



Are You Suffering From Short-term-itis?

- Gary Klaben

A disease is defined as an abnormal condition affecting the body of an organism. Often it is a medical condition with definite signs and symptoms. We normally don't associate a disease with anything other than some medical malady.

So, can we define "short-term-itis" as a disease?

People may differ in their opinion about this malady affecting our culture and society, but maybe there is something to categorizing it this way.

Here's a definition from an Internet post by author-growth expert Dave Cooke on June 13, 2001: Short-term-itis – "an affliction of the mind and the spirit that reactively makes decisions to a narrow view or timeline to simply fix a problem or influence an outcome, without any measure of the impact, perspective or investment for the long-term future or long-range view."

A little cerebral, you may say. Nevertheless, it certainly covers the short-term-itis playing field.

Certainly we have a quantum case of it going around when it comes to our present-day political and economic arenas.

Let's take a journey. A little mental exercise:

Imagine you are in Manhattan and just stepped off the curb into hectic oncoming traffic. In the crosswalk, you hold your hand out to stop an angry taxi cab driver from running you over. Now tell me what you see, hear and sense in your surroundings. Certainly the angry cab driver waiting impatiently for you to move out of the way. You hear a police siren, a car horn, a child crying, raised voices on the sidewalk behind you, the rustle of a flag whipping in the air above your head, a jackhammer, screeching brakes.

You feel stressed! You want to bolt! Do you get the picture?

Now, turn around, walk into the nearest building. It happens to be the year 2013. You have just entered the recently completed One World Trade Center near the site of the former World Trade Center Twin Towers. Take the elevator to the 105th floor observation deck. Walk out. What do you see and hear? You see the Hudson River to the west, rectangular green Central Park to the north, Long Island Sound and the Atlantic Ocean to the south. Still further west, the factories and tollways of New Jersey, and to the north

and east, the exurbias of New York and Connecticut. You hear the wind whistling around the building.

You feel calm. You feel relaxed.

Really, only one thing has changed: Your perspective. Earlier, you felt anxious, frenetic, reactive, assaulted by the short-term challenges of horns and shouts. Now, you broaden your field of gaze with the calm, peaceful beauty of a long-range view.



Victoria Roberts

"If you want a positive outlook, you're going to have to turn your chair around, Walter."

A key part of the cure for short-term-itis is perspective. Take your eyes from the microscope to the telescope. Change environment from the fast and furious to the calm and contemplative.

Alter your view from the transient hassles of daily life to the restorative beauty of Nature and long-range vision.

The summer of 2011 will be remembered for the raising of the debt ceiling and lowering of our credit rating, continuing high unemployment, various natural disasters — the Tuscaloosa and Joplin tornadoes, the record drought in Texas, and most recently, Hurricane Irene. As we move into autumn, our attention is now drawn to headlines regarding European debt concerns as well as the battle lines being drawn for the 2012 election.

Obviously Americans' collective cultural psyche is not in a positive frame of mind. These short-term events have driven the most optimistic of us toward a pessimistic view of our world.

Alas, we all know that politicians, from the moment they are elected to office, are preparing for the next election. This common trait seems to lead to quick-fix bills with a lot of pork for the local electorate and lacking in sound long-term solutions. Case in point: the very weak response by Washington to address our crushing debt. Washington seems to always have a bad case of short-term-itis.

Our economy, and consequently the stock market, have recently gotten a case of the "shorts." Almost on a daily basis during the month of August, each economic report elicited a big up or down move in the markets. If Federal Reserve Chairman Ben Bernanke sneezes during breakfast, the world markets all get a cold. Again, big time short-term-itis.

Certainly, natural disasters don't help. Wild fires in Texas and Oklahoma, tornadoes cutting deadly swatches across much of America's heartland, floods and devastation in the South and Northeast — it has been a tough six months!

There's the old cliché that disasters come in threes. Three strikes and you're out! Sometimes, we just want to call the game, take our bat and ball and go

home, just sit and soak our feet, put salve on our wounds, and call it a year. Who's crazy enough to wait and see what else can happen between now and the holidays!

Well, not really. On further reflection, we know, deep down, that we simply have a temporary case of the jitters and short-term-itis.

So what should we do?

My simple way of judging my mental and emotional condition is to determine where I rate on my "well-being continuum." On one end is the head: all analytical, logical and systematic. It is the home for the brainiacs, for rational thought and calm decision-making. Its mantra is, "Think before you act." On the other end is the gut: the center of emotions, spontaneity and intuition. Its mantra, "Act before you think."

