

The art of pivoting: How a major change can save your business

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Even good business ideas backed with plenty of resources and a reasonable plan can start to fail. While many entrepreneurs simply double down and hope for the best, the most successful planners take this as an opportunity for a massive change, either pivoting the business model or reinventing the brand.



For example, the quirky worldwide brand Snapple [originally started as “Unadulterated Food Products.”](#) an inarguably uglier and less marketable brand name. Twitter was originally a podcasting network, and Groupon started as a fundraising site for projects intended to do social good.

A well-timed pivot can help you preserve your resources, while giving your business a second chance at life. But it's not a magic, fix-all solution — and it's not right for every business. So how can you tell when a pivot is right, and how can you begin the process?

Why are you struggling?

First, you need to know why your business is struggling. In some cases, a business can be adjusted in a way that makes up for its weaknesses. In other cases, your weaknesses are nearly impossible to overcome — or can't be overcome with a new business model.

How can you tell the difference?

You'll need to start by doing a thorough analysis of the following areas:

- **Funding and investors.** Is your business running out of money, or are your investors getting impatient with your business model? If so, it may be too late for a pivot to save you. Most of the time, switching the focus of your business will require an injection of capital and support from investors, and if you don't have those, you may not be successful in your change. If you have access to cash and adequate support, a pivot may be more feasible.
- **Market appeal.** Are customers simply not interested in what you have to offer? If so, you'll need to figure out why. If your product is hard to buy, or too expensive, or if it has some quirk that turns customers away, you can usually fix

these issues without hard-pivoting the business. But if there just isn't a need for what you're producing, you may need a more significant change.

- **Competition.** Pivots are also sometimes inspired by heavy competition. Aggressive competitors are a [top reason for startup failure](#), so if you see too many attractive competitors in your space, pivoting may be a way to distinguish yourself.
- **Existing resources.** What resources do you currently have? Could you conceivably use these with a different business model? For example, a prominent office space can help you significantly with a pivoted model, while specialty manufacturing equipment may not.
- **Existing staff members.** Similarly, if you have a talented, passionate team on staff, you may not want to give them up. Talk to them, and see if their skills and interests could be applied to a different kind of business.
- **Existing brand power.** Also consider the power of your current brand. If there is a small group of loyal fans dedicated to your brand, they may follow you into a new venture. If you don't have much brand authority, it may be better to quit and start over with something entirely new.

Finding an adjacent model

Now for the hard part. If you know that a pivot could save your business, you need to find something to pivot to. Ideally, you'll choose something adjacent to your current area of expertise; for example, if you currently run a social media startup, you might adjust to become a workplace communication platform. You'll also want to choose something unique enough that your competitors won't be interested or aware that the concept exists.

If you don't have any immediate ideas, your best bet may be [talking to entrepreneurial mentors](#). Entrepreneurs and business professionals in this industry and others may be able to help you brainstorm a new direction for your brand.

Be open to other ideas. You may not be able to find a directly adjacent area to your original business model, but there may be other opportunities for you to exploit.

Rewriting the business plan

When you do come up with a new idea, even if it's just a modification of your original idea, make sure you revisit your business plan. If possible, treat it as if you're starting a new business from scratch; make a financial plan, research your target demographics, and do a competitive analysis to see what other brands you're up against.

Pivoting a business isn't a guarantee you'll be able to save it, nor is it the right move for every floundering business. However, if you have a strong foundation and a decent idea to explore, this could be the decision that leads to your success.