

Hello. This is Wayne Rivers at The Family Business Institute. Thanks for tuning in.

This week, I want to talk about the Streetlight Effect. There's an old story about a policeman, and he encounters a man that maybe has had a little bit too much to drink, and the man is on his hands and knees under a streetlight. And the cop says, "what are you doing?" And he says, "well, I'm looking for my keys." Well, a minute later, the policeman is also on his hands and knees, helping the guy look for his keys. And after a minute or two, he looks over there and says, "are you sure this is where you lost him?" And the man looks over and says, "well, no, I didn't lose them here." And the policeman says, "well, why are you looking here?" And the guy says, "well, this is where the light is."

So, it's called the Streetlight Effect, and it's really a human cognition issue. This is just the way our brains. We tend to gravitate towards looking for easy solutions. We tend to want to accept easy solutions because let's face it, they're easier.

So why am I talking about this with respect to our weekly blog? It's definitely the case in the construction industry, it's definitely a case in small business that we fall prey to the Streetlight Effect and where I've seen it happen the most in my 30 years is we get a call from a contractor and he talks about I'm really having trouble with my brother, or we can't seem to get our margins where there need to be. And boy, before long it's problem, A, B, C, D, E, and I'm thinking, holy gosh, boy, they really needed some help.

And then I'll follow up in two or three weeks and they'll say, "well, my CPA is going to work on it for us, or there's a guy here in town we've worked with before, and he's good at this stuff, so he's going to help us with it." And I'm usually blown away when I hear that, because you usually cannot achieve real lasting change and improvement in your organization by working within the system, by working with the same people that have helped you get where you are, whether it's good or bad. You really can't achieve lasting change. It takes different perspectives, new ways of looking at things. It takes someone or some event that's going to get you out of your comfort zones. And sometimes it even takes disruption in your organization to get the lasting changes that you want.

Ultimately, it takes a great deal of courage to look outside of the light and that's what you need to do. And so, the people that you've relied on to get you where you are, are hardly the people to get you into a new place, if that makes sense. It's a frustration I've had for 30 years. Thanks for letting me share it. I'd like to hear from you how you've been successful in making changes. What catalyst, maybe what even disruptions have you utilized to achieve lasting change in your organization?

This is Wayne Rivers at the Family Business Institute.