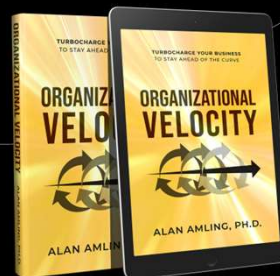


# The My Way Highway: Navigating Uncertainty on the Road to Success

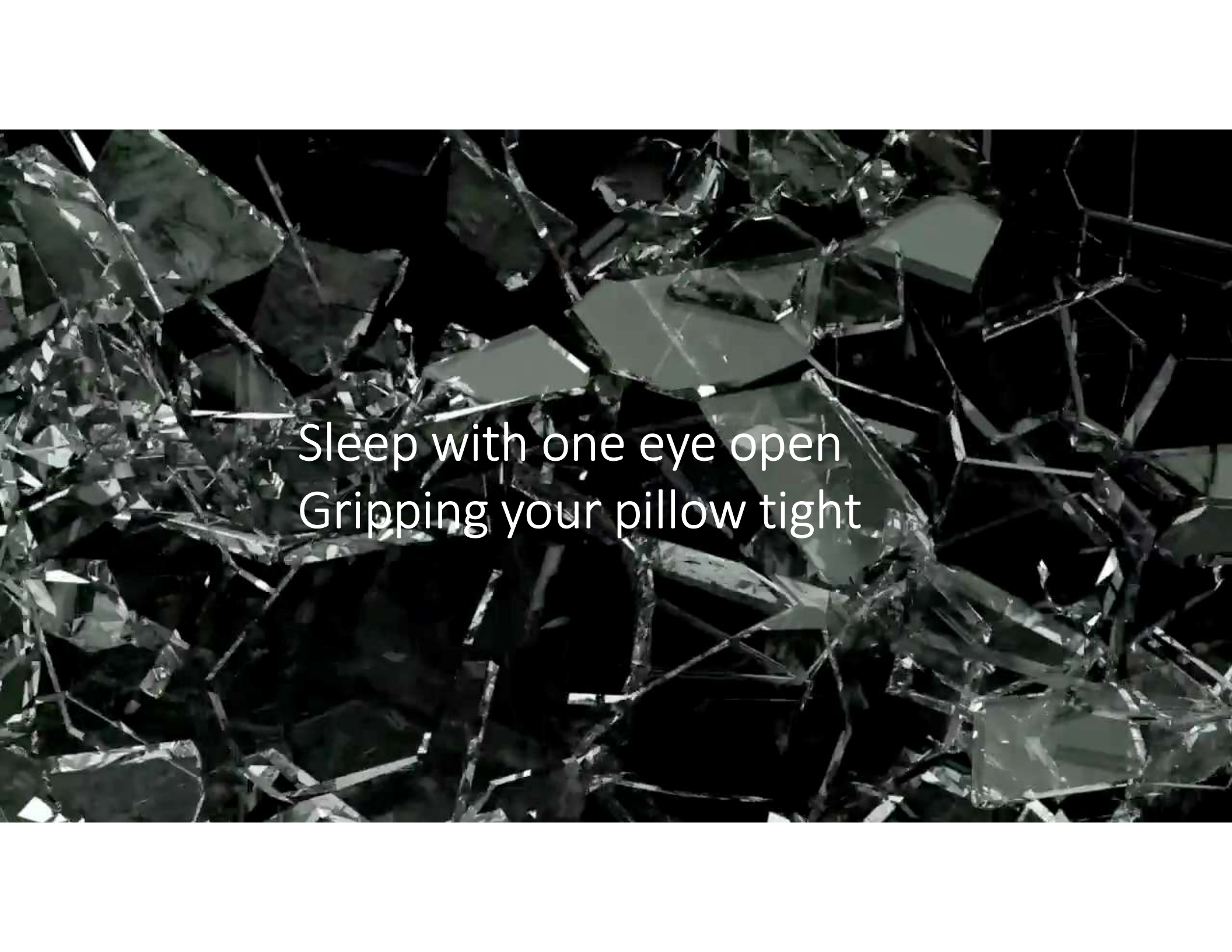
1



**ALAN  
^ AMLING**  
THRIVING ON DISRUPTION

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



The background of the image is a dense, chaotic pile of shattered glass or broken crystal. The fragments are sharp, angular, and highly reflective, creating a complex pattern of light and shadow. The overall tone is dark and ominous, with the sharp edges of the glass catching the light and creating bright highlights against a black background.

Sleep with one eye open  
Gripping your pillow tight

The swift increase in U.S. tariffs and the ensuing trade tensions in spring 2025 are significantly affecting the machinery sector by increasing costs for steel, hydraulic systems, and precision bearings critical components often imported from tariff-affected regions.

#### Declining Order Activity for Hydraulics and Pneumatics

You might call 2025 more of the same – and then some – but with some notable shifts. Some of the areas we see changing are those around confidence, as well as projections as to where distributors see their 2025 heading. For many, uncertainty is adding pieces to an already complex puzzle, and their responses have reflected some unease as they go forth.

