

# Governing Energy



## Proof Positive?

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Judges often speak of “settled law,” or laws on the books that have not changed for a long time.<sup>i</sup> In another context, the construct of “settled science;” means that the underlying knowledge of a subject has been found to be irrefutable.<sup>ii</sup>

Are these statements correct? The Babylonians, Egyptians and Romans all had settled law and these civilizations lasted hundreds and even thousands of years before their demise. So, the settled law construct should be defined within the context of not just a few years but within the setting of a political entity. Very few speak Latin today as their colloquial language.

In 1899, the U.S. Patent Commissioner is purported to have said, "Everything that can be invented has been invented."<sup>iii</sup> I think all would agree that Commissioner Charles Duell was somewhat shortsighted.

As a scientist, this author lives in a world of theorems, axioms, hypotheses, as well as mathematical proofs. The word "final" is never part of the discussion.

Every position paper has a bias. The point of view of the researcher or author reflects that individual's agenda and/or belief system. There is nothing inherently wrong with the material an author presented, but it is important that readers understand this predisposition.

Over the past few years this blog has been published, we have discussed a number of items such as culture, management philosophies and sales to name a few topics. This author's bias is that all of these subjects are dynamic by their very nature.

The monograph, *Structural Dynamics: Foundation of Next Generation Management Science* defined this topic, "as the morphology or patterns of motion toward process equilibrium of interpersonal systems."<sup>iv</sup> In other words, in theory economic equilibrium can be achieved but its optimal state cannot be sustained without the application of additional and sustained energy.<sup>v</sup>

Daily, decision-makers are asked to make 'bet your career' choices. Enter a new market, M&A, even hiring and firing are all important decisions that by definition are made with "incomplete information."<sup>vi</sup> The more incomplete or more prejudiced the data used, the greater the **RISK** of adversity from that decision.

One should be cautious when statements such as, 'everyone is doing it,' 'we must,' 'there are no other options,' and so forth are used by ones' peers, superiors, subordinates and/or sales representatives. These are statements about a forgone conclusion and history suggests that in most cases the 'risk is higher when this is the conversation.'

There is a valid argument that the oil and gas sector is undergoing a period of disruption caused primarily by technology. One other possibility is that the current recession is just one of many and the return of higher commodity price points is inevitable.

Both positions have their (sometimes passionate) pundits—the author's is the former. However, neither is settled and decisions made based on either may prove to be folly.

We offer no silver bullet. Decision making in this environment is difficult and will most likely remain so. Temper enthusiasm and make sure non-settled information is evaluated in the decision-making model.

The old proverb, "Forewarned is forearmed" remains applicable.<sup>vii</sup> Paraphrasing the Roman scientist Pliny the Elder, *the only thing that is certain is uncertainty.*<sup>viii</sup> Beware of those offering proof!

There is often great temptation to try to make deterministic decisions. Three bullets on the PowerPoint slide or Red, Yellow, Green in the Risk Matrix. However, since we are all humans a case can be made that all decisions have a level of stochastics in our behavior.<sup>ix</sup>

*Certainty, settled* and *final* are three words that should not be used in the decision-making process. However, their paradigm often does and sometimes as a latent construct.<sup>x</sup>

**Hypothesis:** Nothing in the human experience is ever *settled*.

## **Are Your Organizational Decision-Making Processes Dependent Upon the Settled?**

Free [Economic Value Proposition Matrix](#) version 2.0 (Realize the value of your investment)  
Also, checkout our new [YouTube Channel](#)

Additional details are available from the author.

### **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 six books and has written extensively about the field of operations. Shemwell is the Managing Director of The Rapid Response Institute, a firm that focuses on providing its customers with solutions enabling Operational 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 societal relationships.

### **End Notes**

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<sup>i</sup> <https://www.quora.com/What-do-people-mean-when-they-say-something-is-settled-law>

<sup>ii</sup> <https://www.ecowho.com/defn/s/settled%20science/2bd77>

<sup>iii</sup> <http://answers.google.com/answers/threadview/id/361397.html>

<sup>iv</sup> <https://www.amazon.com/Scott-Shemwell/e/BOOKNBEQS8>

<sup>v</sup> <http://home.uchicago.edu/rmyerson/research/jelnash.pdf>

<sup>vi</sup> <http://www.sciencedirect.com/science/article/pii/S0377221787901688>

<sup>vii</sup> <http://www.phrases.org.uk/meanings/forewarned-is-forearmed.html>

<sup>viii</sup> [http://www.quotationspage.com/quotes/Pliny\\_the\\_Elder/](http://www.quotationspage.com/quotes/Pliny_the_Elder/)

<sup>ix</sup> <http://decisionprocesstheory.com/2012/11/decisions-stochastic-or-deterministic/>

<sup>x</sup> [http://web.pdx.edu/~newsomj/semclass/ho\\_latent.pdf](http://web.pdx.edu/~newsomj/semclass/ho_latent.pdf)