

R I G H T

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# *Pivot*

PRE  
QUATE

An exploration into pivots to decode the science in it all and the art of doing it the right way.



# the big why & what

RIGHT  
*Pivot*

- 1** In times like these, when the playing fields have levelled, businesses are becoming more and more focused on 'value' than 'being first.'
- 2** VUCA times call for a rethinking of status quo - a redefinition of who they are and how they can bullet-proof themselves.

Some of the most valuable startups have one thing in common – an origin story set in times of uncertainty (Uber, YouTube, Yahoo, Slack, Dropbox). Ever, wondered why? We did.

A playbook on the art of the pivot – **Right on Pivot**, 2021.



An organization's ability to **learn**,  
and **translate that learning into**  
**action rapidly**, is the **ultimate**  
**competitive advantage.**

- Jack Welch  
*CEO, General Electric*

# inside this document

1



What is  
a Pivot  
really?

2



Knowing  
when to  
Pivot

3



Doing a  
Pivot the  
right way

4



Learning  
from the  
best

RIGHT  
*Pivot*

1



**What is  
a Pivot  
really?**

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**What is a  
pivot?**

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**Who is a pivot  
for?**

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**What types of  
pivots exist?**

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**What does each  
kind mean?**

1

Pivots at times seem like big changes, their core foundation elements remain the same.

3

All organizations are considering pivots as a part of Org strategy rather than in troubled times.

A business pivot is an adaptation or improvement<sup>1</sup> of adjusting or modifying (a product, service, or even strategy)<sup>2</sup>. They are the result of today's organizations embracing agility<sup>3</sup> as a core part of their DNA. They occur irrespective of the stage<sup>4</sup> of a company in its lifecycle.

2

Pivots can span from just a small tweak to a complete redo of the organization's strategy.

4

Pivots occur in Orgs of all stages – Startup, Growth or Maturity or all sizes, be it small or enterprise.

# THE MAKING OF A PIVOT

1

# Who is a pivot for?

What is  
a Pivot  
really?



There are a lot of misconceptions about Pivots – mostly because it seems to be grabbing eye-balls in relation to the tech industry. But there is half truth to that. Here are some pivot-al myths busted.

## MYTH

#1

I'm not in tech. Is this  
playbook relevant for  
me?

### Of course.

Pivots are not specific to an industry – though tech businesses tend to be more nimble and hence can pivot faster, but the most successful pivots in the world aren't only tech.

**Western Union**  
from telecommunication to payments

## MYTH

#2

I'm an enterprise today.  
Isn't this something that  
startups do?

### Not at all.

Pivots can be made irrespective of the stage that the business is in. The challenges can differ in achieving success or the time to materialize, but all sizes are welcome.

**Sony**  
from cassette to digital only

## MYTH

#3

Doesn't pivoting mean  
doing something new  
entirely?

### Thankfully not.

Pivots are a way to accelerate growth and profitability while leveraging on the strengths that the organization possesses. It does involve new thinking but need not mean starting afresh.

**Groupon**  
from campaign mgmt. to deal aggregation

1



What is  
a Pivot  
really?

# What kinds of pivot are possible?

As business get more dynamic and macro-economic circumstances get more uncertain, there are endless new pivots that can come up. Here are the buckets that they most likely fall under:



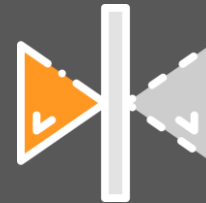
**ZOOM IN  
PIVOT**



**CUSTOMER NEED  
PIVOT**



**VALUE DRIVER  
PIVOT**



**USER SEGMENT  
PIVOT**



**ZOOM OUT  
PIVOT**



**ARCHITECTURE  
PIVOT**



**GROWTH ENGINE  
PIVOT**



**PLATFORM  
PIVOT**



**CHANNEL  
PIVOT**

1

# What do they mean, really?

What is  
a Pivot  
really?



As business get more dynamic and macro-economic circumstances get more uncertain, there are endless new pivots that can come up. Here are the buckets that they most likely fall under:

*when a product/ service feature ends up becoming your whole product*

**ZOOM IN  
PIVOT**

*when the feature that is growing is different from the first intended one*

**CUSTOMER NEED  
PIVOT**

*when a particular aspect can be segregated and a value chain is built on it*

**VALUE DRIVER  
PIVOT**

*when the product is capable of actually solving a different persons problem*

**USER SEGMENT  
PIVOT**

*when the product ends up becoming a single feature in a bigger product*

**ZOOM OUT  
PIVOT**

*when you change strategy by trading off between volume & margin*

**ARCHITECTURE  
PIVOT**

*when a new strategy is deployed to dramatically increase growth*

**GROWTH ENGINE  
PIVOT**

*when you move from application to a platform allowing others to build*

**PLATFORM  
PIVOT**

*when you pivot to deliver your product/ service through a different channel*

**CHANNEL  
PIVOT**

1

# What do they mean, really?

What is  
a Pivot  
really?



Following the thread for each kind of pivot, here is a deep-dive into some of the the most successful pivots of our time from across the world:



ZOOM IN  
PIVOT



CUSTOMER NEED  
PIVOT



VALUE DRIVER  
PIVOT



USER SEGMENT  
PIVOT



ZOOM OUT  
PIVOT



ARCHITECTURE  
PIVOT



GROWTH ENGINE  
PIVOT



PLATFORM  
PIVOT



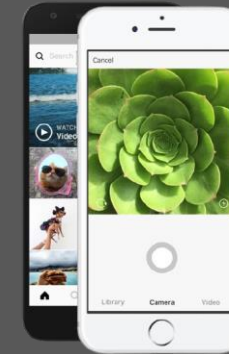
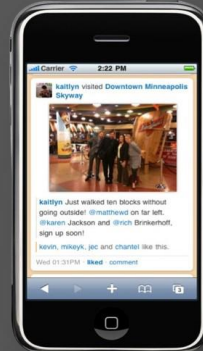
CHANNEL  
PIVOT



# ZOOM IN PIVOT

when a product/ service feature ends up becoming your whole product

Instagram's Zoom-In Pivot



Started in 2010 as Burbn, a check-in app like Foursquare but with images due to shared personal interest.



Noticed that users were using *Burbn as a photo log* as they really loved the photography features.



Pivoted the app development to focus on the photography elements and be great at that one thing.



Concentrated on building it as an inclusive social network by marrying photo filters, tagging & check-ins.



Mar 2012, Users hit 27M.  
Sold to Facebook @ \$1B valuation

Raised \$0.5M @  
~\$2-4M valuation

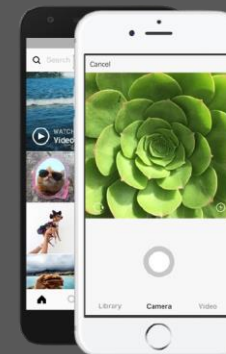
Raised \$7M @  
\$25M valuation



# ZOOM IN PIVOT

when a product/ service feature ends up becoming your whole product

Instagram's Zoom-In Pivot



**In-depth User Behaviour & Usage Analysis leading to realizations**

**Strategy shift to focus on building products that are great at one thing**

**Embracing openness and interoperability with other platforms**

Raised \$0.5M @  
~\$2-4M valuation

Raised \$7M @  
\$25M valuation

Mar 2012, Users hit 27M.  
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# ZOOM IN PIVOT

when a product/ service feature ends up becoming your whole product

Instagram's Zoom-In Pivot



## Burbn

Check in at locations, make plans with friends, earn points for hanging out with friends, and post pictures of the meet-ups.

