



The Easter Bunny must be real...

It's that time of year again when commercial opportunism over-runs normally sane business people. Shops have eggs, bunnies and a whole range of different chocolate goods at prices that make you blush – all letting you know that Easter is only a few days away.

My kids have certainly embraced the Easter season this year. Their naïve understanding of consumerism means they are fully tuned to what is going on in our local shopping centre. They have marvelled at eggs so large they would crush small animals; they have seen rows and rows of bunnies in the supermarket – the other day they even spotted the chief animal himself – the Easter Bunny.

In the shops on the weekend we all heard a toddler cry out "You see! There is an Easter bunny – I just saw it!"

Questions of what Easter is all about are largely meaningless

to the average toddler... It's about the chocolate. Lost on them are the non-commercial aspects of the Easter weekend, be it the pagan festival (that's where the breeding like rabbits comes from) or being the central event of the Christian faith.

You see! Shouted the toddler – there is an Easter Bunny – I just saw it!

For that child, the delight of seeing something with their own eyes reinforced in their mind that the Easter bunny is real. It doesn't matter that it was somebody dressed up in a suit – their version of reality was supported because they received confirmation of their biases.

Observing that child can teach you a lot about how

confirmation biases can affect your business.

All too often, we have preconceived ideas as to what the right direction for a business is. So deep seated are your convictions that you unknowingly discard contrary evidence and place greater weight on the evidence which supports your view.

From a strategic perspective, this flawed logic is what leads to poor decision making, such as holding onto product lines too long, not investing where you don't (want to) understand and hanging onto ideas which no longer make economic sense.

Engaging in the basics

While often difficult and sometimes painful, having a detached view of what is happening in your business can be the difference between success and failure. In short, we need to understand the drivers of current business, what are the trends which are currently, and will in the future impact

our product lines, and finally evaluate why we are attached to a particular idea which every shred of evidence tells us we should let go.

In Business often we do things simply because everyone else is doing it. This ranges from the way we lay out a shop, to the way we offer a professional service, or the tools we use.

Understanding the drivers of why we operate as we do can be the first step in detaching from the mob to create what is commonly known as a USP, or Unique Selling Proposition.

In short, it means you do things in a way which is different to your competitors in order to stand out and attract customers, as you are delivering them a service they want in a new way which they better understand.

Mandatory or Nice to Have

In many retail and service environments you have to do some mandatory activities to be taken seriously. A simple example is a coffee shop that does not do coffee cannot be called a coffee shop... It is a business rule which cannot be violated.

The same goes for many businesses. You need to consider how the norm is

linked to the item you want to sell – then determine if it is mandatory or “nice to have”

Simple rule of thumb is; have you seen it done differently elsewhere and what did you

In business we often do things simply because everybody else is doing it. How does that make sense to you?

think, can you think of the norm in isolation of the item or service and does it make sound business sense to either have it or not.

Let’s look at the coffee shop which sells nothing but coffee. While the model can work, most coffee shops make great margin on incidental items, like tea, cake and biscuits. The purist coffee shop is not really a sustainable proposition in a retail setting (but can work well in the coffee cart environment).

In this instance, looking for evidence that a “coffee only” shop would make you focus on the coffee cart model, ignoring the financial returns which come from incidental

items. In short, your confirmation bias is that you don’t need other products to succeed.

While you have a USP which is simple to understand, it does not necessarily meet the board needs of your customer base. In short, you are acting in a similar way to the toddler who “saw” the Easter bunny – they want to believe their view of the world is right, and they look for whatever evidence they can to support their view.

Taking the time to analyse a situation for what it is can be the difference between failure and success. If you are personally too attached, then paying a consultant to do the review for you can be money well spent, as long as you are willing to suspend your belief system to engage with the findings of a review.

The key message is you need to look past the fluffy white bunnies and the chocolate eggs to see why something is happening. It is these base facts that we need to respond to, not the emotive surface issues which often get in the way of sound business decisions.