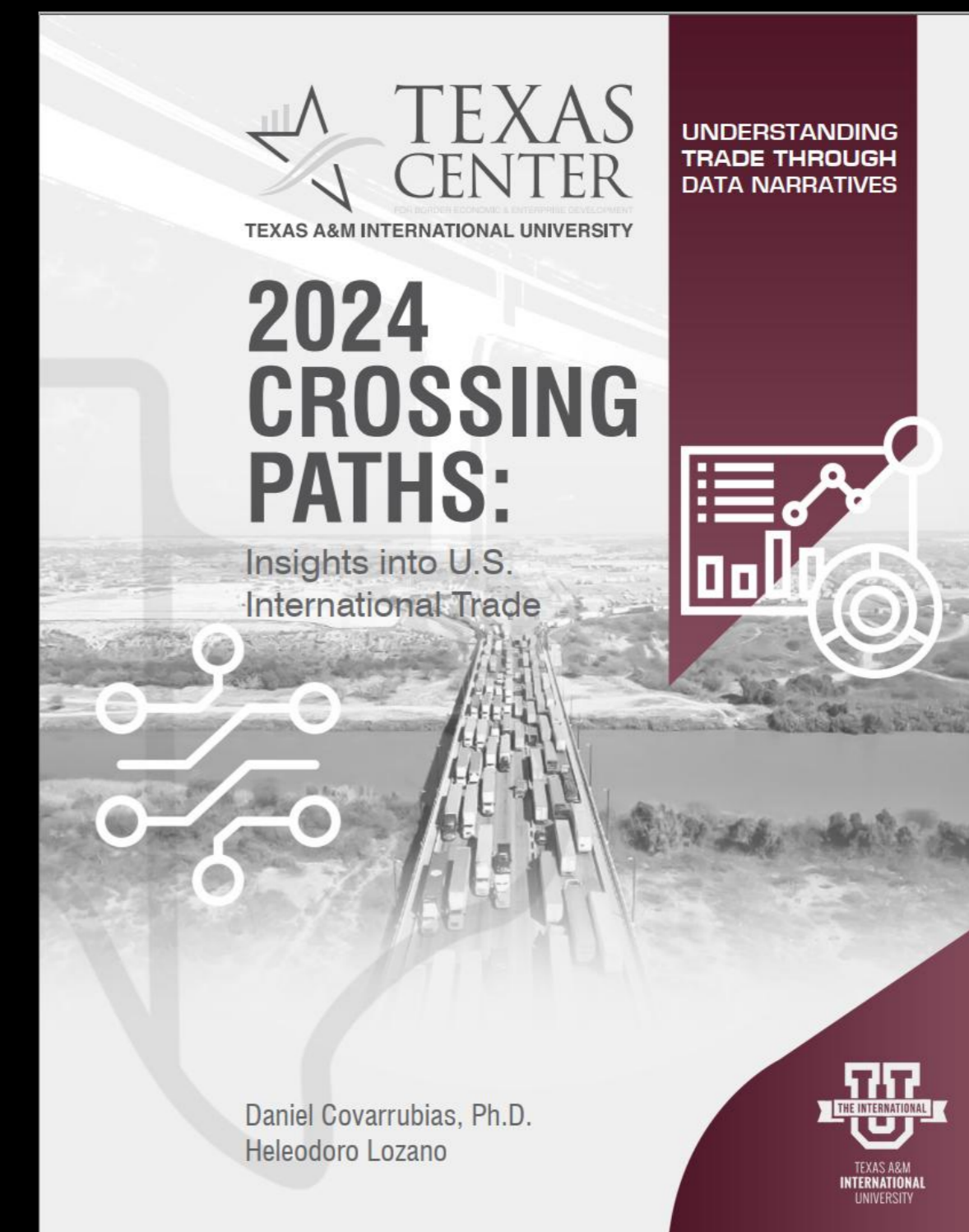
One car part, a piston made by Canadian Manufacturer Linamar, crosses borders 6 times on its way to a Dealer's lot.



Texas Center Research on Tariff Impacts

Insights from Daniel Covarrubias and Heleodoro Lozano

- 4.3 million jobs could face trade disruptions in the top 15 states most exposed to tariffs.
- Key themes in U.S.-Mexico trade include:
 - Importance of regional trade integration
 - Critical role of border infrastructure
 - Impact of tech advancement
 - Deep interconnection between economies





