

Governing Energy

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August marks the 100-year anniversary of two seminal events that not only impacted the last century in a dramatic fashion but continue to influence our lives today. The Guns of August fired in early August 1914 and set the world ablaze for the first of two world wars. Empires and monarchs fell and millions died. Many do not realize that the modern Middle East political environment was partially the fall out of the end of the “sick man of Europe”—Ottoman Empire and the resulting political restricting by the Allies.ⁱ Moreover, the peace set the stage for an even greater conflict less than 25 years later.

Not so well known is the opening of the Panama Canal on August 15, 1914. Long operated by the Americans, in 1977, President Carter signed a treaty turning the canal over to Panama that was effective on December 31, 1999.ⁱⁱ

During the past 15 years, the Panama Canal has been transformed from a “staid state owned public utility, with it quasi-socialist ‘zone’ for employee, to a modern business that aims to maximize revenues and compete internationally.” One source gives the credit for this to former Panamanian President Guillermo Endara (1989-1994) who led the efforts to depoliticize canal operations through a constitutional amendment.ⁱⁱⁱ

Decisions made generations ago can have consequences long into the future. High quality decisions are important. Staying the “proper” course sustains value even in the midst of major structural change.

These lessons are also important to corporate executives whose vision may be limited to shorter horizons. This political (US midterm elections in November) season will most likely find pundits stating words to the effect that, “elections have consequences.” The same can be said of strategic decisions.

How wise are your organization’s long-term strategic decisions?

About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of three books and has written extensively about the field of operations management. Shemwell is the Managing Director of The Rapid Response Institute, a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management. He has studied cultural interactions for more than 30 years--his dissertation; *Cross Cultural Negotiations Between Japanese and American Businessmen: A Systems Analysis (Exploratory Study)* is an early peer reviewed manuscript addressing the systemic structure of social relationships.

End Notes

ⁱ <http://www.telegraph.co.uk/history/world-war-one/inside-first-world-war/part-six/10607658/ottoman-empire-first-world-war.html>

ⁱⁱ <http://www.history.com/this-day-in-history/panama-canal-open-to-traffic>

ⁱⁱⁱ O'Grady, Mary Anastasia. (2014, August 18). The Panama Canal Celebrates 100 Years. The Wall Street Journal. p. A11.