

Governing Energy

All the Pundits Were Wrong—Again!

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Twice this year a political system has been shocked. First the United Kingdom BREXIT vote and more recently the United States 2016 election cycle.

Why does this continue to happen? In an era of sophisticated polls, unlimited campaign spending and Big Data analysis, not just a few but most missed these social earthquakes.

Some are now suggesting that the President Elect had tapped into something that the defeated party did not see—and many of his own for that matter! If this is so, how did this individual recognize this tsunami when the political pros on both sides could not?

We started researching this phenomenon in the early 1990s. Following primary efforts, “integrating structural and process components into a dynamic system model” as part of systems analysis of human interaction, we coined the term *Structural Dynamics*.ⁱ

Other early publications in the form of articles and speeches were formalized into our “Beta” White paper which was released in 2012.ⁱⁱ In 2015 our first Monograph in *Changing the Dialogue: A Series on the New Business Dynamics* formally documented **Structural Dynamics: Foundation of Next Generation Management Science**.ⁱⁱⁱ

We have defined Structural Dynamics as, “The morphology or patterns of motion toward process equilibrium of interpersonal systems.”^{iv} This is founded in the hypothesis that structure and process are intertwined and often the latent or unseen variables only manifest themselves at a (now visible) *tipping point*.^v

At this point, it is often too late for a successful response. Strategic and often long-term competitive advantage then go to those who more successfully read the structural dynamics tea leaves.

Earlier this year, we posited that the electoral go to market strategy; significantly different for each candidate, might illuminate whether older marketing processes would continue to prevail over a newer more disruptive model.^{vi} The post-mortem will probably reveal the extent to which social media supplanted television advertising, or not.

It appeared to this pundit that one of the data analysis culprits at work for both of these political decisions was the roll of the polls. As an arm’s length observer it often appears that pollsters often violated the requirements for *valid* and *reliable* data collection and analysis.^{vii}

Moreover, individuals will misunderstand the question and/or actually lie to the pollster. Polls often have a subjective component and can be influenced by the interviewer. Finally, the sampling problem can bias their analysis and hide real data.^{viii}

Structural Dynamics is well suited for the Big Data era. Its very construct is one that looks at a number of relationships, behaviors and conditions among variables, including those that are latent. The more data, the stronger the business model.

Using advanced analysis techniques such as Structural Equation Modeling (SEM), the Structural Dynamics algorithm is robust and can provide insight into latent variables.^{ix} With sixteen major criteria categories, complex dynamic and fluid social/business systems can yield their secrets to astute management.

In 2016 there were two seminal events where many got it wrong. Can you and your organization afford to be on the wrong end of a pivotal occurrence? Structural Dynamics suggests there is no reason for that to happen.

Do your Competitors Know More about the Structural Dynamics of your Industry than You Do?

About the Author

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End Notes

ⁱ Shemwell, Scott M. (1996). *Cross Cultural Negotiations between Japanese and American Businessmen: A Systems Analysis, (Exploratory Study)*. Unpublished doctoral dissertation, Nova Southeastern University, Ft. Lauderdale. p. 17.

ⁱⁱ _____ (2012, June). Structural Dynamics: The Foundation of Next Generation Management Science—beta Version of the Construct. Version 1.0. [Author](#).

ⁱⁱⁱ _____ (2015). *Structural Dynamics: Foundation of Next Generation Management Science*. Houston: RRI Publications. <http://www.amazon.com/Structural-Dynamics-Foundation-Generation-Management-ebook/dp/B00U0JKMT0>

^{iv} Shemwell, Scott M. (1996).

^v <http://gladwell.com/the-tipping-point/>

^{vi} Shemwell, Scott M. (2016, September 6). [Memories](#). Governing Energy. PennEnergy.

^{vii} <https://www.ncbi.nlm.nih.gov/pubmed/19020196>

^{viii} http://www.nytimes.com/2015/06/21/opinion/sunday/whats-the-matter-with-polling.html?_r=0

ix https://en.wikipedia.org/wiki/Structural_equation_modeling