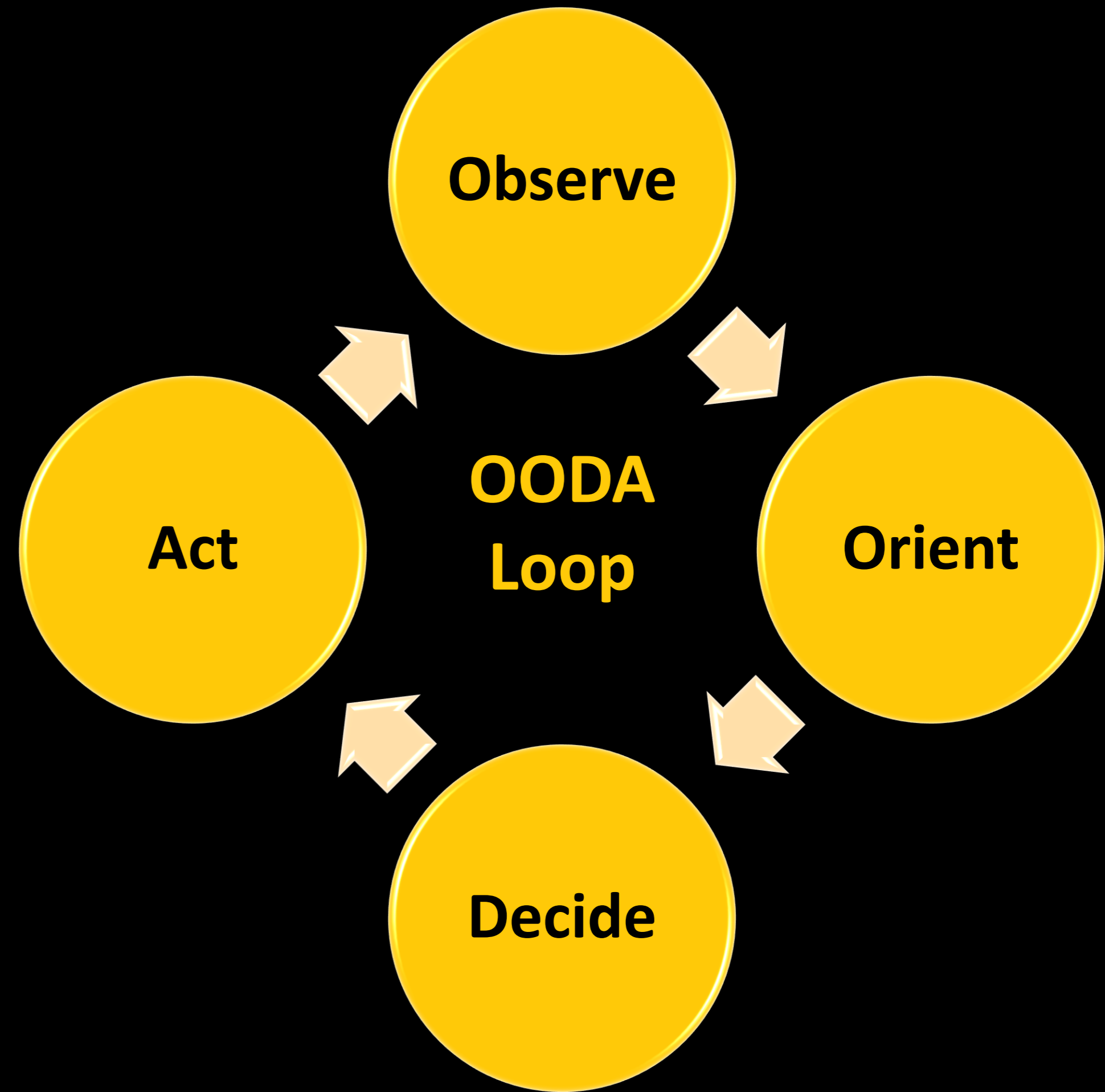
An imperfect solution that
exists **outperforms** a perfect
one that doesn't.

-Shane Parrish

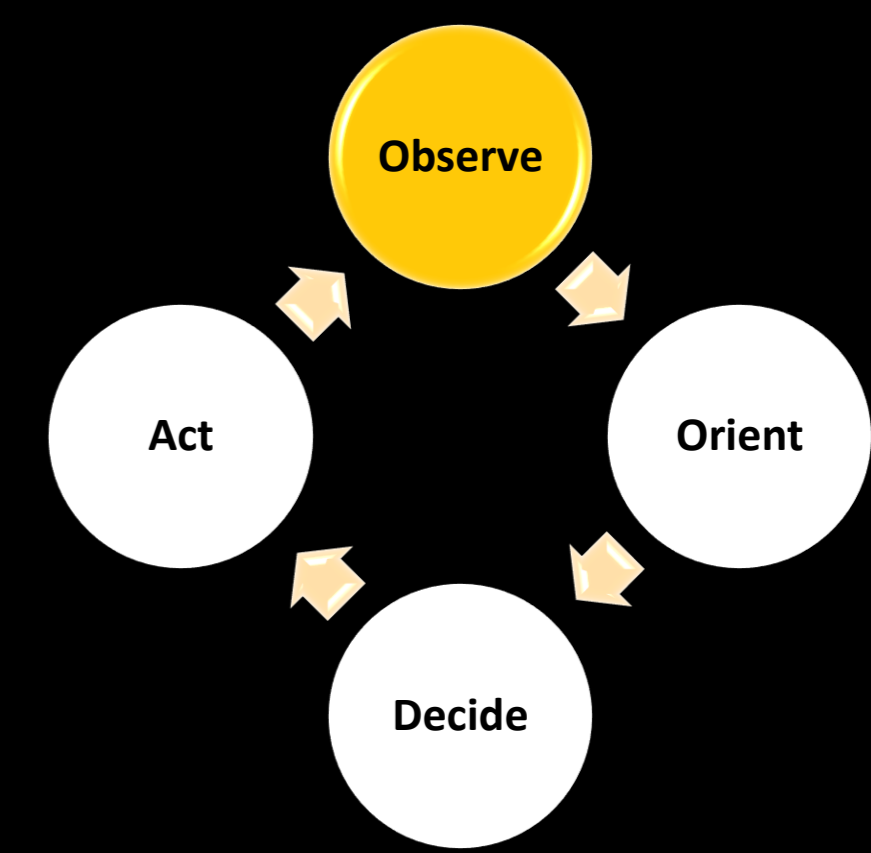


“Whoever can handle the **quickest rate of change** is the one who survives.” – Colonel John Boyd

