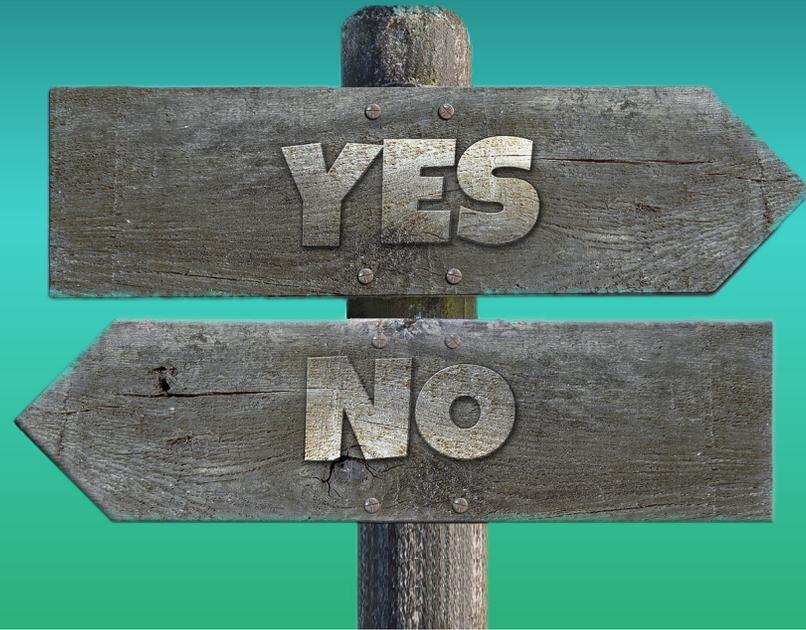




INVENTIVE IDEAS

# PIVOTING STRATEGIES

WHAT, WHEN, AND HOW



The crises of the moment don't necessarily mean pivoting the business, but it may be an opportunity to examine whether it might be the right move for the future.

## WHAT IS "PIVOTING"?

Pivoting does not always mean changing the whole company. Oftentimes, a company only has one important problem that needs to be addressed, and only requires one aspect of the company to be changed. Below are some examples of pivoting that you might not have guessed are considered a "pivot":

- Turning one feature of a product into the product itself, resulting in a simpler, more streamlined offering.
- Focusing on a different set of customers by positioning a company into a new market or vertical.
- Changing a platform, say, from an app to software or vice versa.
- Using different technology to build a product, often to cut down on manufacturing costs or create a more reliable product.

There are certainly plenty of other examples of pivoting that are not included here, but at least you now understand that pivoting encompasses numerous directions for a startup.

## HOW TO KNOW IF YOU SHOULD PIVOT

Pivoting is not a magic pill that can cure any problem. In truth, however, pivoting should only be considered when absolutely necessary, and when all other options have been exhausted. To make sure you don't make a rash decision with your company, below are some signs to help you identify when pivoting makes the most sense:

### 1 Your Company is Always Playing Catch-Up

If your company is progressing too slowly despite the amount of work you're putting into it, you may need to consider pivoting. The company itself may not need to pivot, but you may need to pivot your business or revenue model, product, or market.

### 2 There's Too Much Competition

Your idea may seem unique and original at first, but there's always the chance that a bigger company with more resources and funding and a built-in audience will come along and create an offering that's similar to yours, only better. Since you don't really have much of a choice in this situation, your startup is probably better off doing something completely different.

### 3 Your Company Has Hit a Plateau

If you notice slow (or no) progress in your company's development, then it's possible it's hit a plateau. This may be the result of boredom or an unmotivated team, or simply an inefficient strategy, but whatever the cause, a pivot should be considered. It doesn't need to be a major pivot, but take an honest, objective look at your company and identify something that can be revamped.

### 4 One Thing Gets the Most Traction

If only one aspect of your company is succeeding and the rest are failing, or, at least, moving slowly, then that may mean that your company should focus on capitalizing on what's working and change, maybe even radically, or completely ditch what isn't working. By directing your attention on what works, depending on what strategy you take, your company can experience a boost in productivity, efficiency, and revenue.

### 5 There's Limited Response from Your Marketplace

You can do all of the customer development and research in the world, but just because you have someone say that they would pay X amount for your offering now, doesn't mean they will still buy it, say, six months down the line when you've actually built and launched your product or service. A lukewarm response to the first release of an offering doesn't usually bode well, and while it's possible to generate buzz with marketing and PR, you can only do so much to convince the world of the value of your product.

### 6 Your Perspective Has Changed

Once you've launched your company and have been running for some time, there's a possibility that your goals, vision, and values will change. Researching a niche and experiencing it firsthand are completely different from one another, and you may realize that there are other, more lucrative avenues for you to pursue, and that your current course just isn't for you.

## HOW TO PIVOT EFFECTIVELY

Once you've decided to pivot your company, you must take into account the numerous factors that entail a successful pivot. Here are some tips to help ensure that you reduce the risks associated with pivoting and increase your chances of a lucrative outcome:

### 1 Do it as soon as you can

Many companies pivot more than once, so don't give up on the startup life if you think you may have to change course a few times to get your company on the right track. However, if you are going to pivot - whether it's once, twice, or multiple times - you need to do it as early as possible, as this helps avoid wasting time, effort, and money.

### 2 Pick new goals that align with your vision

Entrepreneurship is hard, and it requires you to be as brutally honest with yourself as possible, as launching and running multiple companies, or even one company, is a years-long endeavor. If the path you're on now doesn't feel right to you, you not only need to step back and evaluate your mission in life, but you need to put in extra time to ensure that your new vision is the right one for you.

### 3 Don't scrap that work you've already done

Because pivots don't necessarily require a radical change of course in every case, it's important to identify what aspects of your company can be salvaged, kept, and reused once you've settled on the new direction to head in. You've already spent so much time, energy, and money on building a sustainable business, that you should be able to redirect your current resources towards your new goal.

### 4 Listen to your customers

The feedback you receive from customers is a great indicator for whether you should pivot or not. While occasional negative feedback is expected, if you're constantly getting criticisms like "too expensive", "not enough features", "the purchasing process is too complex", "there are other, better products out there", or any other feedback along those lines, you might be ready for a pivot of some sort.

### 5 Make sure your pivot presents opportunities for growth

Yes, pivoting can be a useful decision for a startup that's encountered a roadblock and can go no further. However, if you pivot your company in a new direction without much thought as to where you're going next, there's a strong possibility that you'll hit yet another roadblock, just under different circumstances. To help prevent this, make sure that you not only consider pivoting from your original path, but that you take into account the opportunities for growth and expansion in your new path. If the market is smaller, the customer base is less diverse, or has too much competition, then it's not worth risking starting another company, so keep looking.

## KNOW WHEN IT'S TIME TO PERSEVERE AND WHEN IT'S TIME TO QUIT

Every business experiences considerable difficulties on the road to success, but you have to know the difference between an obstacle and an impossibility. In other words, when things get tough, ask yourself this question: "Can this problem be solved with more research, customer development, funding, etc.?" If the answer is "no", and you really can't think of a solution, regardless of how improbable it may be, then you should consider pivoting.

## FINAL THOUGHTS

**Launching and running a startup is filled with risks. But when it comes to planning for success, just remember: the more you prepare, the less you need to. Making decisions without thought is a recipe for disaster, so before you decide to take your company in a new direction, take the time to prepare.**

**And then prepare some more. Because you just might need it.**