**product  
promise**  
*changed*

**flexibility &  
openness**  
*changed*

**product  
positioning**  
*changed*



**product  
functionality**  
*unchanged*

**target user  
demographic**  
*unchanged*

**technology  
infrastructure**  
*unchanged*

## Instagram

Fast, beautiful photo sharing for your Phone

Meet Instagram.  
It's a fast, beautiful and fun way to share your life with friends through a series of pictures.

Snap a photo with your Phone, choose a filter to transform the look and feel, send to Facebook, Twitter or Flickr – it's all as easy as pie. It's photo sharing, reinvented.

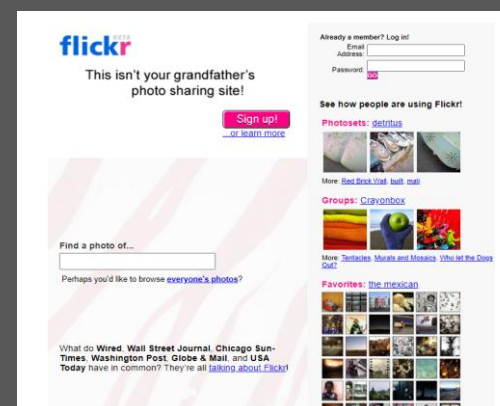
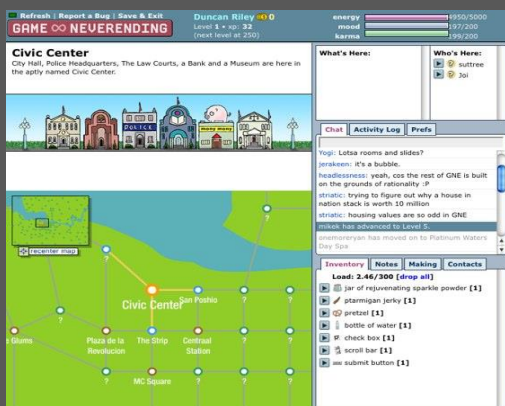
Oh yeah, did we mention it's free?



# CUSTOMER NEED PIVOT

when the feature that is growing is different from the first intended one

Flickr's Customer Need Pivot



Flickr grew out of Ludicorp's Game Neverending- a MMOG that focused on social interaction and object manipulation.



Realized that the photo dropping feature which users extensively utilized to share photos often had nothing to do with the game.



The development of the game was later shut down in 2004 and the tools built for it later evolved into Flickr.



Flickr focused on providing cutting-edge real-time photo sharing with photo commenting and advanced privacy options.



Mar 2005, sold to Yahoo for ~\$25M



# CUSTOMER NEED PIVOT

when the feature that is growing is different from the first intended one

Flickr's Customer Need Pivot



## Game Neverending

A massively multiplayer  
online game

focus was social  
interaction & object  
manipulation



**product  
promise**  
*changed*

**flexibility &  
openness**  
*changed*

**product  
positioning**  
*changed*

**product  
functionality**  
*changed*

**target user  
demographic**  
*changed*

**technology  
infrastructure**  
*changed*

## Flickr

An image hosting & video  
hosting service, as well as an  
online community

the home for all your photos.  
upload, access, organize, edit, and  
share your photos from any  
device, from anywhere in the  
world

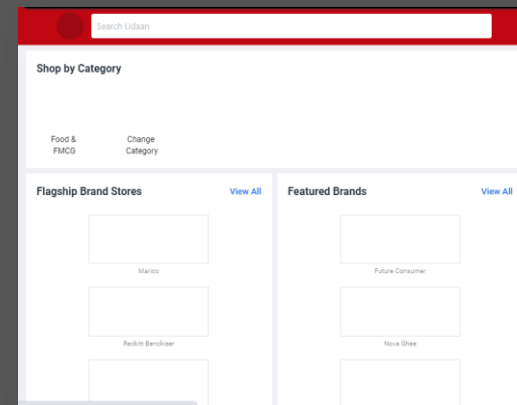
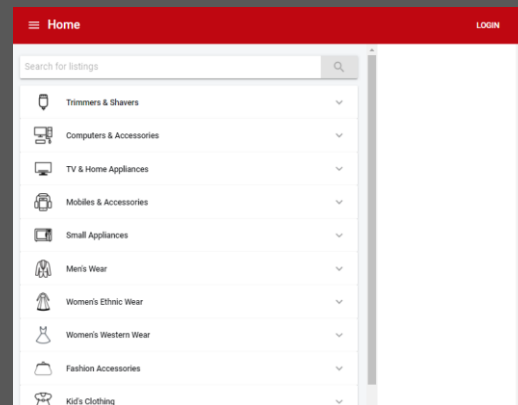
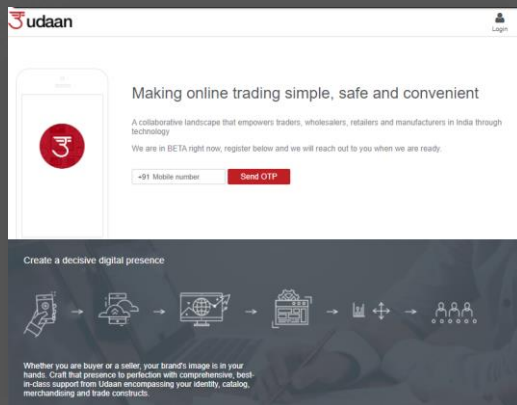
revenue earned from premium  
subscriptions



# VALUE DRIVER PIVOT

when a particular aspect can be segregated and a value chain is built on it

Udaan's Value Driver Pivot



Started in 2016, as a B2B Digitization solution for SMBs to allow them to transact online with logistics support

Switched over to a full-stack listing platform to enable sellers to create listings and buyers to discover new suppliers by product category

Moved to a marketplace model that can connect SMBs directly and facilitate buying and selling with payments and logistics

Transformed into a B2B buying platform that supplies directly from manufacturers and other SMBs with credit support

Raised \$10M @  
\$40M valuation

Raised \$225M @  
\$1B valuation

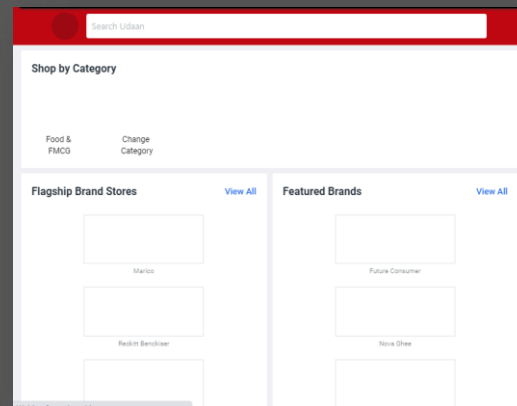
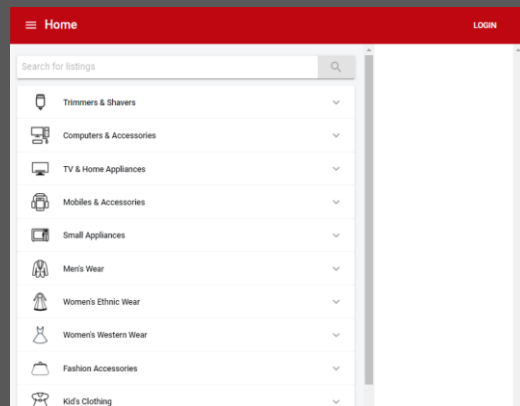
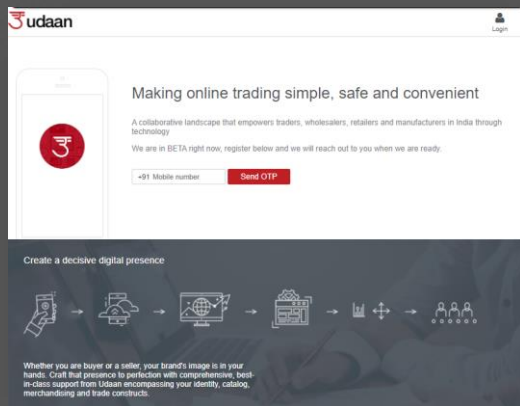
Raised \$585M @  
\$2.7B valuation



# VALUE DRIVER PIVOT

when a particular aspect can be segregated and a value chain is built on it

Udaan's Value Driver Pivot



"Making online trading simple, safe and convenient."