Learn Fast
NOT Fail Fast



God Didn't Create Data

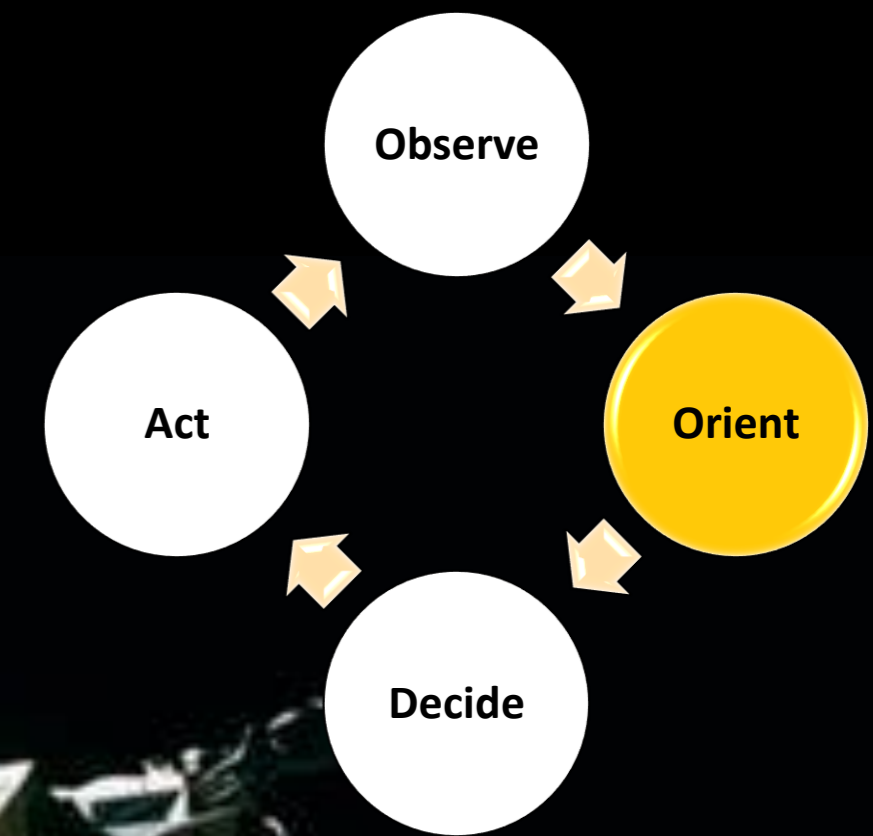


The greatest source of your future success is the data that hasn't been created yet.”

— Clayton Christensen



Leaders Do **NOT** Need to Have All The Answers



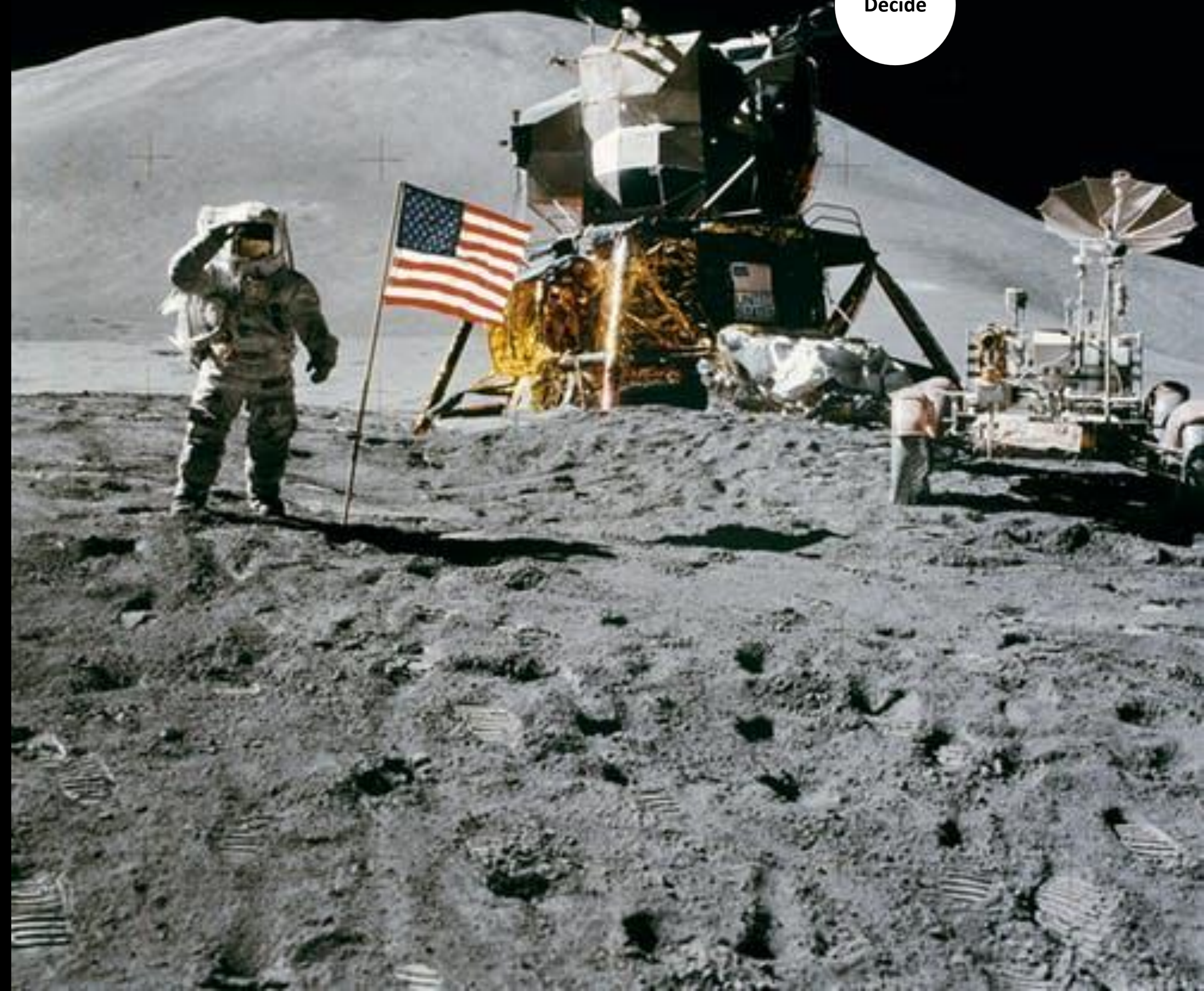
Purpose With a Point

What Not How, Time-Bound, Actionable, Supported

“First, I believe that this nation should commit itself to achieving the goal, **before this decade is out**, of landing a man on the moon and returning him safely to the Earth.”