The fluid power equipment industry is experiencing a significant transformation driven by the widespread adoption of Industry 4.0 and automation technologies.

Supply chain disruptions can have several significant impacts on industrial distributors, including:

- **Inventory Shortages**
  - Disruptions can lead to delays in receiving products, resulting in inventory shortages and affecting the ability to meet customer demand promptly, possibly damaging relationships with key clients.
- **Increased Costs**
  - With supply chain interruptions, distributors may face higher costs for expedited shipping, alternative sourcing, and storage. These increased costs can shrink profit margins.
- **Operational Delays**
  - Operations can be halted or slowed down due to a lack of essential components or products, reducing overall efficiency and leading to missed deadlines and unfulfilled orders.

#### Six Challenges for the Fluid Power Industry

1. Increasing energy efficiency
2. Improving reliability
3. Building smart components and systems
4. Reducing size and weight
5. Reducing environmental impact
6. Improving and applying energy storage and redeployment capabilities



# Today's Discussion

Certain  
Uncertainty



1

Road  
Hazards



2

Anticipate  
Adapt  
Accelerate



3

NextGen  
Horsepower



4

Winning  
Monday



5

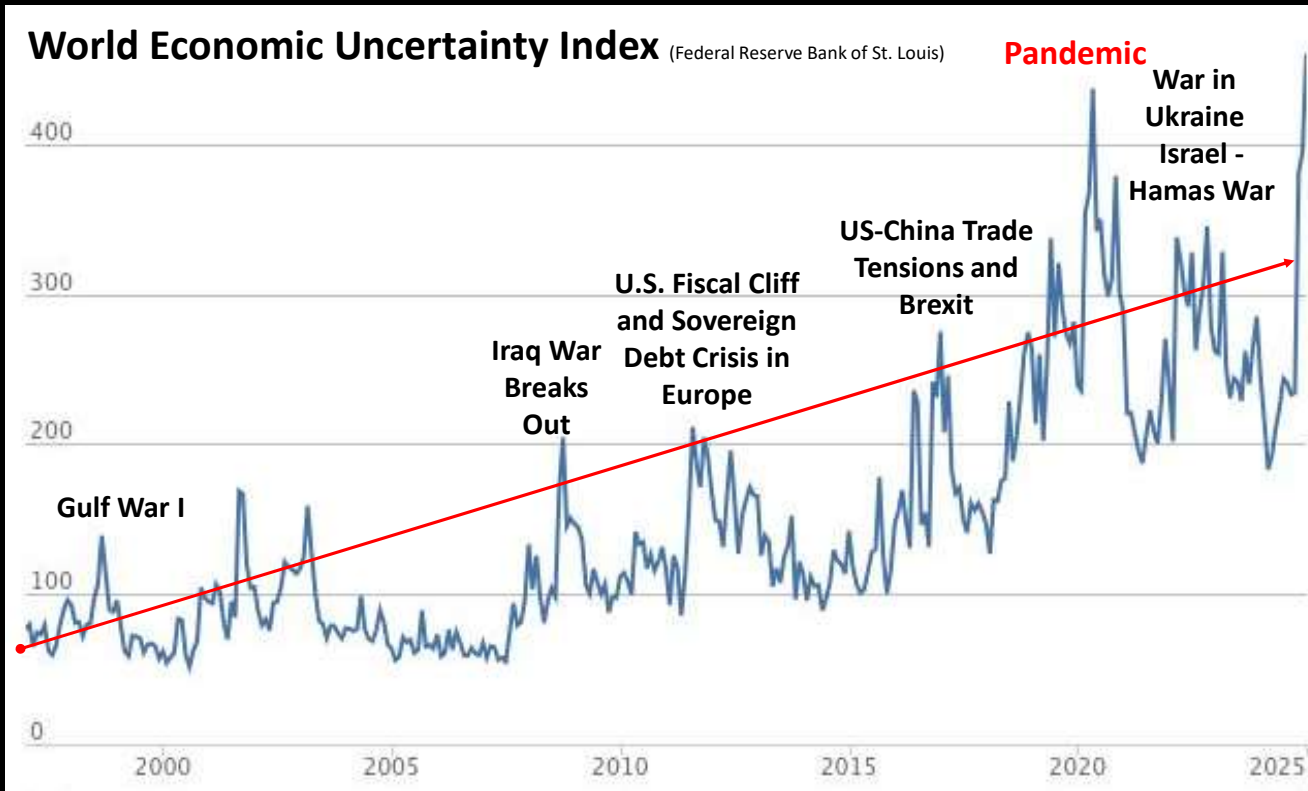
↑ Previous

Next ↓

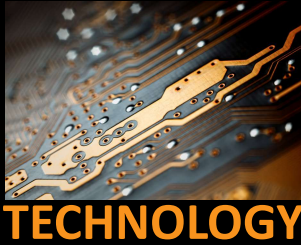


# Certain Uncertainty

↑ Previous



Next ↓



