



PIVOTING YOUR BUSINESS

The dramatic economic fallout of COVID-19 has created the opportunity for SMEs to re-examine how they do business and keep themselves viable.

Many SMEs are forging a path to survival by **pivoting** their business strategy or operations; they have significantly changed their primary target market and/or the way in which they do business.

Locally, J Wray and Nephew now manufactures rum based hand sanitizers; KFC now delivers its finger lickin' good chicken to your home; So does Popeyes and Juici Patties; several doctors are now doing online visits with patients or telemedicine which is set to become a growing industry. Globally, manufacturers like the GAP and Zara are now making masks and medical frontline gowns and scrubs; Select hotels have repositioned themselves as temporary isolation units by upgrading how the rooms are cleaned; and Real Estate sales agents are doing virtual walkthroughs of properties for sale.

There are essentially 6 types of business pivots:

- **Operational Pivot**
- **Platform Pivot**
- **Customer Pivot**
- **Collaborative Pivot**
- **Complete Business Pivot**
- **Asset Pivot**

When examining your own business, you are not limited to choosing only one type of pivot to undertake. In fact many successful business pivots transform in several ways at the same time. As you read this document, think about which pivoting strategies might be right for your business.



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Operational Pivot

- With an operational pivot, the fundamental nature of the business has not changed except that employees who used to work together in a physical space are now working from home and; centralized operations are now distributed;
- This has created the need for new productivity norms. For example, a morning meeting to check in on team progress and more results-oriented performance metrics;
- May require an investment in various collaboration technology tools such as Zoom or Microsoft Teams and retraining/upskilling of staff;
- The key is to remain operational while delivering the same quality services that customers have come to expect;
- Complicating factors include the fact that children are also home from school and so managers will need to be understanding that the workdays will not unfold as they normally would. Consequently new work norms and “rhythms” are required;
- Law firms, social media companies, accounting firms are good examples of SMEs that implement work from home operational pivots without fundamentally changing their businesses;
- Not all businesses will be able to operate effectively in this new work from home paradigm so there may even be an opportunity for a high functioning SME to grow during this period.



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Platform Pivot

- Moving the sales and delivery platform largely online;
- Requires building out an easy to use operational website to display the inventory or services offered;
- Online payment functionality like credit cards or other payment tools (Venmo; PayPal etc.) would be ideal;
- Establish delivery services where needed;
- Advertise through social media and optimized search terms;
- Viral graphics or video ads which can be passed around through WhatsApp and other online platforms will provide additional marketing support;
- A retail clothing store; a liquor shop; a brand Jamaica products shop; gym classes are good examples of businesses that can do a platform pivot;
- Once the business gets comfortable with the online platforms, it can expand the product and service offering. For example a liquor shop which delivers alcohol and chasers could have cocktail making videos on-line to create a deeper customer connection; a women's clothing store might host an online fashion show; a gym could create an online community where the members commit to a certain number of hours of exercise per week; a brand Jamaica shop could try to reach a overseas audience through eBay/Amazon (conditions apply);
- The Tmrw.Tday Culture Fest, the Yoga, Wellness and Music Festival in Negril moved entirely online after being cancelled due to COVID;
- If advertising is properly optimized and the website easy to navigate and fully functional, it is possible to grow the customer base beyond the original target market.



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Customer Pivot

- Refocusing towards a new primary target market for sales;
- A wholesaler may go direct to the consumer as many retail outlets have closed;
- Online tutoring services may find that the overseas market is more lucrative than the local one;
- Several premium liquor wholesalers are now offering delivery direct to consumers' homes; MACTours a school and airport driver service now focuses primarily on grocery delivery; Best Buds florist who was primarily focused on flowers for special occasions is now focused on plants as importing flowers is no longer an option.

Collaborative Pivot

- Collaborating with another SME to broaden your product or service offering thereby creating greater reason for potential customers to engage with your business;
- Potential Opportunity for shared operational capabilities;
- For example, a tourist taxi company starts working with a farmer and a local chef to deliver farm produce boxes with healthy & interesting menu recipes; a wine shop that delivers bottles with pre-packaged meals; a gym instructor working with an app developer creates a workout/weight loss package that requires downloading the app to utilize the content; an online business or finance tutor who generates leads for a financial institution; a joint website or social media account that spans the inventory of multiple retail outlets; an online carnival party that sells outfits and costumes to use at home on shared video platform.



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Complete Business Pivot

- The Complete Business Pivot is when you review the current environment, abandon your previous business plan and simply start anew;
- This is the best pivot for you if:
 - a. You cannot see any clear timeline for when or how your business might return;
 - b. You were less than a year into the business and you had not yet started to see much business traction;
 - c. The business you were in was losing money or not very profitable;
 - d. You had not already heavily invested in the business;
 - e. Or if you simply see an opportunity now that looks more lucrative than the one you are in and you have the resources to pursue it;
- This requires complete emotional detachment from the original business idea and an understanding that it is better to focus on the future rather than the past;
- Zayin Pest Solutions repurposed and refocused a pest control business into a heavy-duty cleaning and sanitization business; steam and disinfecting mist for spaces requiring high hygienic cleaning;
- Event Planning and Rental Service, KW Events & Rentals now offers a courier service to do small-to-large package deliveries, errands, bank transactions, deliveries and supermarket shopping.



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Asset Pivot

- All businesses have hard and soft assets that are core to the operation of the business but are not themselves directly sold to customers;
- These business assets include: brand name/ reputation/ goodwill, customer lists, a "working" website, storage facility, a storefront, delivery trucks, a call center contract, machines & equipment, a sales force, an expert team, purchasing contracts, and others;
- Many of these assets may have been heavily utilized as part of the SME operations before COVID-19 but are now rarely used;
- Investigate whether an asset in the business can be immediately monetized, in other words can your SME make money by "renting" out these business assets;
- For example: can you market someone else's products to your customer base for a fee or commission; can you use your call center to take orders for other businesses; can you rent out sections of your cold storage facility to smaller businesses trying to save on their JPS bill; can you make purchases on someone else's behalf because you get items at a cheaper rate; can you rent out your delivery trucks; can your Accounts Receivable manager collect money on another company's behalf; can you rent out equipment capacity; can you sell other companies' products through your website;
- Do a deep examination of the asset components of your business to determine if there are other ways you can make money during the slow down.



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Where relevant ensure that you inform your current and potential customers about your business pivot and new opening hours;

Utilize storefront signs; social media platforms like Facebook and Instagram; phone calls and text messages; WhatsApp graphics; email; flyers; google maps and business listings; online yellow pages.

Let your customers know where and how to find you.

Take a hard look at where you are today. How badly is your business damaged post COVID? How likely is it to come back anytime soon? Don't just sit back and hope for the best. It is time to determine which combination of pivoting strategies might work for you.

How might you pivot your business today?



SUMMARY

BUSINESS PIVOT	ENTAILS
Operational Pivot	Same line of business but everyone working from home
Platform Pivot	New way of delivering sales or service; for example, a physical store moves into e-commerce.
Customer Pivot	Entirely new customer focus; for example, a wholesaler goes direct to consumers or a tutor sells services abroad using an online platform.
Collaborative Pivot	Working with another business to jointly deliver a new offering; for example, a liquor store works with a social media company to do online cocktail classes or videos.
Complete Business Pivot	Starting completely anew in a business in no way related to the original one because there is simply an emerging opportunity.
Asset Pivot	Renting out the assets of the business directly; for example subletting cold storage facility; utilizing company website or sales force to sell other SMEs products.