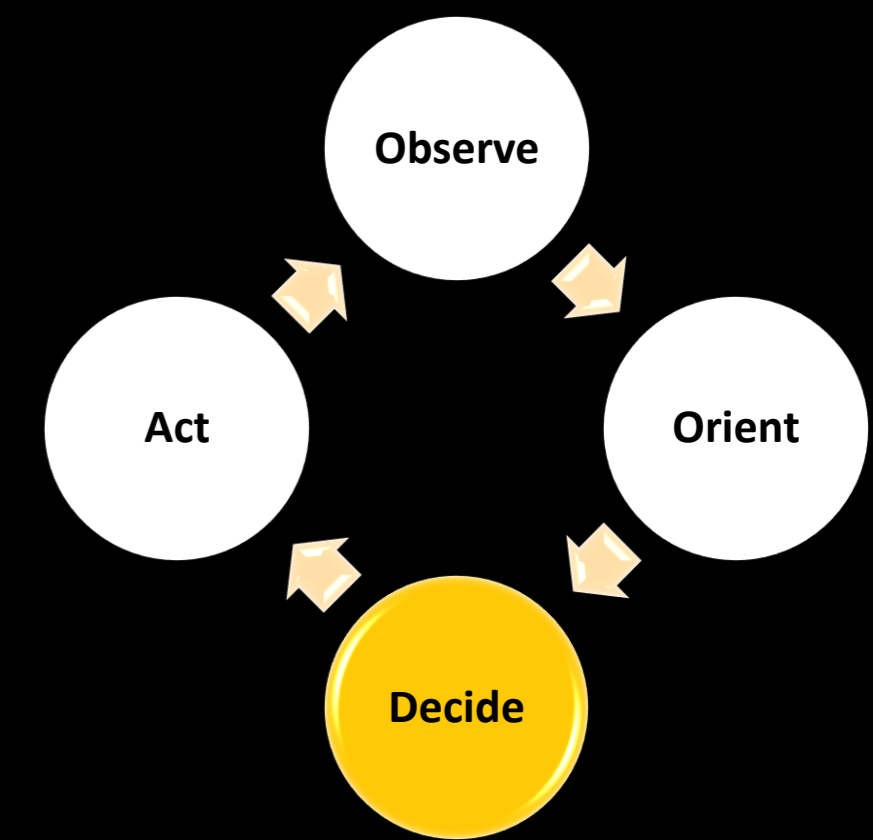
President John F. Kennedy
Delivered in person before a
joint session of Congress

May 25, 1961



Knowing by Doing

Discover the Commercial Truth



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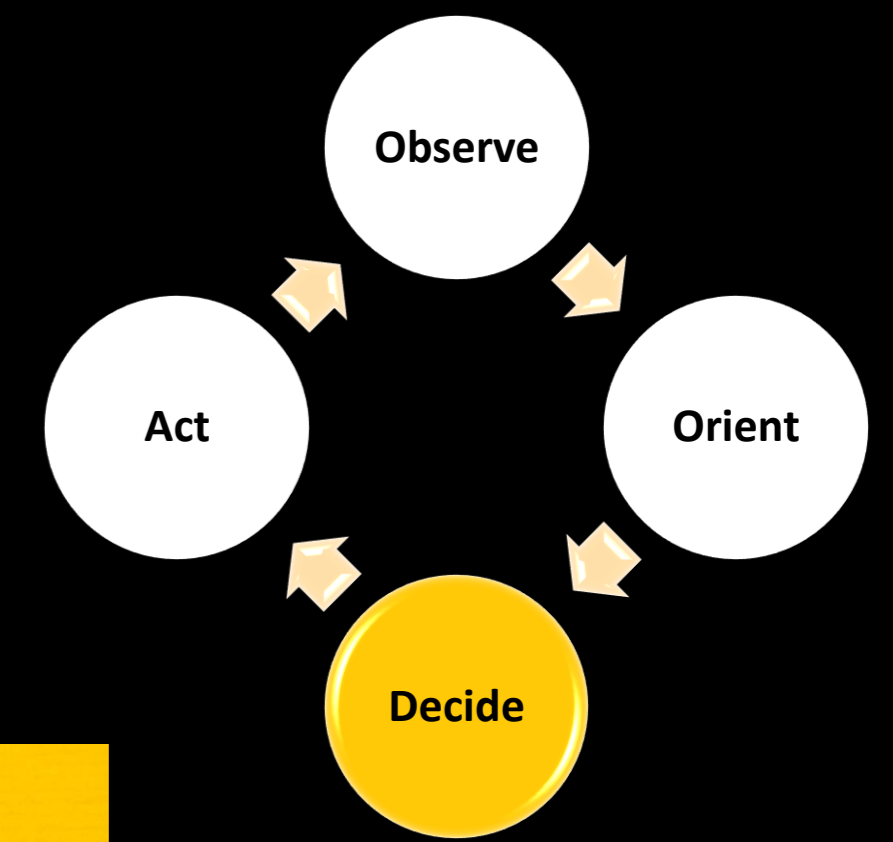
I don't want to see a \$50M proposal until I see a \$10K truth."

