

**SMALL BUSINESS GUIDE: CORONAVIRUS**  
**PIVOTING YOUR**  
**BUSINESS**

# Daryl Searle

## BUSINESS STRATEGIST

The memes have been coming thick and fast during 2020. Mainly comparing 2020 to the most ridiculous situations imaginable. It is often said that these are challenging times, but usually these economic downturns are related to a market movement or stock market crash. 12 months ago, the situation that we find ourselves in would have been hard-pushed for any economic commentator to predict.

Restrictive measures and lockdowns have meant that businesses have been hit hard by the Coronavirus (COVID-19) outbreak and many industries have been faced with sudden and dramatic drops in revenue, in some areas such as entertainment and performing arts, industries have come to a complete stop.



With the latest guidelines (September 2020) being announced, introducing track and trace, encouraged working from home and additional social distancing guidelines which could now be in place well into 2021, many businesses need to give serious thought to working practice and markets. You may well be on Plan B, C, D or further, but the important thing to remember is that there will be a viable option for you as an individual and/or your business. One of those options is to look at pivoting your business. Pivoting is not reserved for crisis times, it is a very valid business strategy at all times and should or could be used as a temporary measure or depending on the success could become a more permanent fixture.

### What is a Pivot?

When used as a standard tool for business, pivoting is a powerful mechanism to engineer change and hopefully fortune within a business. Like any business tool, it is imperative to plan and review the likely costs and benefits of regularly. Though there are never bad ideas, there will be some ideas that cost too much or provide the least potential value.

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For a pivot to work, a series of decision gates need to be followed:

1. **Build** - from your list of ideas, identify potential new ways of positioning your product or service and create either new value or new markets.
2. **Measure** - iterate the ideas based upon the feedback that you receive from customers, social channels across whatever medium is available.
3. **Learn** - once you have the ideas, once you have tested the water and gained feedback, the decision point comes to either pivot or persevere.

### So, how should you decide to pivot?

There are lots of examples during the Covid-19 lockdown of businesses that have used pivots to keep markets going or open new ones. The driver being survival, but even in this scenario there still needs to be a rational approach to decisions. Instinct and gut feel need to be balanced with the likely outcomes of proposed ideas for pivot.

The examples include:

1. **Dyson** - repurposing their resources to respond to a social need through the creation of medical ventilators.
2. **Brew Dog** - similar to the Dyson example, responding to a social need following publication of government guidelines decided to start producing hand sanitiser.
3. **The Lowry Theatre (Salford Quays)** - With the decimation of the arts and performance industry, The Lowry has signed a deal with the Ministry of Justice (MOJ) to create a 'Nightingale Court', providing sufficient social distancing to hear criminal cases as well as tribunals, civil and family matters.

Pivots do not have to be limited to the larger companies. Small business owners can gain from this approach. When considering this as a strategy, it's worth thinking through a few steps first. Sometimes the change to a new product or sales line involves investing in new equipment or supplies. It may also require retraining staff and finding new buyers for your new product.

### So, what can you do right now?

1. **Map your options** - Take a look at your product or service, can you break it down into one specific offering, that answers a specific customer need? Conversely, can you take a small offering, create a 'bigger product' (either through partnerships or in-house development of ideas), again to answer a specific need?
2. **Don't make rash decisions** - It is very easy (and in most cases it is human nature) to get trapped in the stress cycle, panic and divert efforts in to the 'next big thing'. Is that the best way to serve you and the business? Take time to survey your potential customer market, entrust close confidants or other business professionals to devil's

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advocate the options. The most important decisions you make must answer one simple question. *“Does this safeguard the business? Can I pay my liabilities?”*

3. **Cashflow and Credit** - Following on from the safeguarding the business question, do you need to invest or borrow cash to make the pivot reality? If so, what are the potential returns. Have you explored the government backed options for business recovery support loans etc. How will you pay these back? What is the opportunity cost of investing your money? How much ‘runway’ do you have to make the pivot and business work?
4. **What resources do you have now?** If you have premises, can you repurpose some of the space to create new revenue lines? For example, if you are in the music business, providing lessons, with social distancing rules, can you repurpose some of the space to advertise second hand instruments, music memorabilia etc. Provide a shopfront physically and potentially virtually.
5. **Online presence** - Can you move your products online? Can you monetise ‘training videos’ for one of your services, creating an audience within restrictive guidelines that in time become your lead audience for upselling previous face to face products and services. Most web platforms (Wordpress, Wix etc.) have relatively cheap out of the box ‘shops’ with payment platform integrations, making these options more accessible to small business.
6. **Explore the partnership model** - “together we are stronger” in these extraordinary times, perhaps those you considered a competitor could actually now become an ally. More often than not though on the face of it, you look like competitors, when you scratch the surface, you find separate niche’s, you find areas that could dovetail to create a more compelling value proposition to the market.
7. **Understand the situation** - accountability and ownership of the current position you and your business finds itself in is the biggest challenge to accept. The sooner you realise that this is the reality, accept the position, regardless of fault, the sooner you have the mental capacity to fight the good fight and uncover ways of creating and maintaining the revenue flows. In adversity, many ideas are born, hit the right pace and you could actually perform a pivot that grows your business and provides higher value opportunities. Stay strong, and look for advice and support where appropriate.
8. **Understand the changing landscape** - We live in ever changing times, decisions on a parliamentary level being based on a mix of health and wellbeing and also economic restart. We will find policies and guidelines being contradictory, however ask yourself what you can change, what can you control? You can’t control the government announcements, though we may not agree, we have to safeguard our livelihoods. As such, we need a range of options to enable to pivot and sustain and potentially grow. Own your options, control what you can control.
9. **Bring your teams along the journey** - If you are lucky enough to have a workforce, they are your potential lifeline. Whatever you choose to do, the workforce will be in charge of delivering that idea. If they don’t understand the reason, if they don’t

understand the return then you have fragmented morale within the team. Sharing the vision, sharing the reasons for change, outlining the necessary training and change in process they need to follow should benefit the whole operation. The workforce become invested (securing their jobs), they are empowered to challenge and provide an alternative to the alternative. Teamwork and morale should be boosted, confidence returns.

**10. Adapt and Evolve** - keep an iterative approach in place. Just because a pivot strategy provides initial gains, there is nothing guaranteed that this will continue. Keep collecting customer feedback, engage your employees, keep your business advisors close. Labelling change as an iterative mindset, promotes success rather than perceived failure. By tweaking and iterating, you keep the road clear, you have a greater chance to succeed as you have the eyes wide open, you are aware of market and policy changes and can react to maintain the course.

## ABOUT OVATE

Ovate are specialists in business strategy and operations. Daryl Searle is one of the partners, who specialises in company transformation, whether supporting start-ups with embryonic ideas, positioning the idea in ways to attract support and investment. With over 20 years' experience gained across a number of industries, Daryl has been involved in all aspects of company operations from 1-2 people companies through to large blue chips.



It is this experience, coupled with the drive and focus of finding solutions, where Daryl can help you and your company grow, whether that is focused on the individual in a coaching format or providing wider strategy promoting alignment, discovery and enterprise.

There are many ways to approach problems, but without certainty, trust, clear direction and leadership, problems are likely to limit progress. With a range of packages and tools to call upon, we will help you deliver what is right for your business, however big or small the company and problem.

## CONTACT US

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