

From the pages of [Jim Prevor's Perishable Pundit](#)

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We are not a political site here at the Pundit. Yet we think the collapse of Afghanistan is filled with lessons and warnings for people in business.

Many years ago, my family business was heavily involved in the export of produce. An important employee had left the company and immediately set out to switch our export customers he had served with us to his new employer.

Way back then, we had a procedure of sending out a telex to our overseas accounts advising them of the weekly price for the items they typically purchased. They would give us the order, and we would ship out that week.

In this case, though, my father was intent on not only winning the business but making sure that our ex-employee would not be a competitive threat in the future. So, after sending out our weekly price sheet, my father started sending out price reductions. Every day, there would be a new telex: "FOB Market Down... Price Reduction 15 cents a Carton" or "FOB Market Down — Price Reduction 7 cents a Carton," etc.

The telexes went both to those customers who had ordered from us and those who had been lost to our ex-employee. Those who had already ordered from us got the lower price, and those who did not wondered why the person they did buy from hadn't informed them of the same and offered the same discount.

In the end, we didn't lose one single customer.

We lost some money, of course, but my father told me that long term reputation was more important than short term profit... that having customers know you would protect them was more likely to produce a profit than allowing your reputation to be sullied.

Now, long term, there are big questions to assess regarding our engagement in Afghanistan. Most notably, how could a large army, trained and equipped by the United States over 20 years, simply disappear? There are experts trying to address [this question](#). For our purposes, the subject raises the importance of honesty in assessing one's own people, the team capabilities, and their motivation. One lesson is it is easy to fool oneself about weaknesses in one's own organization.

So, when we look at the situation in Afghanistan, here is what we see. We had about 2,500 troops stationed in Afghanistan. There have been no fatalities among those troops for more than a year.

Now thousands, maybe tens of thousands of Afghanistan citizens, will be killed for the crime of being our allies.

This is not a partisan issue. President Trump seemed hell bent to get every last American troop out of Afghanistan, but President Biden executed the plan and has to be held responsible for that choice and the way the withdrawal was conducted.

[Senator Ben Sasse](#) issued this statement:

*“The unmitigated disaster in Afghanistan — the shameful, Saigon-like abandonment of Kabul, the brutalization of Afghan women, and the slaughter of our allies — is the predictable outcome of the Trump-Biden doctrine of weakness. History must be clear about this: American troops didn’t lose this war — Donald Trump and Joe Biden deliberately decided to lose. Politicians lied: America’s options were never simply this disgraceful withdrawal or an endless occupation force of 100,000 troops (we haven’t had that in Afghanistan in a decade). America’s leaders didn’t tell the truth that our small, forward-deployed force of a few thousand was the backbone of intelligence and special forces’ successful work to decapitate terror organizations. The looming defeat will badly hurt American intelligence and give jihadis a safe haven in Afghanistan, again. America will regret this. Our allies will trust us less and our adversaries fear us less. China is already exploring this latest instance of American retreat. We need a long-term national security strategy.”*

The problem here is that it is unclear what is gained by this withdrawal, but what is crystal clear is what is lost.

We went into Afghanistan because, under the Taliban, it had become a hot bed in which anti-American Jihadists trained people to commit terrorist attacks against the United States and our Western allies.

The US engagement has been a fantastic success. Not since 2001 — 20 years — has there been a successful large scale terrorist attack that originated from Afghanistan. In no small part, this is because the terrorists have been busy trying to save their own skin, running from American-led military operations in Afghanistan.

Afghanistan will, however, now return the status quo ante. There is every reason to think that the Taliban will welcome the opportunity to be a base of training and execution of anti-American and anti-western terrorism.

## **THE BIGGER PROBLEM**

And what, precisely is the plan? If, in a year, a group of Taliban-trained terrorists based in Afghanistan come and knock down the new World Trade Center in New York, won't we just have to go back again? Surely we can't allow a whole country to be a training ground for people devoted to attacking us.

Yet the big cost is what my father taught me was most important: it is reputational.

Right now, the powers that be sit in China, trying to assess what the US response would be if they invaded Taiwan. If we are a country that found keeping 2,500 troops in Afghanistan too high a cost to sustain, what would make the leaders of China think we are prepared to lose billions in ships and countless soldiers to defend Taiwan?

This is what my father tried to teach me. To look not at the specific issue in dispute, but to look at how the way you handle something impacts your reputation and how that reputational change will impact the next dispute. Sometimes the goal is to show you are fair, ethical, and generous and that when disputes in produce arise, and they will, you are a good trading partner in the way you will try to work through these things. Sometimes, though, the goal is to place fear in the heart of your adversaries so they will not act against you.

Next time we need allies somewhere, people will remember that we had allies in Afghanistan and left them to be murdered. That makes them less likely to want to help us.

And our enemies, or those looking to press against us, will remember that although we had overwhelming power, we had lost the will to use it and that, in time, we simply surrendered rather than continue to pay even the smallest of prices. This will make them both more likely to attack and more likely to sustain a conflict than accept defeat. In time, this awareness will cost us a great deal.

As in politics, so in business. One's reputation matters. You want trading partners and prospects to both know that if they are your friend, there is no better friend. Also, though, you want your competitors to know that they should avoid conflict and step aside, that there is no hope for success in opposition.

We are fortunate. Adam Smith once advised that “There is a great deal of ruin in a nation.” So we can hope this is, though a terrible mistake, not the last chance for America.

Yet most produce companies operate with thinner margins than the country. Perhaps there is a golden lining around this horrible cloud if people remember that reputation is the most important asset of any person or organization.