— Fortune 500 Executive

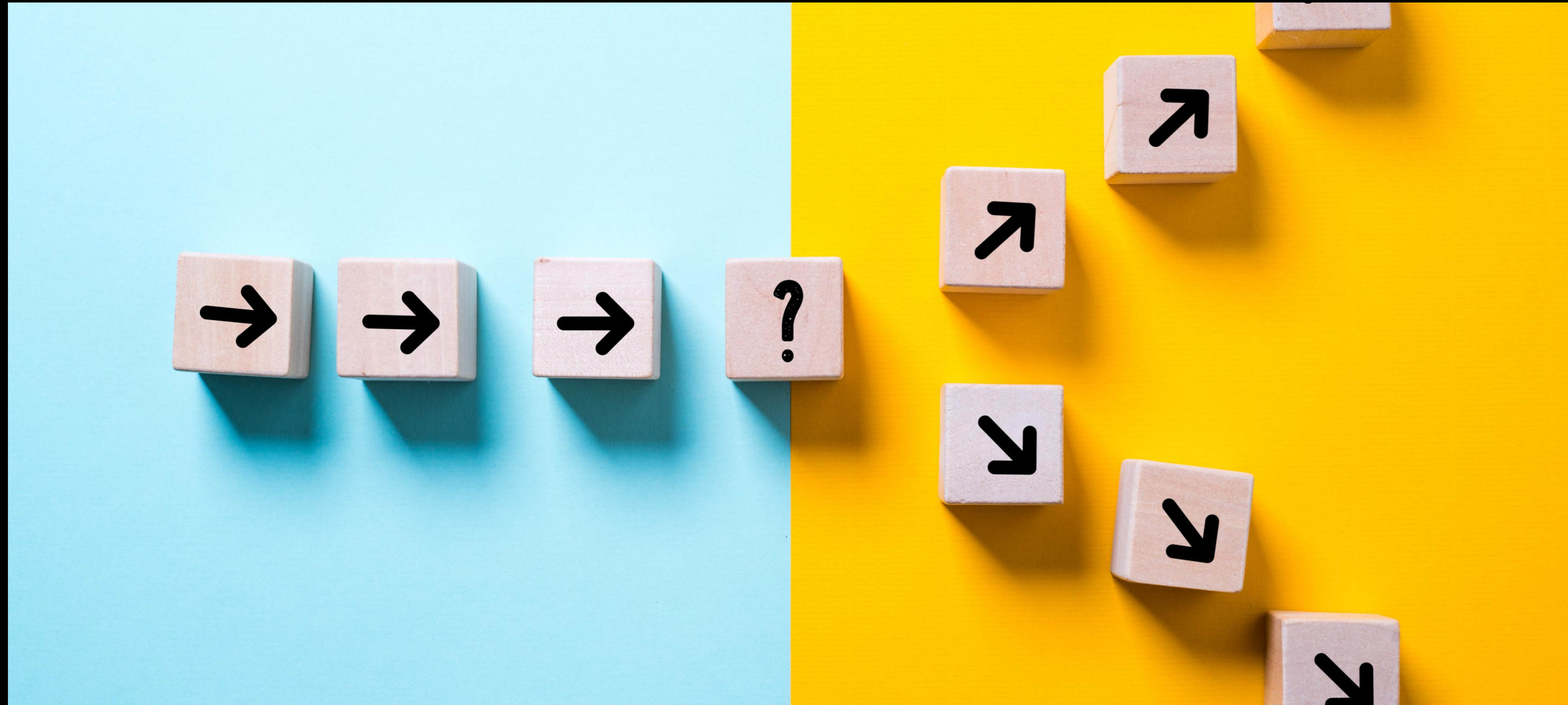
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Persistent Advantage is Built From **Optionality**