"India's B2B Commerce Network of Retailers, Manufacturers, Traders, Wholesalers"

"India's B2B Marketplace of Retailers, Manufacturers, Traders, Wholesalers"

"B2B Buying for Retailers"

Raised \$10M @  
\$40M valuation

Raised \$225M @  
\$1B valuation

Raised \$585M @  
\$2.7B valuation



# VALUE DRIVER PIVOT

when a particular aspect can be segregated and a value chain is built on it

Udaan's Value Driver Pivot



## Udaan

Network centric B2B  
Trade Platform

Providing SMBs with  
digitalization tools to  
allow for transacting  
online with logistics  
support

Revenue earned from  
logistics and commissions  
on purchases



**product  
promise**  
*changed*

**flexibility &  
openness**  
*changed*

**product  
positioning**  
*unchanged*

**product  
functionality**  
*changed*

**target user  
demographic**  
*unchanged*

**technology  
infrastructure**  
*changed*

## Udaan

India's largest B2B Buying  
Platform for SMBs

Established its own distribution,  
logistics and credit network to  
complement the listing platform  
and become the primary supplier  
based on predictability and buyer  
behaviour

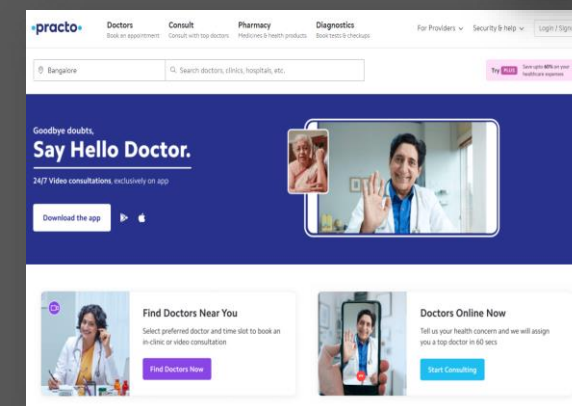
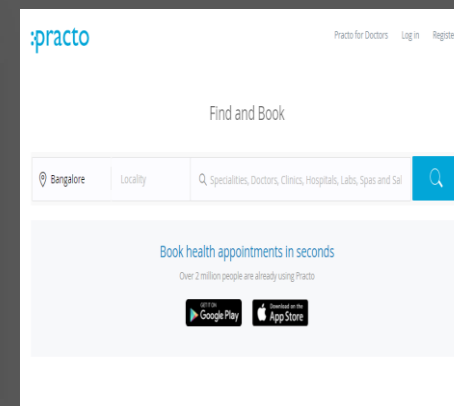
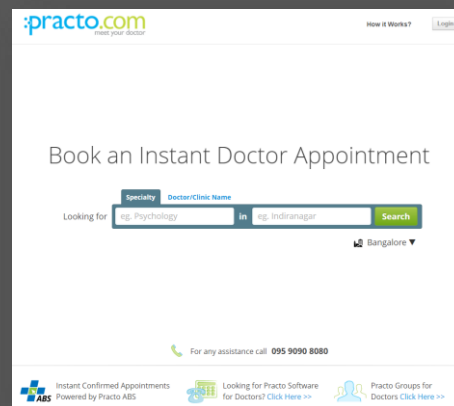
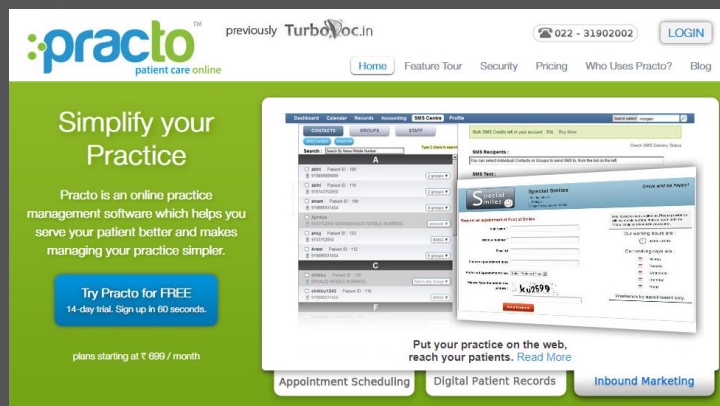
Revenue from gross margins on  
buying, delivery charges &  
interest on credit provided



# USER SEGMENT PIVOT

when the product is capable of actually solving a different person's problem

**Practo's Customer Need Pivot**



Started in 2009 as a web-based clinic & document management software for doctors & hospitals.

Realized that the real problem in healthcare was experienced by patients and their tech could solve that.

Opened up the earlier closed off user end to solve the patients needs for ease of booking & confirmation.

Started the pivot to make Practo a healthcare discovery platform focused on the patient.

Transitioned to a full-service patient companion app for end-to-end health.

Raised \$4M @ \$12-15M valuation

Raised \$90M @ \$500M valuation

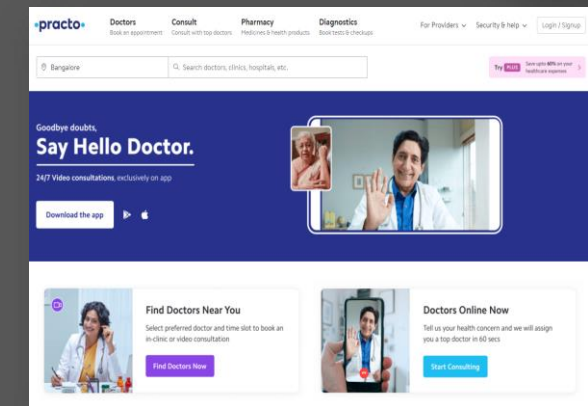
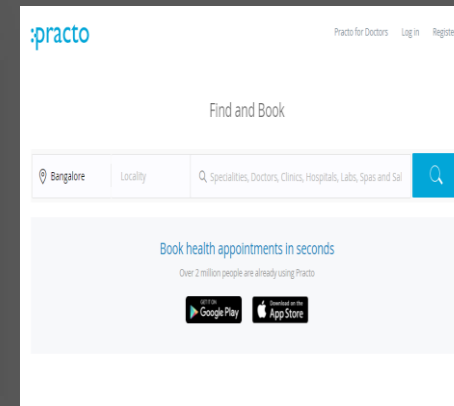
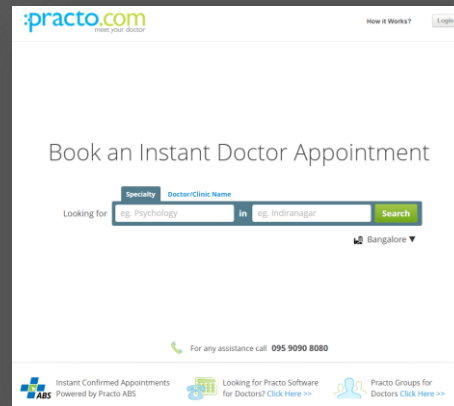
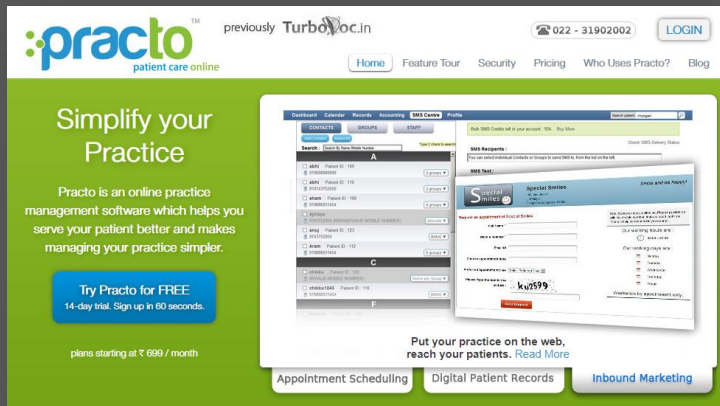
Used by 180M+ in 21 countries



# USER SEGMENT PIVOT

when the product is capable of actually solving a different person's problem

**Practo's Customer Need Pivot**



"Practo is an online practice management software which helps you serve your patient better and makes managing your practice simpler."

