



Cognitrix Ltd.

Thinking Logically, Communicating Clearly

Uncovering Presuppositions And Assumptions

In hindsight, we often realise that some of our less than outstandingly amazing decisions resulted from something we believed, that wasn't actually so.

When we don't have complete information, we normally fill in the gaps with presuppositions and assumptions which, on the surface, look like trustworthy, sensible statements about reality. But underneath they are unsupported, unconfirmed and unreliable. When these presumed statements aren't correct, then any decisions we make using them are not guaranteed to produce the results we intend.

Definitions

A **presupposition** is an implicit premise that must be accepted as true *before* the rest of a statement makes sense. The test to recognise if (...) is presupposed is to negate the sentence and then see if (...) must still be accepted as true. Let's look at an example:

- "Hemzix has annual revenues of £35 million."

For this sentence to make sense, you must believe that *Hemzix* is a company of some kind, that sells something to someone.

If we negate the sentence - "*Hemzix* does not have annual revenues of £35 million." - we see that the presuppositions about *Hemzix* as a company are still there, it just doesn't have revenues of £35 million annually.

An **assumption** is something that is added to the statement in someone's mind. As an example, imagine that I have submitted a PDF of an invoice to a client and in my email I say that "I have attached my invoice."

- I *assume* that the client will forward the invoice to Accounts Payable after they have looked at it.

If I negate the sentence - "I have not attached my invoice." - then my assumption disappears.

- My client might *assume* that I have sent them this copy of the invoice for their information and further assume that I have already submitted the invoice to Accounts Payable on my own.

This pair of assumptions means that I won't get paid until I chase the unpaid invoice weeks later. To avoid the assumptions, it would have been better to write in my email: "I have attached my invoice. After you have checked it, please forward it to Accounts Payable for payment."

Why Can These Cause Problems?

We use presuppositions and assumptions to construct interpretations and make decisions in our daily life. Because these are *invisible* they are accepted unconsciously and uncritically as if they are correct and certain. When they are not correct, then our interpretations and decisions will be flawed.

How Can We Reveal Presuppositions And Assumptions?

If The Involved Parties Are Available ...

1. Have them list statements that describe, explain or justify some issue or situation they are facing. This could include statements about:

- What has been happening?
- Why is this important?
- How do they explain or interpret this situation?
- What is their aim or objective?
- How can they accomplish this objective?
- Which difficulties or risks do they face?
- Why might their customers and/or staff resist the changes?

2. Rank the statements (as far as possible) from weakest (least certain) to strongest.

3. Begin working from the weakest statement towards the strongest statement. For each statement in turn, how do they know it's logically correct (valid) and supported by evidence (sound)? There are three useful tests:

- Which evidence would contradict or be inconsistent with this statement and therefore prove it is *not* correct?
- Which other circumstances or conditions are required for this statement to be correct or to work as expected? Do these required circumstances or conditions exist or are some missing?
- If the statement is true, then which additional consequences would be logically expected? If these additional consequences aren't observed, then the statement can't be correct.

If a statement fails any of the tests, eliminate it from the list.

4. With the reduced number of verified statements, review and revise the thinking, especially in terms of:

- What is now thought to be happening, why is it happening and how is it happening?
- Why is this important?
- What is now more (or less) attractive than it was before? Have the aims/objectives changed?
- Which options are now available or feasible that may have been excluded before?

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- Which approach/strategy now seems sensible?
- Is something now recognised as a risk or threat that before had been overlooked? Have the perceived difficulties changed?
- Are there any other consequences or implications that result from eliminating assumptions or revising the frame?

If The Involved Parties Are Not Available ...

In some cases, the people who made a decision are not available to explain their thinking. In this case the important question to ask is:

For (...) to be a sensible and/or worthwhile choice or action,
what else must have been believed to be correct or true?

The "what else" will include necessary and sufficient pre-conditions, collateral conditions and consequential effects.

An Example – *Coca Cola And New Coke*

Because the upper management of Coca Cola aren't available for me to ask about their thinking 30 years ago, I'll use the second approach.

The Background

- After World War II, *Coca Cola* had 60% market share of cola sales.
- In the late 1950s, *Coke* outsold *Pepsi* by a ratio of 5:1.
- In 1977, *Pepsi* took the lead in "free-choice" supermarket sales.
- In the first half of the 1980s, *Coca Cola*'s percentage of the market was in the mid-twenties.
- From 1980 to 1984, *Coca Cola* lost 3% of its market share to *Pepsi* (a loss of \$750 million in sales) and *Pepsi* was predicted to take the lead within a few years.
- The *Pepsi Challenge* advertising campaign was demonstrating that in blind taste tests, people said they preferred the sweeter taste of *Pepsi* over *Coke*.
- *Coca Cola* had recent successes with two new formulations – *Diet Coke* and then *Cherry Coke*.
- Retailers and bottlers had complained to *Coca Cola* about the additions (*Diet Coke* and *Cherry Coke*) to the product line.