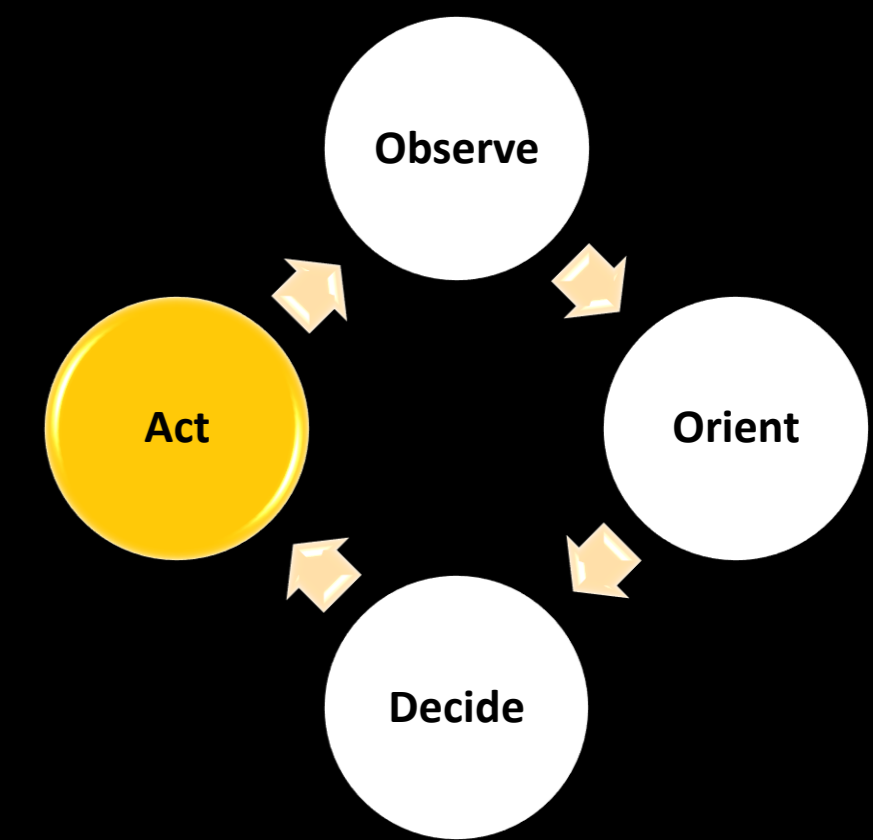
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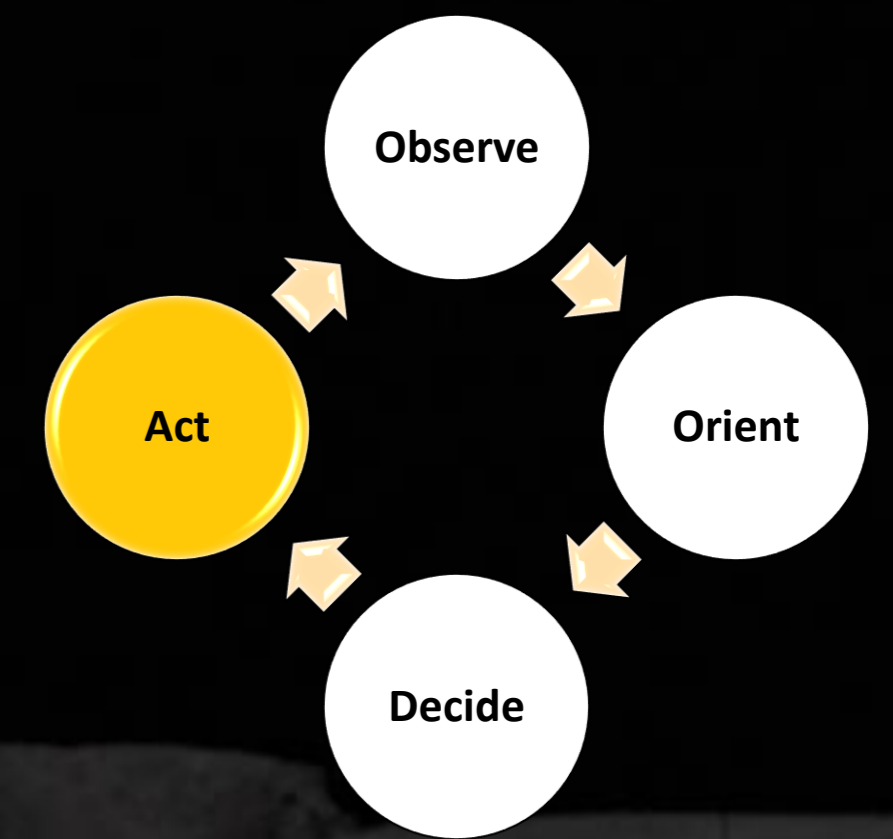
Go on **Offense**



It's quite remarkable that most people believe that attack costs more casualties. Do not even think about it; **attack is the less costly operation**....Nothing incurs higher casualties than an unsuccessful defense. Therefore, attack wherever it is possible.