**TECHNOLOGY**



**CYBERSECURITY**



**GEOPOLITICAL**



**Good Old-Fashioned  
COMPETITION**



**TRADE WARS**



**NATURAL  
DISASTERS**



**LABOR SKILLS &  
AVAILABILITY**



**DEGLOBALIZATION**

# 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)

Anticipate  
Adapt  
Accelerate



# Road Hazards

Trends Impacting Distributors



# Digital, Demographics, Diplomacy

**“Maybe there’s a job AI won’t change, but I haven’t thought of it.”**

Doug McMillon, CEO, Walmart, *September 26, 2025*



CEO predicts AI will replace 50% of U.S. white-collar jobs.



Actively exiting workers who can't reskill



Creating formal AI training programs for employees.

## Walmart's AI Workforce Strategy

Flat Head Count



Job Mix Shift



Workforce Planning



New Roles

AI and robotics are **redefining work**—not by **eliminating** all jobs but by **reshaping** them

# Digital, Demographics, Diplomacy

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





# Digital, Demographics, Diplomacy

## Labor Availability Will Remain Challenging

Previous

### Labor Force



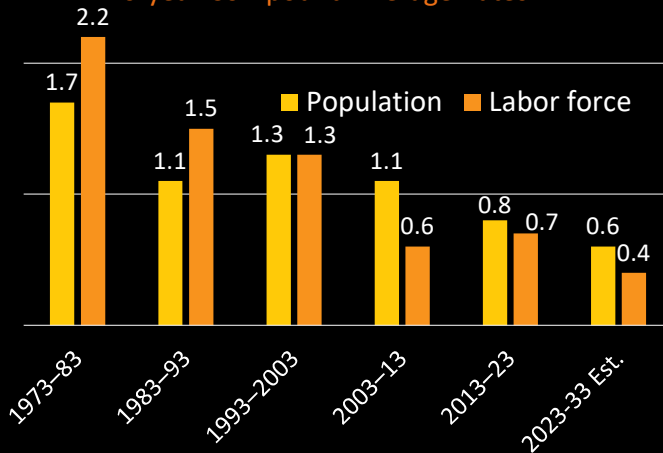
### Participation Rate



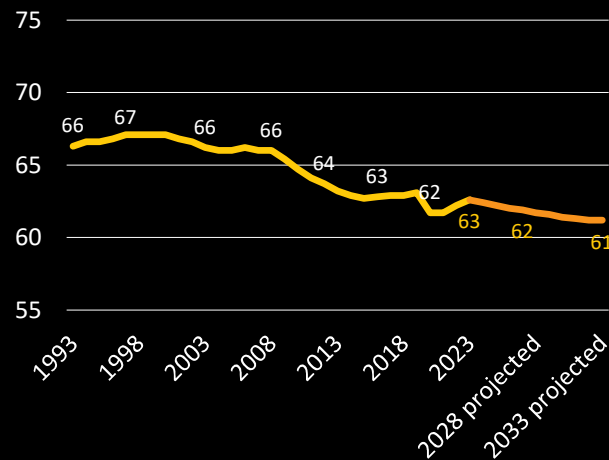
### Immigration



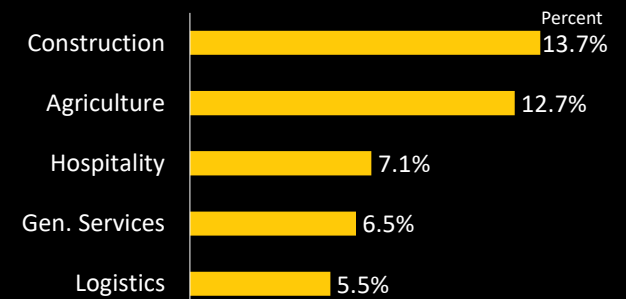
Population and Labor Force Growth  
10-year Compound Average Rates



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



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



11

Sources: U.S. Bureau of Labor Statistics, S&P Global Market Intelligence, American Immigration Council