A balanced approach seems to work best for me. When it comes to investments: A clear plan, the end in mind, both short-term and long-term goals striking an optimal balance. We need money to live on day by day. Therefore, there must be funds available that are not wildly fluctuating with the stock market. We need money for the future. Therefore, long-term risk investments need to be included for "the older me."

We have seen various cases of severe short-term-itis over the years. Once there was a man who was preparing for retirement in one year. He came in to discuss his retirement plan in 1999 at the top of the stock market. His goals were all short-term. He wanted us to invest 100% of his money in the stock market so he would make another 20% over the next year in his portfolio and then be able to retire. He definitely was retiring within the year. His reasoning was based on the far, far side of the emotional scale of "irrational exuberance," as Fed Chairman Alan Greenspan once opined.

We did not accept his business because we could not, in good conscience, be part of a possible train wreck. We surmise that, shortly afterward, he was painfully cured of his short-term-itis, because the next year was a bad one for the stock market and would not have enabled him to retire.

Unfortunately, short-term-itis fever was caught by those who bought every dot-com IPO in the late 1990s. As well as by those who bought "sun-and-sand state" condos to flip in a few years in the 2000s. And currently by the proliferating population of gold bugs who see no end in sight for the price of gold and other precious metals.

Recently, I watched a video of W. Edwards Deming, best known for his work helping the Japanese rebuild their economy in the 1950s by adopting many of his tried-and-true management consulting practices. At one point, Dr. Deming discussed the Five Deadly Diseases of Corporate America. Dr. Deming's second deadly disease: too much emphasis on short-term corporate profits.

This video was shot in 1984, some years before these latest major short-term-itis epidemics, which have literally swallowed up many public companies in Corporate America. Dr. Deming decried techniques such as shipping products in an unacceptable condition, cooking the accounting books, and other heinous acts that eventually laid to ruin many a good company. There are the worthy exceptions: the likes of Jeffrey Immelt at GE and Steve

Jobs at Apple, who through thick-and-thin have kept their eyes on the long-term, allowing short-term profits to go up and down at times, while focusing on more predictable and greater long-term results.

In the early 1990s, I knew a CEO of a Fortune 500 company who seemed to be in a constant state of frustration. When I asked him why he was so agitated, he replied because he now had to spend 70% of his time talking to Wall Street as a cheerleader for his company's upcoming profits for that quarter. He wanted to run his corporation as a CEO properly should, instead of having to constantly trumpet his stock in front of Wall Street securities analysts so that the firm would continue to attract investor capital and sustain its cash flow. If he missed his quarterly numbers, the stock price would plummet and he could be out of a job.

This captain of industry hungered for a sane, long-term horizon devoted to R&D, innovation, better products and services, and deeply satisfied customers.

His immediate "urgent" was crowding out his long-term "important."

When I find myself drifting toward my emotional side and beginning to "feel bad" or experience doom-and-gloom scenarios in my mind, I know it's high time to make a mental adjustment.

*No sensible decision can be made any longer
without taking into account not only the world
as it is, but the world as it will be.*

- ISAAC ASIMOV

Here are a couple of great techniques to immunize yourself from short-term-itis.

One technique I picked up from The Strategic Coach®, an entrepreneurial coaching program, is the Positive Focus™ exercise. The first exercise is as follows: At the end of each day for at least one week, write down five positive things that happened during the day. Right next to each position action, write down why it was positive, then write down how you can make it more positive in the future.

This exercise is all about changing your perspective. — From the negative, where nothing is going right, to a positive that things are doing well.

You and I accomplish tasks every day. Isn't that what we should focus on? Not the latest raft of negative news?

The second exercise is meant to move you from the "gut side" of your well-being continuum toward the "head side," for more healthy balance. Go get the FACTS! Our media seemingly thrive on disasters and scandals, everything negative. The easiest way to catch short-term-itis is to sit in front of the TV screen with 24/7 news blaring incessantly. One soon is bouncing off the ceiling like a toddler hyped up on sugar!



Kevin T. Coyle

Facts are not that hard to find. The difficulty is finding facts that are not scrubbed and contorted with editorial sleight of hand and fervent rhetoric. Also, you need, at least, to be somewhat conversant on the subject areas in question.

We generally do not expect our clients to have ferreted out the economic and market facts. Our job is to be the voice of healthy reason, armed with robust facts, and adjusting to our clients' particular financial circumstances.

Yes, I may sound a bit analytical in this approach. That's as it should be. We're all adults here. When we appreciate hard facts and loathe hype, we share very much in common.

Facts — the truth revealed through careful due diligence and persistent questioning — can indeed point the way to a prosperous future. To be sure, facts can also pinpoint pratfalls and sandtraps ahead. Either way, knowing is more than half the battle in combating short-term-itis.



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