

11/1/2024

Bulking Up

Bill McCurry



Pictured: ITR ECONOMICS projects the 2030s Great Depression. Their forecast is for immediate soft landings in most economic segments, with some uptick until the 2030s when economic conditions will deteriorate significantly.

You can count on being reinvigorated with new ideas at

The Garden Center Group Fall Event. Robert Hayter (LKC Engineering) opened our eyes to how our mind rejects change or new ways of thinking.

Industry and management guru John Kennedy dropped a bombshell. All garden centers keep one eye on the weather. John talked us through how a tropical disturbance forms in the Atlantic and weather prognosticators announce it could turn into a tropical depression. They may warn about a tropical storm. If the forecast turns into a hurricane, we ask, "What category? Where will it land?" Most people will follow the evacuation advice. While there are varying ways to measure the reliability of hurricane projections—"experts" are accurate only 60% to 75% of the time .

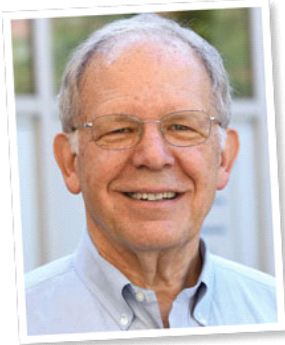
John then asked, "How do you respond to an economic forecaster with 90%-plus forecasting accuracy?" ITR Economics forecast the "Great Recession" in January 2006. Back in 2006 things were "booming." Only a few outliers, like ITR, warned about the coming mortgage collapse. Those who listened and prepared for the worst were better able to thrive and survive through the crisis.

ITR is projecting the 2030s Great Depression. Looking out across a clear ocean from the beach won't forecast hurricanes, just as today's sales numbers won't accurately project 2030 and beyond. Smart business people respond and prepare for a Category 5 financial hurricane. Check out ITR's track record and 2030s Great Depression forecast at itreconomics.com.

John goes back to metaphors to help us understand the possibilities with everyday examples. Think about someone facing significant surgery. People usually lose body weight during their hospitalization, causing doctors to encourage underweight patients to add a few pounds before surgery so they'll be in shape to recover more effectively. For instance, a 165-pound male may want to be about 170 going into the surgery so he's back to 165 at recovery.

John took us a step further. If your business will undergo contractions in the 2030s, consider what you can add on now to boost your current revenue. This way, a future reduction in sales could leave you where you are today. One

example John points to is online plant/tree ordering for your customers. There's no debate that web ordering and home delivery are a permanent part of our business. Consider partnering with some of the many companies already offering this service. They ship your orders for you under a white label program, so the return label name and address are yours. If your future sales are reduced, you have this new business to cushion the blow, like gaining weight before your surgery.



Bill McCurry

Think of long-term capital projects and efficiency improvements. John suggests implementing them now with short-term financing, assuring that when 2030 hits you won't have substantial debt payments due.

These are all solid business ideas that will improve your company whether or not the 2030s Great Depression happens as significantly as ITR forecasts. It makes sense to be prepared for any potential financial hurricane. **GP**

Bill would love to hear from you with questions, comments or ideas for future columns. Please contact him at wmccurry@mccurryassoc.com or (609) 731-8389.