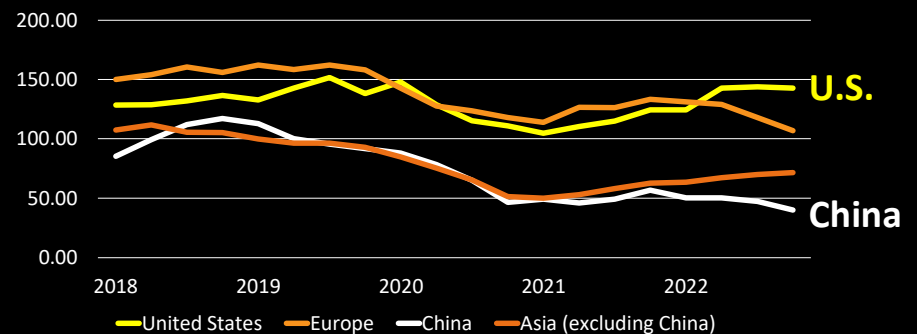
Next

# Digital, Demographics, Diplomacy

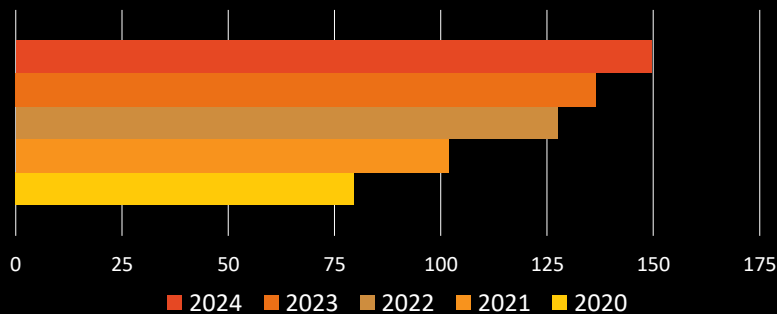
## The State of Globalization in Four Charts

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

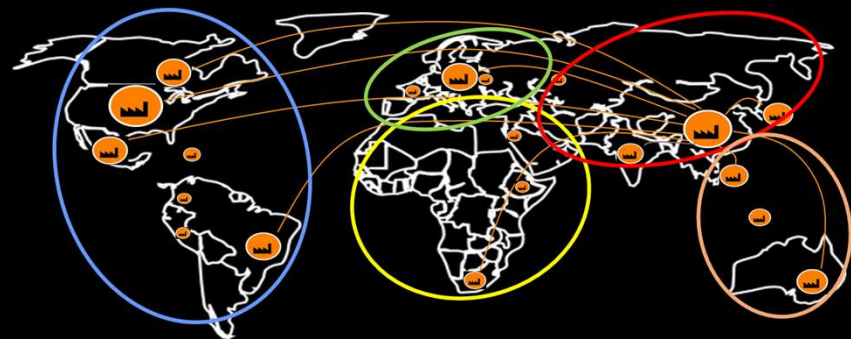
Foreign Direct Investment in Strategic Sectors  
(number of investments, four-quarter moving average, 2015:Q1=100)



Rising U.S. Imports from Vietnam  
(U.S. Billions)



Regionalization is Accelerating

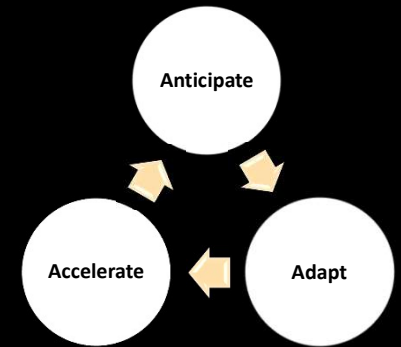






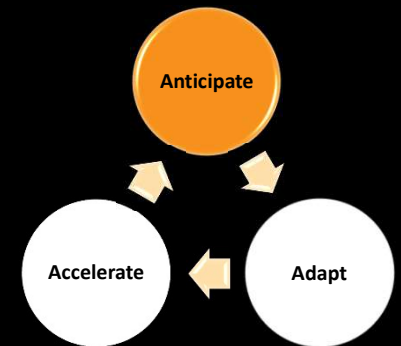
Anticipate  
**Adapt**  
Accelerate





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

*-Shane Parrish*



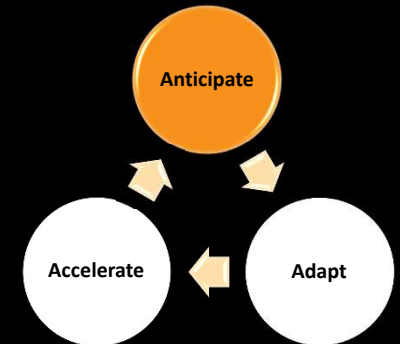
**Leverage  
technology to  
cast a wide net  
and turn **Data**  
into **Actionable  
Insights****



# God Didn't Create Data

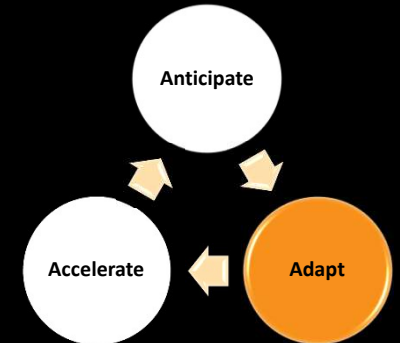
“The greatest source of your future success is the data that hasn't been created yet.”

— Clayton Christensen



# Knowing by Doing

Discover the Commercial Truth



↑ Previous

“ I don’t want to see a \$50M proposal until I see a \$10K truth.”