Hermann Balk – General of Panzer Troops

Conviction



“All truth passes through three stages.”
Schopenhaur

1st

IT IS RIDICULED

2nd

IT IS VIOLENTLY
OPPOSED

3rd

IT IS ACCEPTED
AS BEING
SELF-EVIDENT

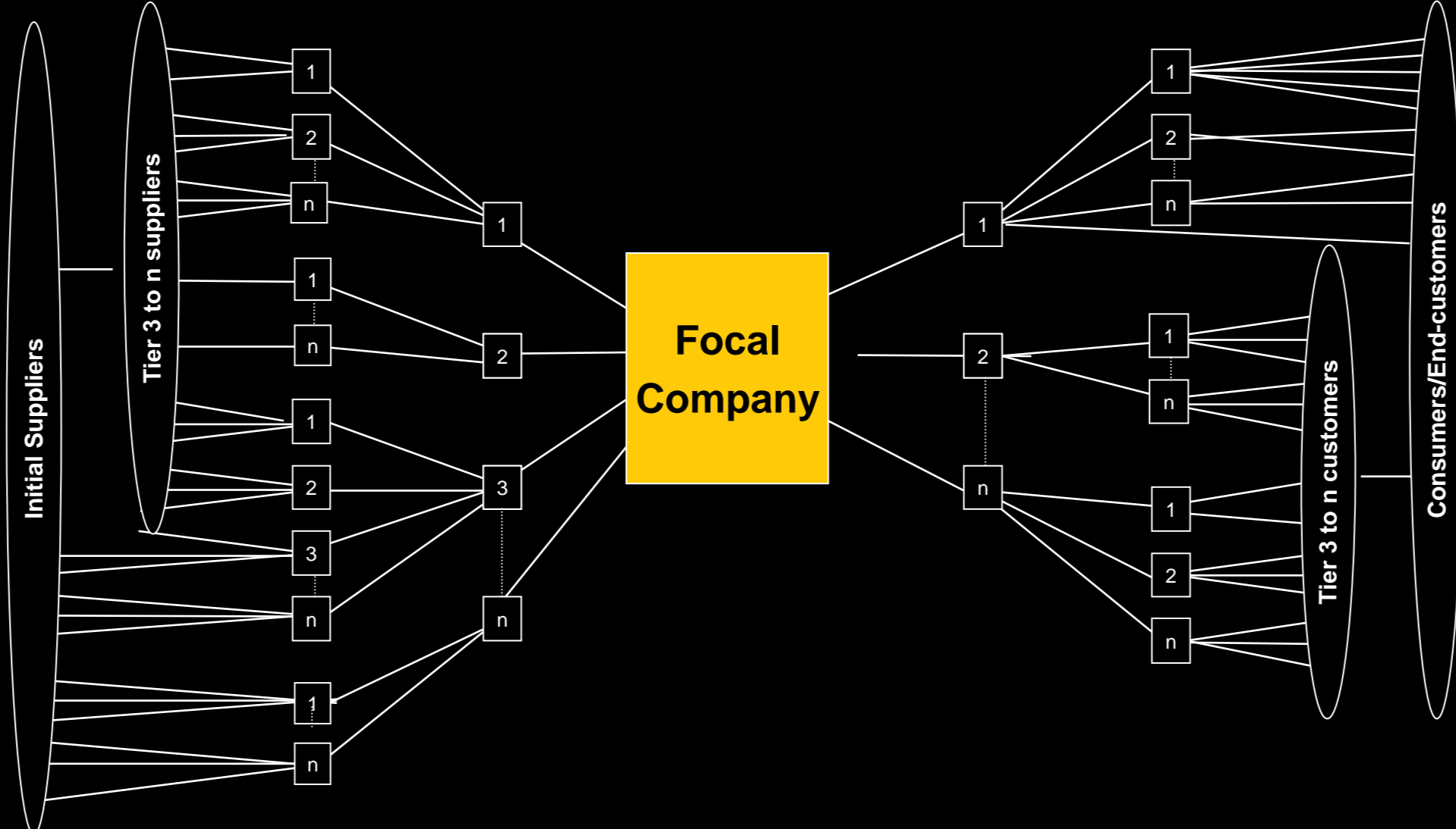
Winning Monday



The Optionality “Menu” for Supply Chain

Limit Item Assortment
Form Postponement
Reduce Product Complexity

X-Shoring
Supplier Diversification
Collaboration



Demand Sensing
Demand Shaping
Safety Stock

Upskill/Cross-Train Employees
Agility/Reconfigurability
Scenario Planning (“what if?” to “then what”)

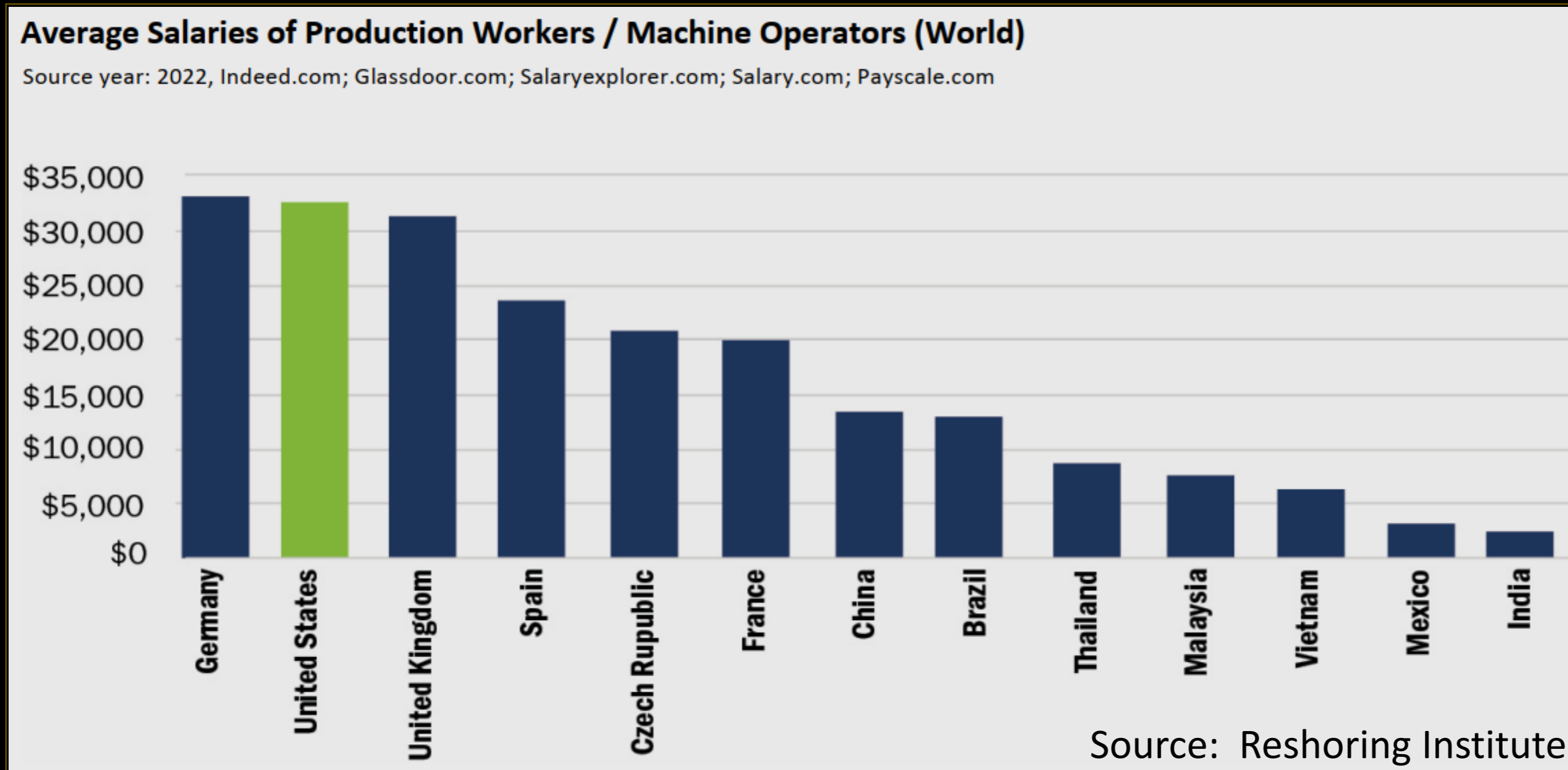
The Universal Action Item

Do you know the minority of suppliers, customers, and products responsible for the majority of your profits?