➤ "Find Doctors in [.....]. Book confirmed doctor appointments online for FREE."

➤ "Find & book appointments with doctors, diagnostic labs"

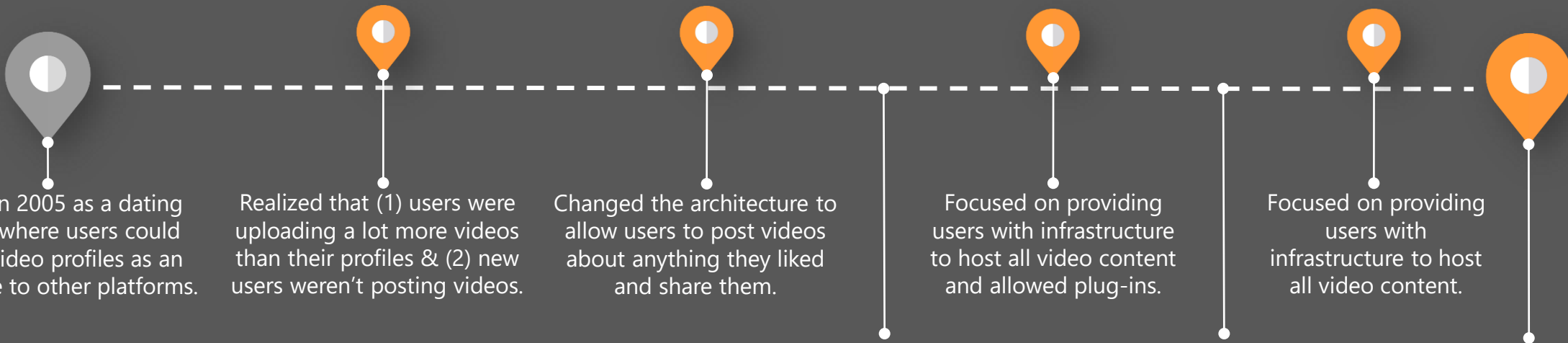
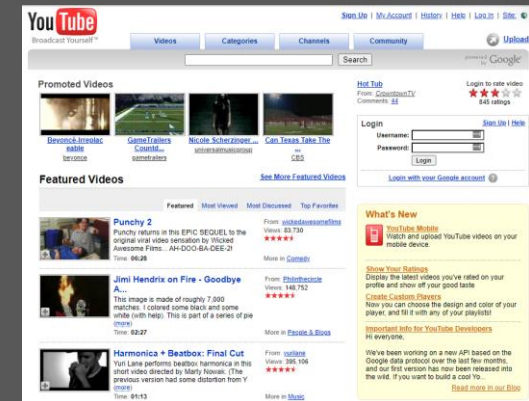
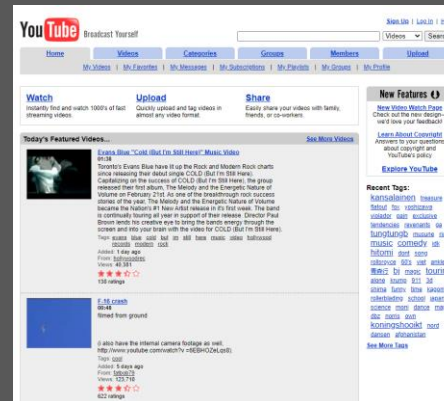
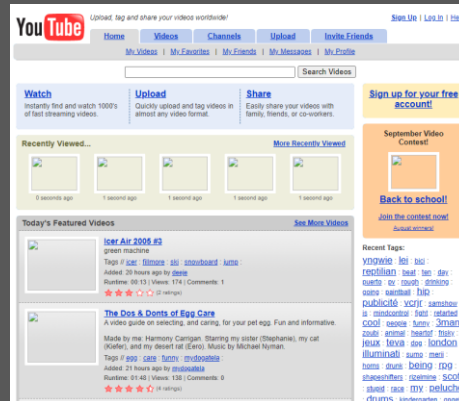
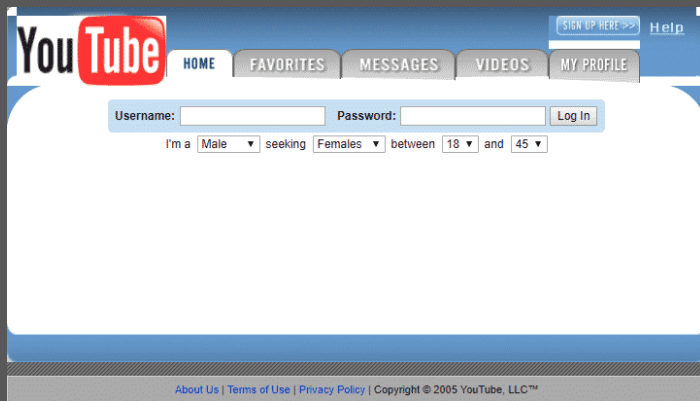
➤ "Say Hello to India's top doctors via video consultation, get digital prescriptions, order medicines, book doctor appointments & lab tests"



# ZOOM OUT PIVOT

when the product ends up becoming a single feature in a bigger product

YouTube's Zoom-Out Pivot



Started in 2005 as a dating website where users could upload video profiles as an alternative to other platforms.

Realized that (1) users were uploading a lot more videos than their profiles & (2) new users weren't posting videos.

Changed the architecture to allow users to post videos about anything they liked and share them.

Focused on providing users with infrastructure to host all video content and allowed plug-ins.

Focused on providing users with infrastructure to host all video content.