— Fortune 500 Executive

The Goal is to **LEARN FAST**, not **FAIL FAST**

Next ↓

# Unleash Your People Power

## Purpose With a Point

**What, Not How**  
**Actionable**



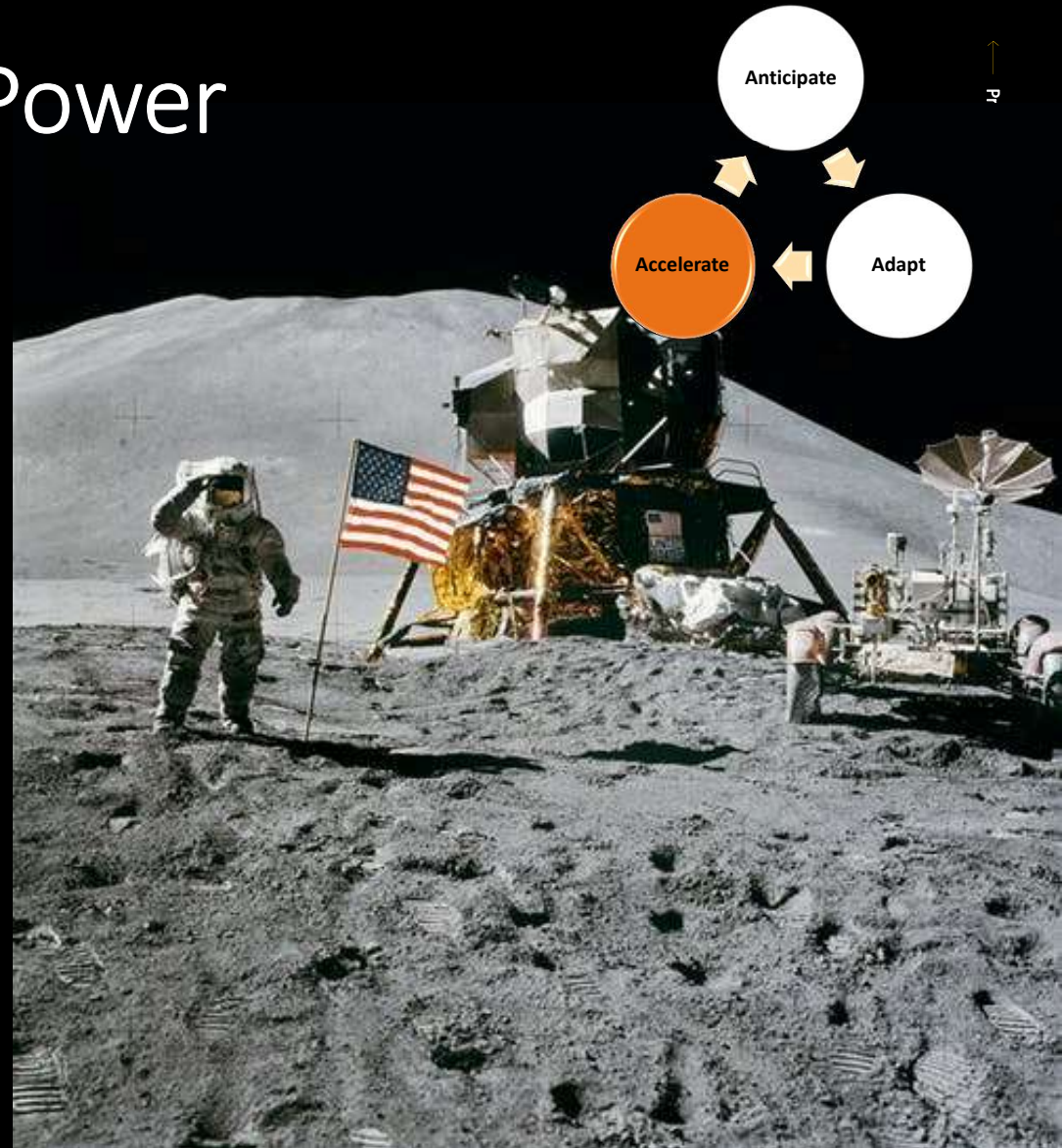
**Time-Bound**  
**Supported**



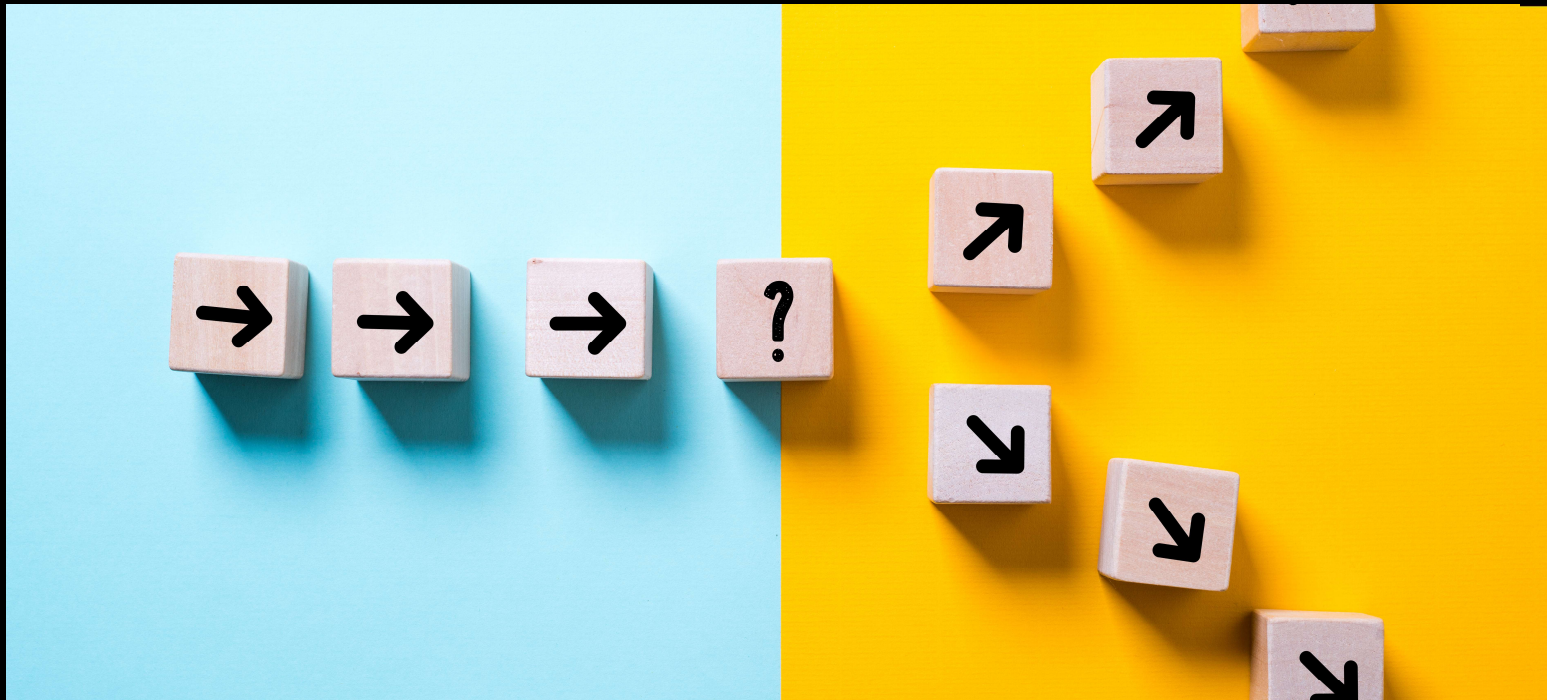
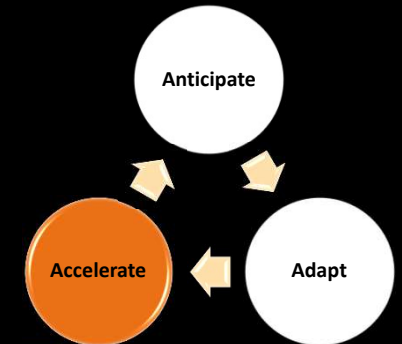
“First, I believe that this nation should commit itself to achieving the goal, **before this decade is out**, of landing a man on the moon and returning him safely to the Earth.”

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

**May 25, 1961**



# Persistent Advantage is Built From Optionality



Previous

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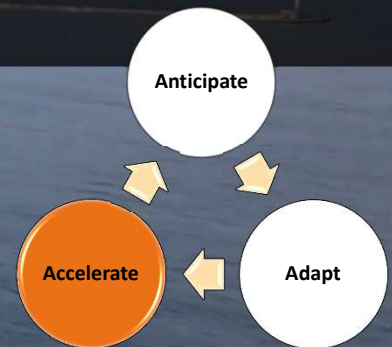
