

“The Method of the Pivot”

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WHEN IT'S TIME TO PIVOT

Will You Be Ready?

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Thinking about pivoting your business? Before you do, ask yourself these five questions.

1. Is a pivot right for your business?
2. Will customer feedback secure your future?
3. Can you leverage your current network?
4. Are you being indecisive?
5. Are you ready to change your business information?

Not every business strategy is successful. According to Investopedia, [around 50% of businesses](#) will collapse within their first five years of operation. There are many reasons that businesses fall apart. Sometimes they aren't avoidable, but sometimes they are.

The death of an idea doesn't have to be the death of a business. You may have brought together an impressive team, built a valuable reputation, and established links to powerful contacts and reliable suppliers, yet your product just isn't selling. Why give up on everything great about your company if the product is the problem?

When reality starts to bite, and you realize you can no longer walk your current path, you don't have to close shop. Instead, your business can not only survive but thrive by performing that most delicate but enticing of acts: the business pivot.

Countless enterprises have gone on to achieve great success after pulling off a business pivot. Some pivots can be very natural – for example, Starbucks began as a retailer providing coffee machines and beans. Other pivots can be far more extreme. Motoring manufacturer Suzuki famously started life as a production business for silk looms. Both these businesses had assets worth keeping hold of, but when faced with opportunities to grow, they changed what they provided to their customers.

These examples aren't rare exceptions; any business that gets its pivot right can become so much more than it once was. But how do you achieve a [successful pivot](#)? When considering a change in business strategy, make sure you ask yourself the following questions.

1. Is a pivot right for your business?

The purpose of a business pivot – as opposed to dismantling your company and starting from scratch – is to retain as many of your current assets as possible. These could include branding, employee skills and network options. But what if these assets don't have any value or are, in fact, harming your business?

A pivot is not the answer for every struggling business. Sometimes, you're in trouble because of elements directly related to your brand. You may have tarnished your reputation by getting involved in controversy or upsetting customers. You may have built relationships the wrong way and, as a result, are being dragged down.

You should only consider a pivot if you've got a great company, but the product is wrong. If the problem is your business, then the business has to go.

2. Will customer feedback secure your future?

The best and most successful businesses are those that solve a want or need of their consumers. Businesses often fail to make an impact because they were developed to suit the desires of the owner and not the market. To capitalize on the pivot, you must enter a new area of business that satisfies consumers' wants or needs in a way that makes them find your product irresistible and irreplaceable.

As an established business, you have an advantage over newcomers in that you already have a consumer base from which to draw inspiration. Gathering information from your customers through surveys, questionnaires and feedback forms can give you essential insights into the kind of problems they have – which means you can start to figure out what problems your pivoted business can solve.

3. Can you leverage your current network?

As the saying goes, it's not what you know, but who you know. In business, this is only half true; most companies quickly discover that it's both. Knowledge and skills are important, but networks remain an incredibly powerful business tool that you can leverage for success.

It's common to use contacts as resources and for information or to sell your current product. When you are in a position to pivot your business, however, your network becomes something more. It becomes a mastermind group and a support structure that helps you evaluate ideas. Feedback from your customers lets you identify problems with your current business model and how you can change to meet demands. Feedback from your network of contacts allows you to take the information you've gathered from consumers and access insight into how you can build the business they need.

Engage with your network and ask questions. Use the resources you have to build foundations to support your business pivot. Ways to leverage your network include gaining insight into your new market, finding out what systems will help your new venture, acquiring new partners and finding suitable resource suppliers.

Your current contacts may not be able to offer what you need. By considering how they can help you, though, you may find they can build bridges between your business and their own contacts that can give you what you need.

4. Are you being indecisive?

Understandably, you would want to spend as much time as possible to implement a strategy that supports success, but there is one important factor to consider: The longer you wait, the longer you are running a business that is not achieving the success you are aiming for. There is such a thing as too much planning.

If you are simply on a plateau, this may not be harmful. However, if your business is unprofitable, you are losing more money the longer you wait to pivot. At some point, you will have to bite the bullet, just as you did when you first started your business, and make the changes you need to make. Balance is the key here. You need enough time to formulate a plan that has the potential to bring you the success your current outfit did not. But at the same time, you need to move fast enough that you still have a business to pivot.

Remember, you won't just pivot and succeed immediately – at least, you are unlikely to. It will take time to reestablish certain elements of your business and market your new product. You have to account for this when thinking about available timeframes, or you may find that after you've finally committed to the pivot, you can't make your new dream a reality.

5. Are you ready to change your business information?

When you pivot your business, it's important to make a clean break. The last thing you want right now is to be dealing with the remnants of your old company: turning away clients, wasting time on calls and emails that are no longer relevant, and so on. You want your entire focus to be on your new business strategy, which means you need to eliminate all links to your previous operation.

If you've ever moved a house, you've likely put together a list of things you need to change. You update your address on official forms of identification, update your insurance, cancel your bills, register for new healthcare providers and more. You are still you, but the elements around you need to adapt to your change in circumstances. It is the same for your business during a pivot. To fit the restructure you're undergoing, you need to update business information like this:

- Your website
- Marketing materials
- Official branding
- Supplier information

Don't allow anything of what your business used to be to remain. For example, if you were to pivot from repairing computers to developing software, you don't want to have your business still listed on repair directories or have information on your social media about your rates for hardware maintenance. Take time before your pivot to identify all areas that need switching, and make sure you update them in an appropriate timeframe following your pivot.