Raised \$3.5M @ \$15M valuation

Raised \$8M @ \$35M valuation

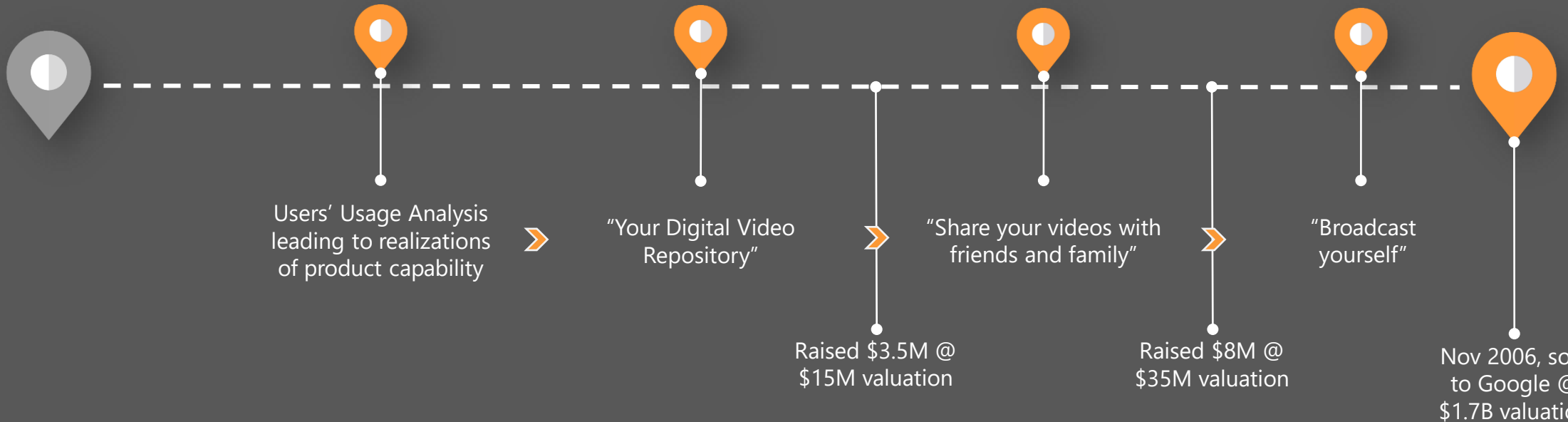
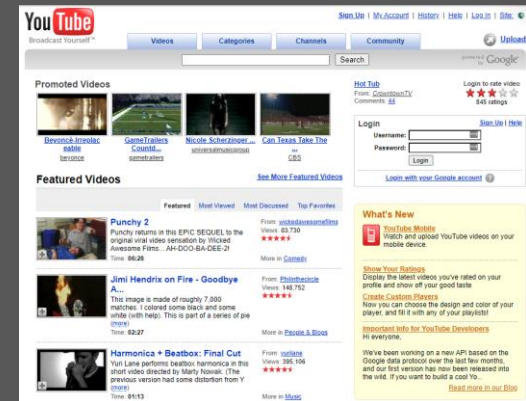
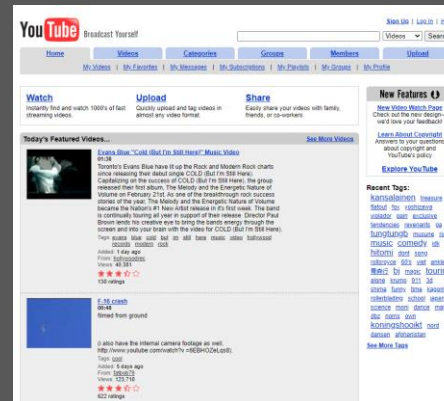
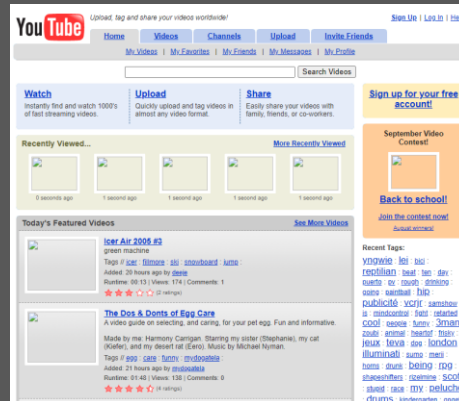
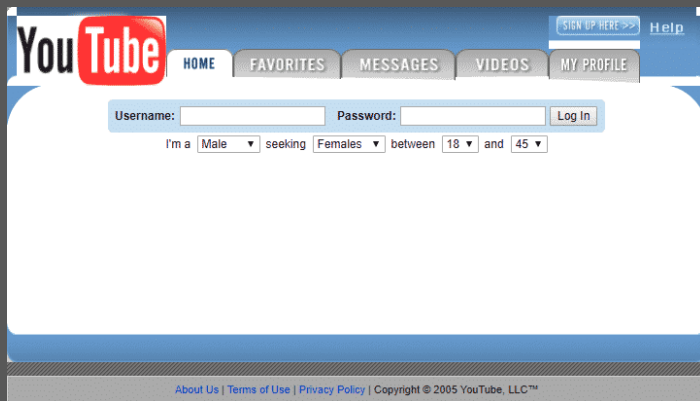
Nov 2006, sold to Google @ \$1.7B valuation



# ZOOM OUT PIVOT

when the product ends up becoming a single feature in a bigger product

YouTube's Zoom-Out Pivot





# ZOOM OUT PIVOT

when the product ends up becoming a single feature in a bigger product

YouTube's Zoom-Out Pivot



## YouTube

as a video profile and discovery website for dating

focus is to drive user acquisition and thereby receive trickle down subscriptions from total users over time

revenue earned from subscriptions, uploads



**product promise**  
*changed*

**flexibility & openness**  
*changed*

**product positioning**  
*changed*

**product functionality**  
*unchanged*

**target user demographic**  
*changed*

**technology infrastructure**  
*unchanged*

## YouTube

as a tool for all creators to upload video content irrespective of the use-case

focus is to drive adoption to all users to create more content and make it available to more users like a broadcast channel – purely online only

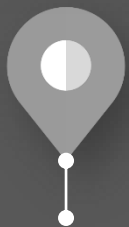
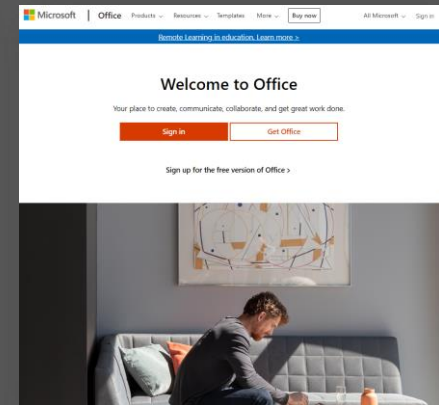
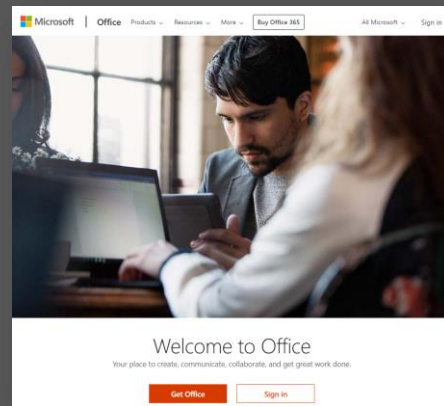
revenue earned from sponsored content, premium content, advertising



# ARCHITECTURE PIVOT

when you change strategy by trading off between volume & margin

Office's Architecture Pivot



Initially operated on a Licensing model, later realising that SaaS had a greater potential when compared to licencing their product on a perpetual model.

2010 Revenue: \$17B



The new subscription model would make it accessible for the users who earlier found it unaffordable especially for small business needs & home use.

2015 Revenue: \$25B



Introduced Microsoft 365- developed to give businesses & individuals access to all the Microsoft tools on a subscription basis.



Expanding accessibility by building it as a cloud-first application, thereby allowing users to collaborate online.

2020 Revenue: \$46B

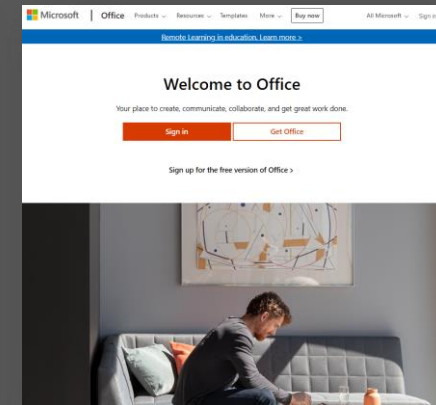
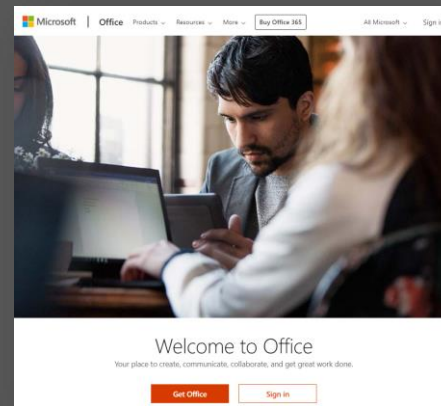




# ARCHITECTURE PIVOT

when you change strategy by trading off between volume & margin

Office's Architecture Pivot



"Try or buy Office 2010, view product information, get help and training, explore templates, images, and downloads."

