Paula:

Dear Huihui,

Thank you for reaching out to me in regards to helping create a visual brand for your company.

In the spirit of my Ted Talk, I aimed to do something I did not have much experience doing: integrating pictures into my graphic design. [This is from Brett’s perspective. I have not used photos in my graphic design much in the past.]

I decided upon this design because it fit with the concept of the “third place.” In my friend Brett’s research, his interviewees often mentioned this concept and described it as desirable. It was also frequently mentioned in Starbucks annual report. I wanted to create a design which designated your branch as the ideal third place. Along those lines, I aimed to depict the home and workplace (the second and first “places”) unromantically so that your shop looked like the best alternative.

On a separate note, I don’t think that you mentioned your company’s name, so I included a placeholder text for the time being.

The one major issue that I have with this poster is that it leans heavily on one’s understanding of the “third place” concept. For this reason, it would probably be best deployed as an auxiliary material to an existing visual campaign centered around similar themes. I feel like this concept could be communicated in a manner that does not require one to mention that concept by name and still work.

Thank you for this opportunity.

Sincerely,

Paula

Drucker:

Dear Huihui,

Thank you for getting in contact with me in regards to your coffee company.

I’m honored that you have asked me to use my experience in management consulting to help find solutions for your coffee company in Shanghai.

For the most part, I will center this discussion around the concept of innovation as I see it.

You mentioned that you are looking for a means to expand your presence in Shanghai and improve your customers’ experiences in your branches overall.

The first thing that I would recommend you do is examine what the customers in your stores are doing and then reevaluate your expectations accordingly.

You mentioned that many of your customers seem to linger in your stores – while this may stink of inefficiency to you, perhaps it is also a clue to what they really want: a “third place” to be beyond the home and workplace. Starbucks, I know, is currently working on “. . .elevating [Starbucks] as the *third place”* for their customers.

I’m not suggesting that you should always listen to the most counterintuitive reaction to your observations. Rather, I am suggesting that you see you view your customers not only in the context of your expectations, but also in the context of what they seem to naturally gravitate to. For a moment, replace “customers should” with “customers do.” My guess is that what they “do” will show you what you “should” do.

To give you a more concrete example of what I am talking about, I’ll refer to my friend Brett’s recent research into Shanghainese coffee shops. What he and his classmates expected to find was that must customers value sustainable, ethically-sourced coffee. Instead, they found that their interviewees valued cheap, luxurious coffee in general.

Use empirical data to inform your strategy rather than the other way around. As I wrote in my article “The Discipline of Innovation,” “unexpected successes and failures are such productive sources of innovation opportunities because most businesses dismiss them, disregard them, and even resent them.” Don’t interpret data that contradicts your theories as dead-ends; interpret it as leaping off points for new theories and strategies.

I would also implore you to examine the rapidly changing demographics of your market, a topic I also touch on in “The Discipline of Innovation.” To borrow an (oft-overused) expression from Canadian Hockey player Wayne Gretzky, you want to, “. . .skate to where the puck is going.” Examine the upcoming demographic changes in China and prepare your business for those changes. It’s out of the scope of this letter to recommend particular policy changes in response to predicted demographic changes, but one demographic change to watch out for is China’s recent relaxation of the one-child policy. What can you do to become the market leader in the incoming “two-child” demographic?

Thank you for allowing me to speaking with you about your company. I would love to talk more about this topic in the future. Let’s get some coffee soon. My treat.

Sincerely,

Peter

Brenda:

Dear Huihui,

Thank you for the opportunity to become involved in your business.

I would like to share some of my insights from my time as a software engineer because I believe they could be directly relevant to your situation.

On a more macro level, ask yourself, “What the core values of your company?” I understand you are managing only the Shanghai branches of your company, so there is not a huge amount of room for determining the “soul” of your company, but I do think there is enough room for this question to have an impact if carefully considered and then applied.

For example, in the US, KFC’s identity could be reduced to, “fast, cheap, Southern comfort food.” In Singapore, where my friend Brett grew up, its identity is more akin to, “tasty, somewhat exotic food for special occasions like Christmas.”

Now is a point where you could determine the core values, or, to put it another way, the “regional identity” of your company is as it exists in Shanghai.

Do you want to be a classy, refined option like Blue Bottle Coffee? The everyman’s inexpensive, reliable brew like Dunkin’ (Donuts)? Or perhaps something new that caters to the unique tastes of Shanghai?

To answer that question, I implore you to examine the “Hedgehog Concept” that first originated in *Good to Great,* the famed American business book.

The Hedgehog Concept dictates that business leaders must answer three central questions to determine their next move:

1. What are I/we passionate about?
2. What can we be the best in the world at?
3. What does our society want?

I cannot answer the first two questions for you, but I can advise you on the third. My friend Brett recently did some research with his classmates on this topic. In broad strokes, Brett and his team found that their (admittedly small) group of interviewees valued:

* Luxurious surroundings.
* The ability to be “private but not isolated” within a store.

Given this data (and significantly more consumer research), I would advise you to pursue what you are most interested in and what you think your company would be competitive pursuing.

On a more general organizational note, once you have picked a direction for your branch of the company, I would advise you to build expertise in that domain and then share it with your employees. The more you teach them, the less you will have to do yourself – thus freeing you to learn more about your business. Moreover, cultivate a culture where expertise is freely shared. Your company will grow exponentially when all of its ideas are allowed to cross-pollinate.

Please feel free to reach out to me if you have any follow-up questions or would like to chat over a cup of Joe (your treat) ;)

Best,

Brenda