

# Fuzzy Math

By Dale Peterson

It was encouraging to read the information the Board of Directors of the Llama Futurity Association distributed in the media about the success of their sale last year. It seemed the LFA was beginning once again to have a positive impact on the llama industry. And that would be a good thing. They reported the sale of 71 lots for an average price of \$6,583. That was right up there with the Spring Celebration Llama Sale's average. Great! Upon a closer look at how the numbers were calculated, something just didn't add.

The LFA said they took in \$467,400 from the sale of 71 llamas, but actually there were 82 llamas in the sales catalogue. I am not aware of any no shows, so it appears the LFA deleted llamas from their equation that were auctioned, but did not fetch the required \$2,000 minimum bid. That certainly would enhance the overall average sales price, but it is deceiving. Those llamas were in the auction and therefore should be counted in the overall number to determine the correct average sales price. If \$467,400 is divided by the actual number of llamas (82, not 71) the average sales price would have been \$5,700, not \$6,583.

The average sales price was embellished further by not subtracting the "buy-backs" (llamas bought back by their owners) from their equation which would have resulted in another reduction of the stated average sales price. The real number then would be closer to \$4,700.

(Note: Results for the Celebrity Spring Celebration Sale also excluded buy backs; however, if these had been included, their overall average would have been higher.)

The obvious embellishing of numbers by the LFA prompted a look at the financial information posted on their website, and in particular, a look at how they handle money. That look quickly revealed that, under the leadership of the LFA's board of directors for the past two years, the LFA has lost over \$22,000 (25%) of the actual cash operating reserves that were generated from the LFA's first two events. At this rate the LFA

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will be bankrupt in a few years. It's no wonder Phil Feiner, LFA Treasurer and the person ultimately responsible for their posted numbers, is asking for more financial support from the llama community. Proper management of the money the LFA already has, and less embellishing of

the numbers, would be more of a prudent course to follow.

The LFA had the potential to be one of the organizations to help move the llama industry forward. Instead of tackling hard issues head on, the board of directors chose to disguise them with some sort of "fuzzy math," thereby trying to hoodwink the llama community into thinking the LFA is really better off than it actually is.

In business, if problems are not recognized and dealt with it, they fester to the point that they decay and eventually rot the entire company. LFA needs board members who will commit to running the organization like a business, not a good old boy network where looking good is more important than real results. Eventually, the llama community must come to grips with the fact that just being a "good old boy or girl" doesn't translate into being qualified to be on the board of directors of organizations where business decisions must be made.

Maybe the LFA's membership will see the light, while there is still a light to see, and demand that their board of directors start telling it like it is. By telling it like it is, the membership and the general llama community can better understand challenges that need to be dealt with. Then everyone can pitch in and be a part of the fix, instead of being schmoozed into thinking everything is OK.