2010 Revenue: \$17B



"Try or buy Office 365 for Home or Business, view product information, get help and training, explore templates, images, and apps for Office."

2015 Revenue: \$25B



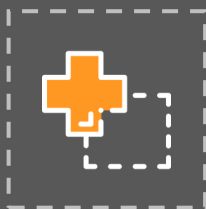
"As part of Microsoft 365, Office will continue to provide the best productivity experience."



"Collaborate for free with online versions of [.....]. Share them with others and work together at the same time."

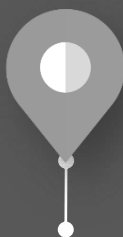
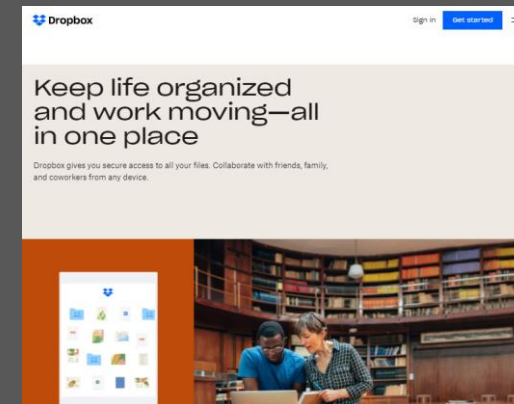
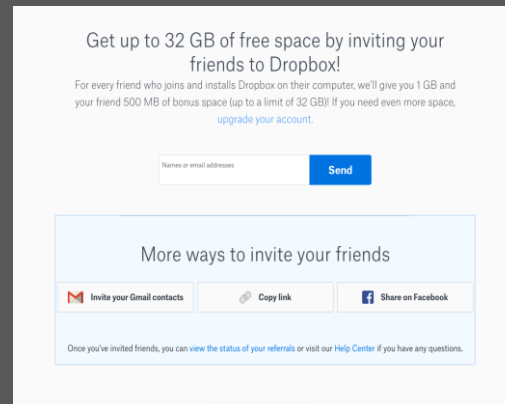
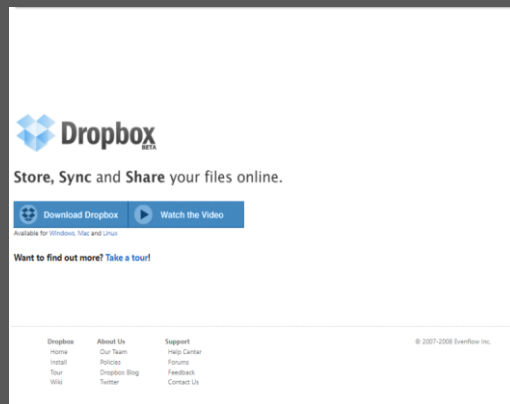
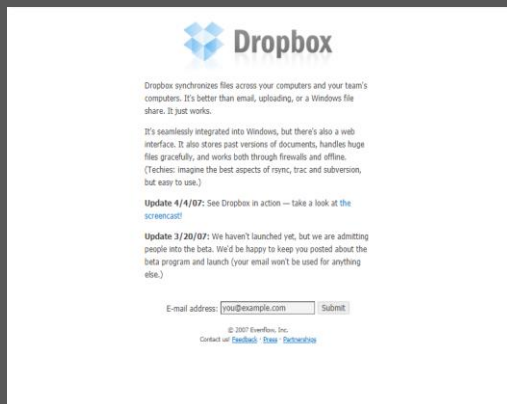
2020 Revenue: \$46B





# GROWTH ENGINE PIVOT

when a new strategy is deployed to dramatically increase growth



Started in 2007, Dropbox started as a cloud storage offering to allow for anywhere & anytime access to personal users.

Raised \$1M @  
\$5M valuation



A userbase of 100K in 2008 with growing CAC (of \$233+) from traditional channels meant 2+ years for CAC recovery.

Raised \$6M @  
\$25M valuation



To induce virality, Dropbox began a referral program offering free space when you invited new ones. Users went up 40x in 15 months.

Raised \$250M @  
\$4B valuation



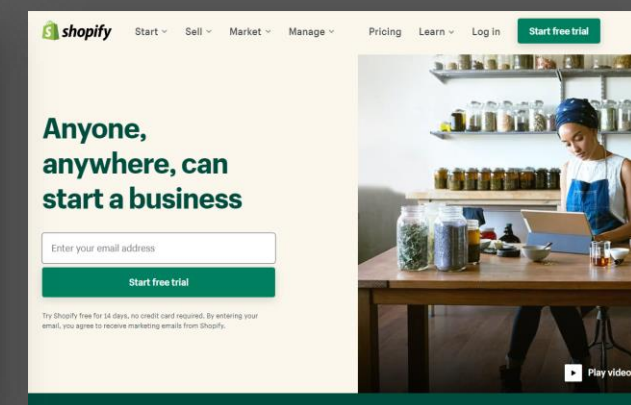
Dropbox has since then built a user base of 600M+ with over 15M+ paid users generating \$1.9B a year.



# PLATFORM PIVOT

when you move from application to a platform allowing others to build

Shopify's Platform Pivot



Launched in 2006, as an e-commerce platform helping aspiring merchants set up an online store hassle free.

2010 Valuation:  
\$25M

Evolved into a linked ecosystem of services - **Shopify Expert Marketplace**, which embraced open-system architecture by focusing on the developer ecosystem.

2013 Valuation:  
\$900M

Expanded beyond its primary offering to *Merchant Solutions* that housed multiple offerings like Shopify Payments, Shopify Shipping, Shopify Capital, etc.

2015 Valuation:  
\$1.3B

Emerged as an ERP software that simplified managing the day-to-day business activities and offering more plug-ins than the customers thought they needed.