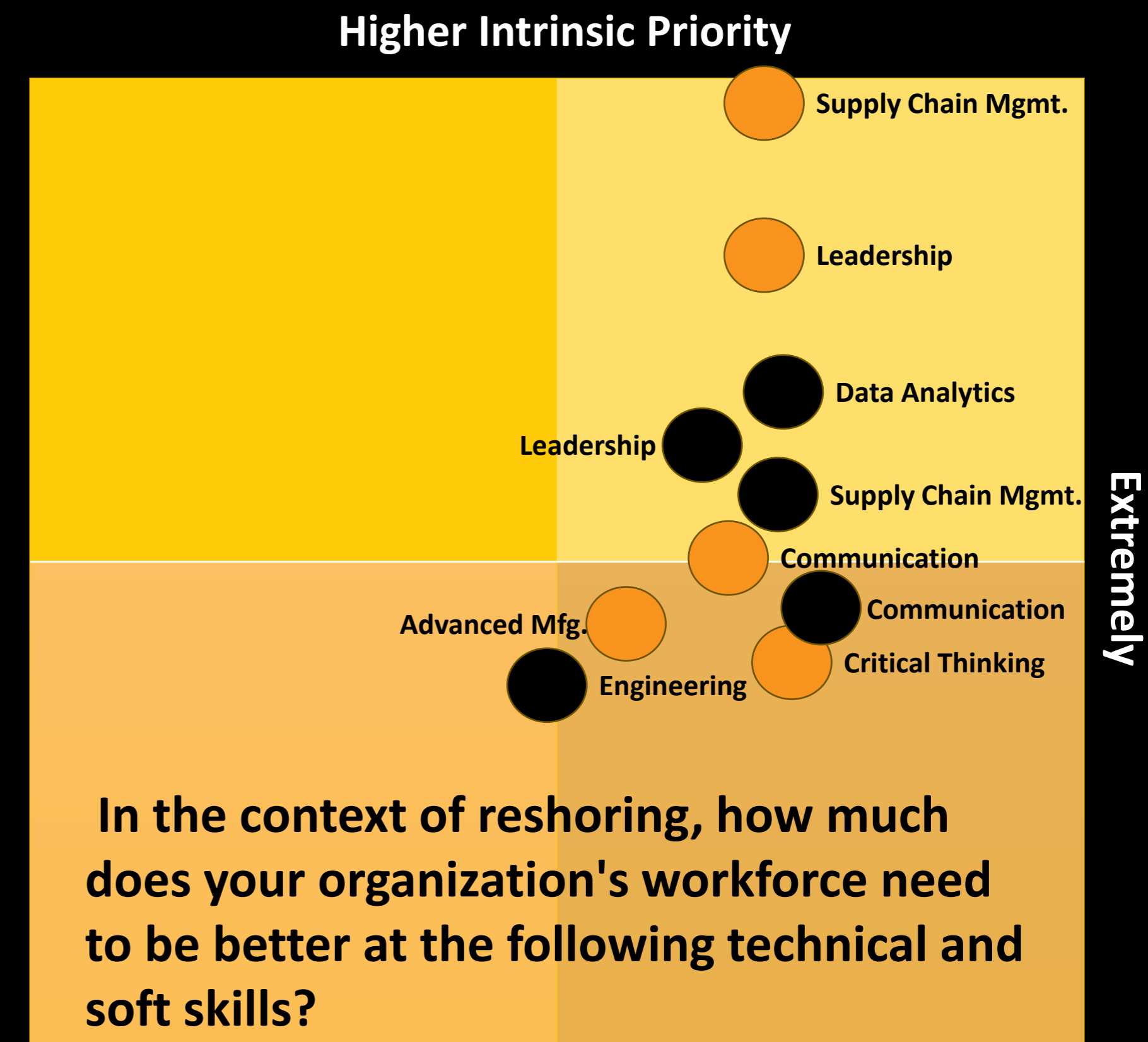
- Should I look for lower-cost providers or maintain current relationships? Which suppliers should I negotiate cost-sharing.
- If we move final assembly to the U.S., which suppliers are critical to locate close by?
- **Which customers can I pass on costs to?**
- Which products/SKUs can I eliminate/consolidate/substitute or tariff engineer?

Is Reshoring or Nearshoring an Option?

Reshoring is happening in low labor content industries, but...



Not at All



Previous

Challenges remain:

- ✓ Labor cost, availability, and skills
- ✓ Supply chain ecosystems
- ✓ Regulatory environment
- ✓ Relocation cost/Opportunity cost

Next

Leadership Insights To Discuss With Your Team

Create an Organization That Thrives in Uncertainty

1. **Learn Fast: Not Fail Fast**
2. **Use Tech to Cast a Wide Net: Separate the Signals from the Noise**
3. **Purpose with a Point: What, Not How; Time-Bound; Actionable; Supported**
4. **Create Options Based on Commercial Truths**
5. **Offense is the Best Defense**
6. **Conviction: If You Don't Believe It, Nobody Else Will**

And One Closer: Make Lives Better

Solve for insufficient...



Wealth



Access



Skill



Time

Burning Questions?



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