The Actions And Reactions

- Beginning in 1983 *Coca Cola* experimented with reformulating the taste of *Coca Cola* and ran various blind taste comparisons and also focus groups.
 - 12% of people preferred the old taste of *Coke*.
 - When taste tests were run with loyal *Coke* drinkers, only half the participants preferred the new taste. The other half stated that they felt alienated by the proposed change and would stop drinking *Coke*.

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- On Tuesday 23rd April 1985 *Coca Cola* withdrew the original *Coke* from production and replaced it with a reformulated *New Coke* and the slogan "The best just got better!"
- *Pepsi* ridiculed the reformulated taste and in particular asked that if "the best just got better", then why did it now taste more like *Pepsi*?
- Over the next few weeks, there was media frenzy of criticism and ridicule of the change in the taste of *Coke*. The Atlanta Head Office received 40,000 complaints alone!
- On the 11th July 1985 the original *Coke* formulation was reintroduced for sale as *Coke Classic*.
- By August 1985, *Coke Classic* sales exceeded those of *New Coke*.
- By 1986, *Coke Classic* was outselling *New Coke* by 8 to 1.
- By 1990, this ratio was 994 to 6.
- In 2002, *New Coke* was discontinued.

The Two Principal Decisions

To check the two main decisions, we'll use the question we saw earlier:

For (...) to be a sensible and/or worthwhile choice or action,
what else must have been believed to be correct or true?

Change The Taste Of Coke

For this choice to make sense, the upper management of *Coca Cola* must have believed that:

- being number two to *Pepsi* was unacceptable, even if annual sales were still in the billions.
- this was a one dimensional issue of *taste* and more specifically, *sweetness*. No other aspects of the taste or brand image or demographics were important.
- people within the US and internationally, were consistent in their tastes and preferences.
- a preference when taking a sip would translate to a preference for purchasing a full bottle/can or even a case.
- There would be no bad publicity from the decision.

Discontinue The Original Coke And Replace It With New Coke

For this choice to make sense, the upper management of *Coca Cola* must have believed that:

- having two *Cokes* on sale would split the cola market and anger retailers and bottlers further.
- the irritation of retailers and bottlers would pose significant problems.
- what customers say during a taste test will be the same as what they actually do when shopping.

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- customers would accept the removal of the original *Coke* from production and sales.
- customer inertia/resistance to change would not be substantial nor lasting.

Because Of *Coca Cola's* Presuppositions And Assumptions ...

- *Coca Cola* didn't consider accepting second place in market share, even though it hadn't done *Pepsi* any harm. There was no convincing business explanation of why a leading market share was essential.
- *Coca Cola* didn't give enough thought to the taste tests it ran. Since the market share of *Coke* was approximately 24% when they did their taste tests for the new formulation, a 12% preference among the general public for the original taste of *Coke* should have rung some alarm bells. From these two facts, one could infer that up to half of *Coca Cola's* customers would be unhappy with a change in taste. This was confirmed by specific taste tests involving only loyal *Coke* drinkers. There is rarely a convincing business case for alienating half your loyal customers.
- They didn't compare the cola market to analogous beverage markets such as wines, spirits or beers. This comparison would have reminded them that sweetness is only one aspect of why customers choose what to buy and drink.
- *Coca Cola* didn't acknowledge contradictory evidence when anticipating a negative reaction from bottlers and retailers. *Coca Cola* had already introduced two additional flavours, *Diet Coke* and *Cherry Coke*, with good sales. Why the addition of one more flavour would suddenly create serious problems with bottlers and retailers is unclear.
- They didn't anticipate the strength or types of customer reaction to the withdrawal of the original *Coke*. For example:
 - some loyal *Coke* drinkers felt betrayed by *Coca Cola* after years of being devoted *Coke* customers. If they couldn't have the original *Coke* they preferred then they would stop drinking cola altogether.
 - some were angry because they had not been given a choice in terms of what they could choose to buy and drink. (In psychological terms, people generally react twice as strongly to losses as they do to gains.)
- *Coca Cola* seriously underestimated customer resistance to change. Customer resistance is why we still have QWERTY keyboards even though the layout of the keys actually prevents people from typing quicker!