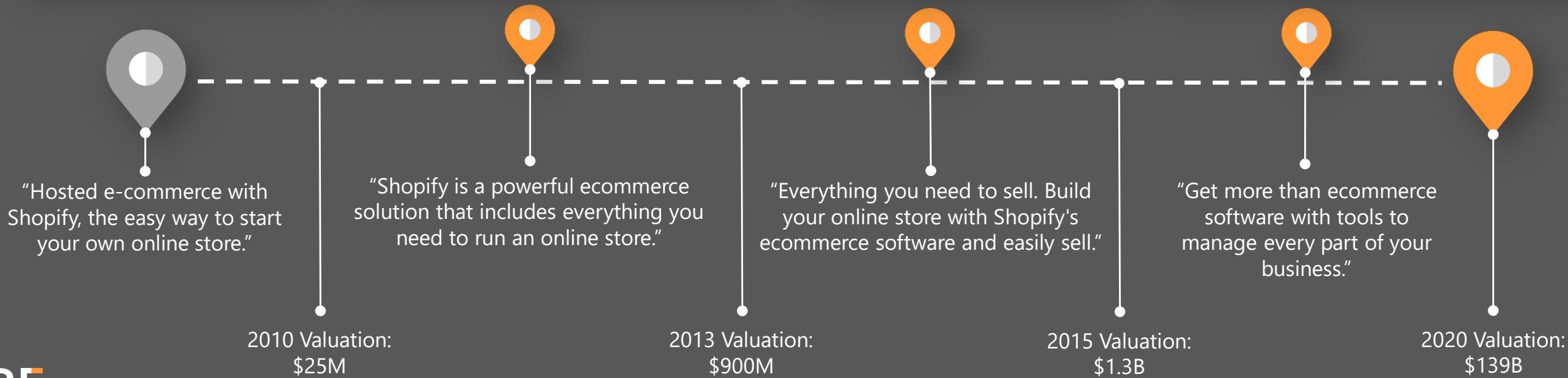
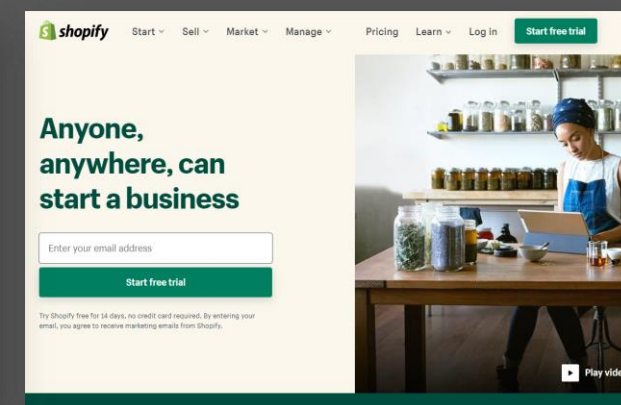
2020 Valuation:  
\$139B



# PLATFORM PIVOT

when you move from application to a platform allowing others to build

Shopify's Platform Pivot





# CHANNEL PIVOT

when you pivot to deliver your product/ service through a different channel



Started in 1997 purely as a 'movie rental service' providing door-to-door delivery of DVDs ordered by users through the website.



In 2007, started offering an online streaming option as broadband availability and internet speeds matured.



In 2010, understood the value of content creation and ownership as they moved into self-produced content.



In 2018, emerged as a content creation powerhouse and became the largest digital content player in the world.



2020 MCap: \$238.9B

2006 MCap: \$1.8B

2010 MCap: \$9.3B

2012 MCap: \$48.9B



# CHANNEL PIVOT

when you pivot to deliver your product/ service through a different channel

Netflix's Channel Pivot



"Netflix: Rent as many DVDs as you want for \$20 a month. No late fees."

"Watch TV Shows & Movies Online or Streaming to your TV via Wii, Xbox, PS3 & many other devices."

"Watch Movies & TV Shows Online or Streaming right to your TV via Xbox, Wii, PlayStation & many other devices."

"Watch Netflix movies & TV shows online or stream right to your smart TV, game console, PC, Mac, mobile, tablet and more."

2006 MCap: \$1.8B

2010 MCap: \$9.3B

2012 MCap: \$48.9B

2020 MCap: \$238.9B



# CHANNEL PIVOT

when you pivot to deliver your product/ service through a different channel

Netflix's Channel Pivot



## Netflix

"The Easiest Way to Rent a DVD!"

mail-order DVD rental service that promises 2 – 3-day delivery of the largest catalogue of movies

**product promise**  
*unchanged*

**flexibility & openness**  
*changed*

**product positioning**  
*unchanged*

**product functionality**  
*changed*

**target user demographic**  
*unchanged*

**technology infrastructure**  
*changed*

## Netflix

"Watch Netflix movies & TV shows online or stream right to your smart TV, game console, PC, Mac, mobile, tablet and more."

envisions to become the biggest global entertainment distribution service by catering to the taste & preference of its users

revenue earned from a monthly subscription plan



**PRE**  
QUATE

**38%**

of 'unicorn' startups in India  
have pivoted at least once in  
their journey.

RIGHT  
*Pivot*

RIGHT  
*Pivot*

2



Knowing  
when to  
Pivot

---

What is making  
others pivot?

---

When do you  
consider one?


---

What should you  
prepare for?

---

Is it worthwhile  
considering?

# 2 What is making others pivot?



Knowing  
when to  
Pivot

Deciding to pivot is a critical decision that most organizations make – probably the most critical one as it involves a lot more stakeholders and could at times mean backtracking on progress already made or realignment of teams. Here are a few indicators:

1

### Traction or the lack of it

When a business fails to get attention or plant a flag in a particular space

2

### Industries are converging

When forces are moving different industries closer (*say finance & procurement*)

3


### Competition is innovating

When competitors seem to be playing a better game or users are not remaining loyal

4

### Genuine Eureka moments

When competitors seem to be playing a better game or users are not remaining loyal



Smart startups will almost always pivot, even more than once. It may be a course correction, a new strategy or may be a new business altogether.

According to the Startup Genome Report that startups that pivot once or twice grow 3.6 times better and raise 5.2 times more money than others.

Startups need to continuously have their ears to the ground. This is what keeps startups nimble enough to even take on giants in the industry.

## 2

# When do you need to consider one?

Knowing  
when to  
Pivot



Deciding to pivot is a critical decision that most organizations make – probably the most critical one as it involves a lot more stakeholders and could at times mean backtracking on progress already made or realignment of teams. Here are a few indicators:

Your market/ need hypothesis has changed significantly

Your pricing is becoming the #1 selling point to customers

The competition for your value proposition has become fierce

the **market** is telling you to

Most customers are mostly using only 1-2 feature offerings

Most customers testify to highly specific product/ service claims

One segment has a drastically different traction or success rate

the **customer** is telling you to

You feel like you are always playing catch-up with your competitors

Your growth rate has plateaued while the industry is thriving

Sales cycles involve a lot of education, often long or a high drop off

the **organization** is telling you to

Your talent plan often seems to change from priorities

Your talent is leaving you for your competition

You are spending more and more time on goal alignment

the **talent** is telling you to

## 2

# Being at the right place at the right time

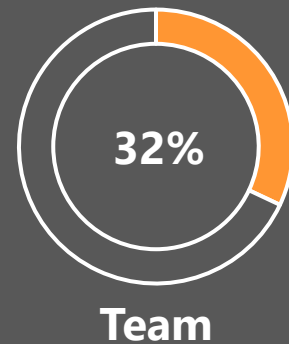
Knowing when to Pivot



Pivots are a powerful tool to ensure that a business is built for what is needed at that point of time for the market. It allows the management to capitalize on opportunities when the time is right.

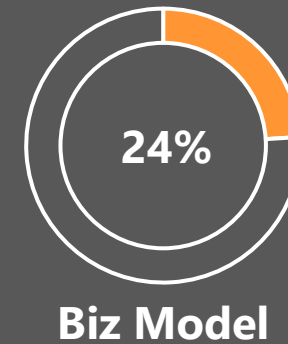
When founders of successful startups across the world were asked what they felt were the primary reasons that they became successful, this is what they attributed their success to.