# The **Optionality** “Menu” for Your Supply Chain

**Limit** Item Assortment  
**Form** Postponement  
**Reduce** Product Complexity

**X-Shoring**  
**Supplier** Diversification  
Collaboration



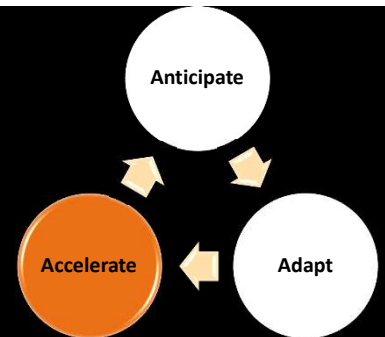
**Upskill/Cross-Train** Employees  
**Agility**/Reconfigurability  
**Safety** Stock



## **Applied Innovation**

- People
- Process
- Technology

# Go on **Offense**



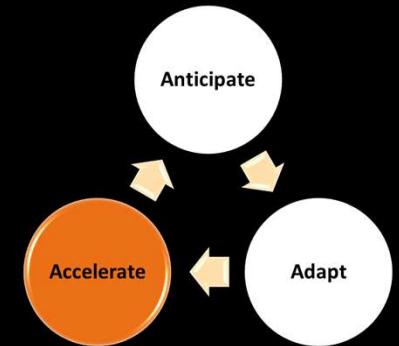
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It's quite remarkable that most people believe that attack costs more casualties. Do not even think about it; **attack is the less costly operation**....Nothing incurs higher casualties than an unsuccessful defense. Therefore, attack wherever it is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

