

David Donde on the philosophy behind Truth Coffee's success



By <u>Lauren Hartzenberg</u>

4 Nov 2019

At Truth Coffee in Cape Town, you can treat yourself to one of the best coffee-drinking experiences in the world. Founder David Donde worked with interior designer Haldane Martin to create the eclectic steampunk-inspired café, which serves up coffee that's hand-roasted onsite in a vintage cast iron drum.



Image credit: Mickey Hoyle and Haldane Martin

This combination of industrial charm and superior product saw Truth Coffee top The Telegraph's 2015 and 2016 list of 'the world's best coffee shops'. According to David Donde, it's the company's philosophy that got them there.

"We got voted the best coffee shop in the world, but we got there by philosophy, not by building a great store.

"We had redone our mission statement, which was now to sell coffee through being acknowledged as a world-class artisan roaster. The way we did that was to build an absolutely mind-blowing store, and I believe we pulled that off, but that was just an effect of a good philosophy.

We didn't design the store and build our philosophy around it, it was the other way around.

Donde was speaking at the South African Council of Shopping Centres (SACSC) Annual Congress, held in Cape Town in October. Addressing the crowd of business owners and senior management from the broader retail industry, he shared his thoughts on how to regain critical competitive advantage in a crowded marketplace.



David Donde

I think the problem is that we try to appeal to everyone.

"Yes, we've got good reason for appealing to as many people as possible – we want a broad base, we want to lower risk and maximise profits – but when we do that we're seeking the average."

Donde said that people working in retail are programmed to play it safe, and should instead be urged to take chances. By not embracing failure, businesses will continue to churn out the average and expected.

"You'll end up with the same stores as everyone else. You may have the latest of everything in your store, but it'll still be the same. That's not how you make people bypass what's most convenient to them to visit your store."



Truth Coffee's After Dark 'Gastro-Kaap' dining experience showcases SA's best staples

The art of kamiwaza

Donde sees the Japanese concept of kamiwaza – which loosely translates into doing work that's divine or god-like – as the hidden art behind operating a good retail business. He said this involves digging deep, doing business out of sheer joy, and taking it to the extremes by going where nobody has been before.

"At Truth, we sit in management meetings and talk about things like kamiwaza because it matters. It's vital, it's everything we do and what we want to be."

He stressed that disrupting your industry must go beyond just making noise. "We all shout louder and louder with a bigger building and a bigger billboard or announcement, or more money thrown at PR or events. But that's not true marketing."

According to the Donde, the real art of marketing doesn't cost the world, it's simply about having a true story that's worth repeating. "The problem is we try to force the story, which results in something that's not worth repeating, or worse... that's not true. You're making claims that aren't factual and you're caught out because we're living in a world now where consumers will not be duped," he said.

"Without kamiwaza we're not artists, and we need to be artists in our business. This isn't the old world where you can paint by numbers."

He added that when the economy is thriving, mediocrity rules.

The Great Depression actually filtered out mediocrity and we are seeing this happen in the current economic situation as well.

Donde noted that in the current economic climate there are two ways to succeed: either be the best in the world, or the cheapest in the world. "The cheapest products do incredibly well, and the best products do well. The problem with being cheap is when somebody comes along and tries to be cheaper."

In an economic recession, mediocrity dies. To be cheaper.

successful, you either have to be the cheapest in the world or the best in the world." #SACSCCongress @SACSC1
pic.twitter.com/slkKCdw8Um— Bizcommunity Retail (@Biz_Retail) October 17, 2019

How to structure your business

Donde believes there are 3 ways to structure your business - there's an ops-driven business, a relationship-driven business and a product-driven business. He said the problem is companies try to optimise for all three.

We try very hard to make sure our business has incredible operations (ops), incredible relationships and incredible product. But they actually fight each other, and we can do better if we shift away from that mentality.

He went on to explain that one can build can good business with either of these approaches. In an ops-driven business, the rules matter and everything is done according to a tight system. A relationship-focused business, meanwhile, will break those rules in order to satisfy the customer and give them a highly personalised experience.



#SACSCCongress: How physical retail is reinventing itself

Lauren Hartzenberg 22 Oct 2019

<

Finally, the product-focused focus, which drives Truth Coffee, relies on creating the best product possible. "This is when we say 'I'm not fixing my product for a customer, and I'll break the rules to have a better product."

In Donde's view it's too expensive for a company to optimise for all three of these structures, but he said there's a cheat. "When your product is exceptionally good, it will likely *seem* that the relationship is good, and the ops is perfect. The same goes if you are a very good ops-focused company. Then product and relationship will appear good too," he explained.

Define your world

Ending his presentation, Donde said that it may seem intimidating going up against businesses across the globe also trying to be the best in the world, but you need to define and have a clear picture of what your world looks like.

"I went into the world of artisan coffee and we did the hard work to get where we are today.

"Kamiwaza is hard work, but when you look back, the joy of what you've created and your achievement, and the joy of doing the thing that couldn't be done, is everything. It'll be the hardest time of your life and the best time.

"Truly innovate. Truly do what needs to be done and build a true story worth repeating," he concluded.

Click here for further coverage of the SACSC Congress.

ABOUT LAUREN HARTZENBERG

Managing editor and retail editor at Bizcommunity.com Cape Town apologist. Dog mom. Get in touch: lauren@bizcommunity.com

- Celebrating African creativity: Lucky Star and Chepa Streetwear collab on Phatsimo collection 7 Jun 2023
- PayJustNow's CEO on the benefits of 'buy now pay later' for consumers and businesses 6 Jun 2023
- #Youth/Nonth: Glow getter Ayanda Majola talks Yanda Cosmetics venture 2 Jun 2023

 SA retailers and consumers count the costs of a collapsing state 1 Jun 2023

 Jane Wurw and's journey building the Dermalogica skincare empire 22 May 2023

View my profile and articles...

For more, visit: https://www.bizcommunity.com