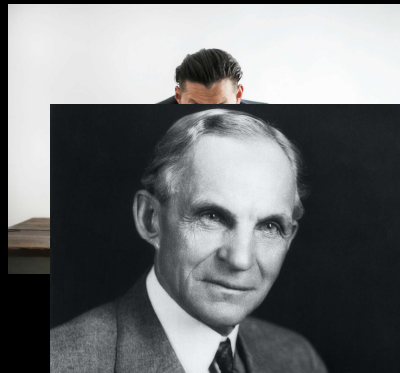
*Hermann Balk – General of Panzer Troops*

# Conviction

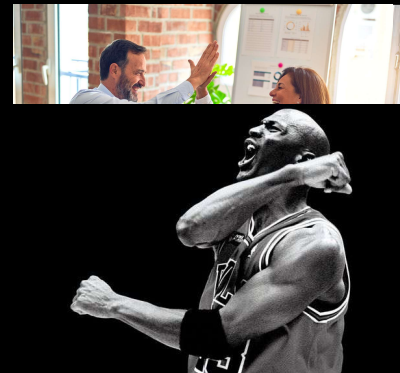
“All truth passes through three stages.” Schopenhauer



Fired from a newspaper for “lacking imagination” and having “no original ideas.”



Opposed  
A failure at three businesses before finally succeeding with Ford Motor Company at age 53.



Being self-evident  
Cut from his high school basketball team for a “lack of skill.”

The background of the slide is a front-facing view of a red Ford Mustang. The car is centered and occupies most of the frame. A dark, semi-transparent rectangular box is overlaid on the left side of the car, containing the text. The Mustang logo, a silver horse, is visible on the front grille.

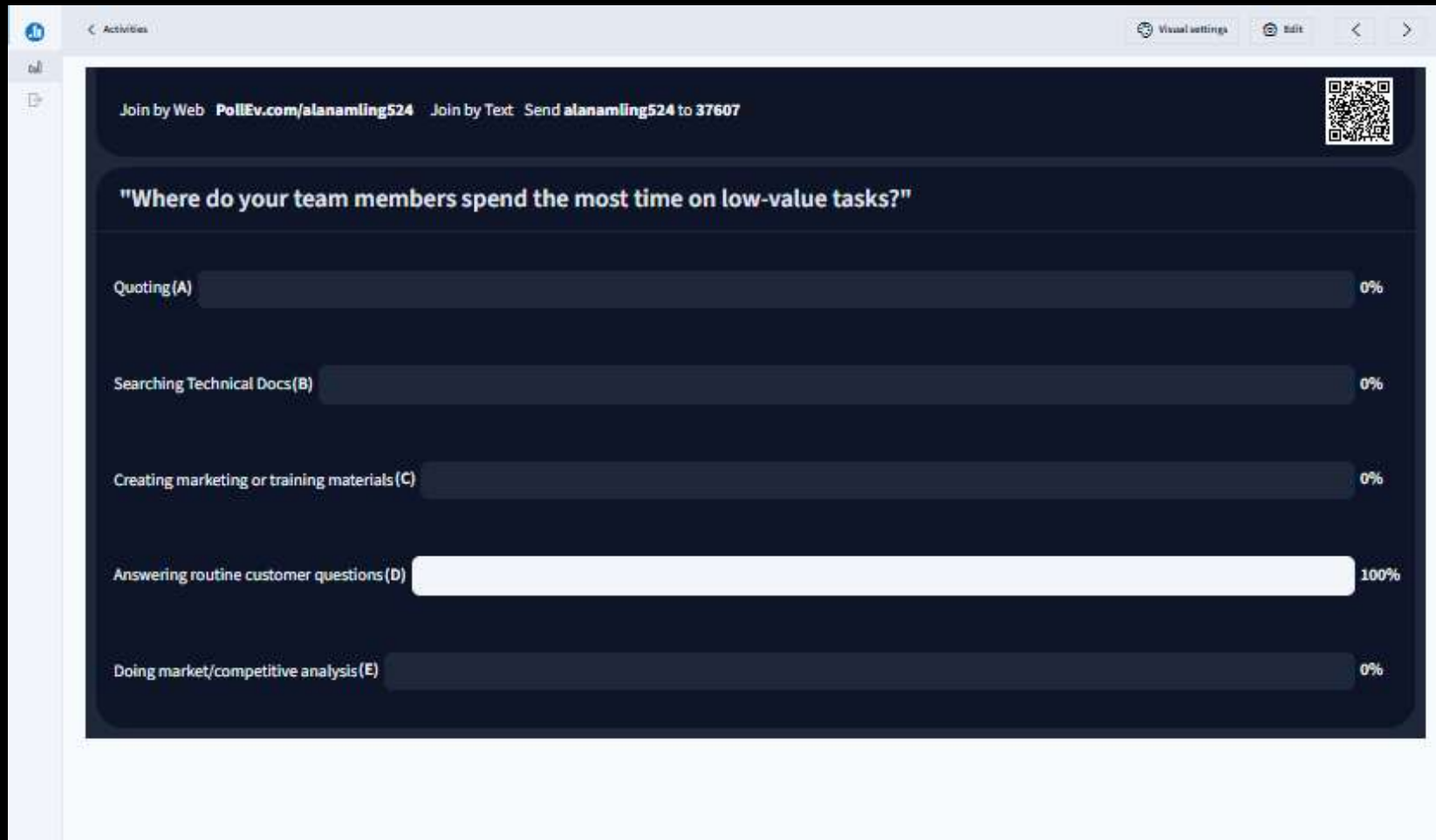
# NextGen Horsepower

10x Your Productivity



# Let's Start 10x'ing Your Team's Productivity Today

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Next

# Live Generative AI Demo

Use **ChatGPT** and other Large Language Models (e.g., Co-Pilot, Perplexity, Claude, Grok, etc.) as a Tool, not a Crutch, to **10x Your Productivity**



**1. Quoting**

**2. Searching Technical Docs**

**3. Creating Marketing or Training Materials**

**4. Answering Routine Customer Questions**

**5. Doing Market / Competitive Analysis**

# 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?

## Six Strategic Drivers Across All Industries

### Driver

Disruption Readiness

Total Cost Focus

Policy Alignment

Ecosystem Clustering

Local Proximity & Speed

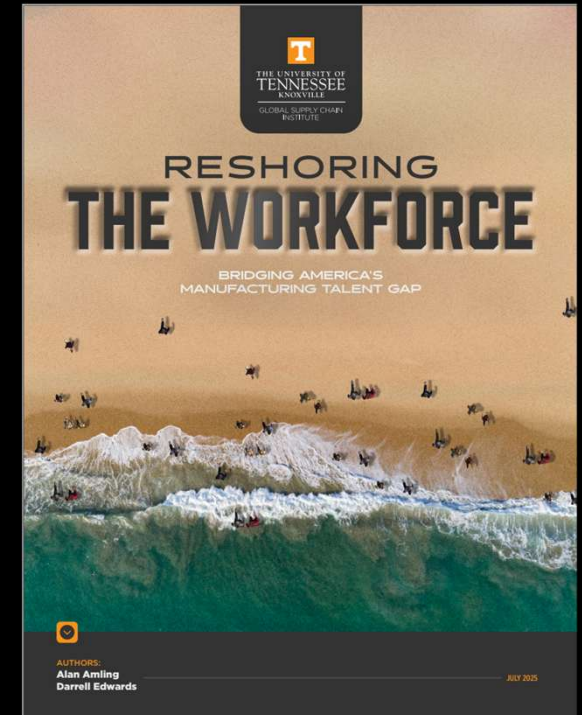
Digital Manufacturing Maturity

The next competitive edge isn't offshore. It's on-site, online, and on-demand.

**What skills will be needed in the workforce to make this happen?**

# New Research from the University of Tennessee: The Reshoring Skills Gap

- Research Question: *If we build it, will they come?*
- Survey and Interviews completed Fall 2024



The workforce challenge is becoming the limiting factor in America's industrial comeback.



# Insights from Expert Interviews

- Major skills gap – **skilled trades**
- More **Asia to Mexico** than reshoring to the U.S.
- High labor= stay in Asia; **High capital=evaluate reshoring**
- Must be able to answer, “**Why reshore?** What has changed?”
- Must know the **transition cost** – **do not underestimate this**
- Must consider the **complexity** of the entire integrated supply chain
- The manufacturing **Brain Drain** has not been plugged
- Reshoring skills gap, a **long play, not a quick fix**



The Future  
NEXT EXIT

Winning  
**Monday**  
Your Action Plan

# Leadership Insights To Discuss With Your Team

## *Create an Organization That Thrives in Uncertainty*

1. **Learn Fast:** Not Fail Fast
2. **10x Your Productivity:** Lean into Technology Get Comfortable Being Uncomfortable
3. **Lead Boldly:** 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

Source: Clayton Christensen, Henning Kagermann, and Mark Johnson,  
"Reinventing Your Business Model," Harvard Business Review December 2008

# Burning Questions?



Alan Amling, Ph.D.

Assistant Professor of Practice

Univ. of Tennessee Supply Chain Institute

CEO

Thrive and Advance, LLC

Website: [www.alanamling.com](http://www.alanamling.com)

LinkedIn: [linkedin.com/in/alanamling](https://www.linkedin.com/in/alanamling)

Twitter: [alan4logistics](https://twitter.com/alan4logistics)

Email: [aamling@utk.edu](mailto:aamling@utk.edu)