Key Success Aspects >

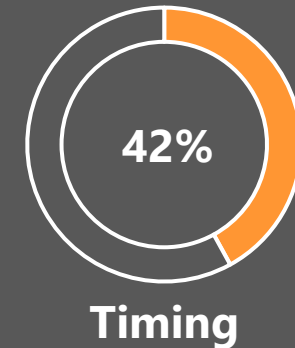


pivot can't unlock

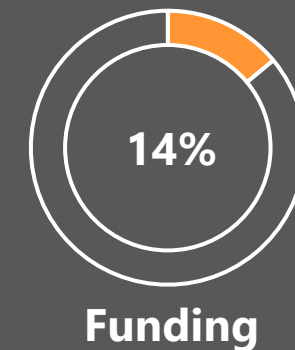
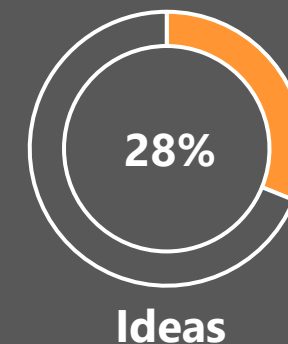
a pivot can directly unlock



Ideas



Funding

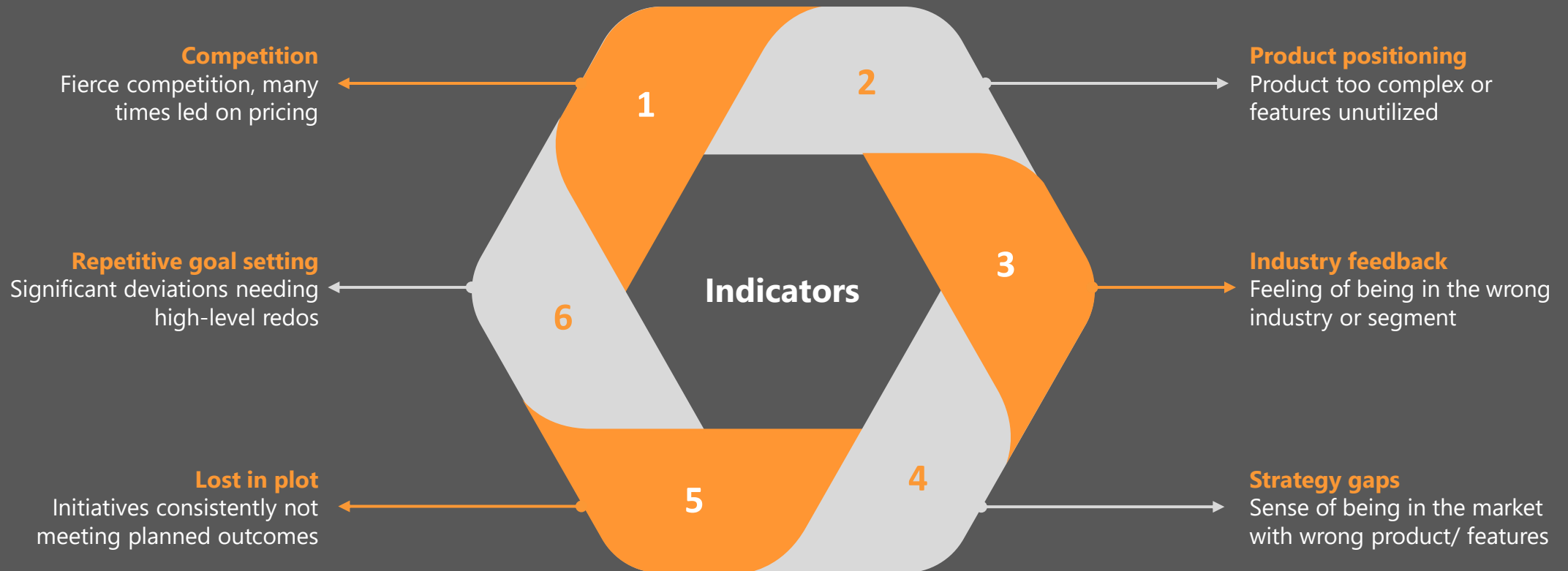


# 2

## What challenges would be a signal?

Deciding to pivot is a critical decision that most organizations make – probably the most critical one as it involves a lot more stakeholders and could at times mean backtracking on progress already made or realignment of teams. Here are a few indicators:

Knowing when to Pivot











# 2

## But why should I consider pivoting?

Knowing when to Pivot



Pivoting has helped organizations that got it right significantly leapfrog and achieve breakneck speed by changing/ clarifying the focus. In the world of startups (especially those who can afford to), this has been directly reflected in their enterprise value.

		valuation <i>before</i>		valuation <i>after</i>		valuation <i>before</i>		valuation <i>after</i>	
	Instagram	\$2-3M	----- <sup>18m</sup> ----->	\$250M		Netflix	\$1.8B	----- <sup>24m</sup> ----->	\$2.3B
	YouTube	\$4-5M	----- <sup>12m</sup> ----->	\$1,700B		Udaan	\$40M	----- <sup>22m</sup> ----->	\$1B
	Practo	\$12-15M	----- <sup>24m</sup> ----->	\$700M		Dropbox	\$25M	----- <sup>36m</sup> ----->	\$4B
	Zetwerk	\$4-5M	----- <sup>12m</sup> ----->	\$25M		Slack	\$0	----- <sup>8m</sup> ----->	\$1B



To improve is to  
change; to be **perfect**  
**is to change often.**

- Sir Winston Churchill  
*Former Prime Minister, United Kingdom*

RIGHT  
*Pivot*

3



Doing a  
Pivot the  
right way

---

What should you  
avoid?

---

What advice does  
this entail?

# 3

## What should I be avoiding?

Doing a Pivot the right way



Pivots are tricky to say the least. They involve a complete rewiring of goals and OKRs. Which means that the keys to success of a pivot are as much inside the organization as they are at your customer's/ user's end.

1.5x

startups fail as a result of failed pivots compared to those that were successful with their pivots

Why?

		<i>from</i>	<i>to</i>	
1	Trying to pivot into something you don't know well about	JAWBONE High-end audio device \$3B valuation	-----> Mass market fitness trackers \$3B valuation	<ul style="list-style-type: none"> <li>▪ New R&amp;D focus of company</li> <li>▪ Faulty product delivery</li> </ul>
2	Pivoting when there isn't a need for one really	Fab. Flash sales for fast fashion \$1B valuation	-----> Designer home products shutdown	<ul style="list-style-type: none"> <li>▪ Highly competitive product category</li> <li>▪ No sustainable advantage</li> </ul>
3	Pivoting to a highly established segment already competitive	shyp Shipping service for individuals \$1B valuation	-----> Shipping service for SMBs shutdown	<ul style="list-style-type: none"> <li>▪ Rewiring to play the volume game</li> <li>▪ Significant change in business model</li> </ul>
4	Pivoting to a lesser scalability model or more complex model	Stayzilla.com Book stays anywhere from 20k options \$100M valuation	-----> Personalized stays with flexi-pay options shutdown	<ul style="list-style-type: none"> <li>▪ High servicing &amp; retention cost</li> <li>▪ User acquisition built on price competition</li> </ul>

3

# What advice would this be for me?

Doing a  
Pivot the  
right way



In a world as dynamic as ours, both user preferences and the state of competition can change rapidly. While tricky, Pivots are sometimes the only lifeline for a few companies. They are journeys that need to be taken. So are there some golden rules?

Idea to pivot are driven  
outside-in rather than  
inside-out.

Pivots must not kill the  
magic sauce you have  
already made.

Pivots must be like  
band-aids – right off  
and quickly.

**ALWAYS PIVOT WIDER  
OR DEEPER**

as pivoting to something  
smaller is a death-knell

**PAY ATTENTION TO  
YOUR CUSTOMER**

and what he is really  
asking for

**A PIVOT IS NOT A NEW  
BUSINESS**

use what you have built  
and build on it

**IF EVERYONE ISN'T ON,  
NO ONE IS ON**

whether it is at a goal  
setting level or KPIs

**TALK TO THE MARKET  
MOVERS**

before making a switch in  
the market focus

**REATTEMPT A QUICK &  
DIRTY PMF**

even if at a much smaller  
scale with experiments

**PLAN, PLAN, PLAN &  
then PLAN B**

as assumptions can  
change significantly

**QUESTION IF THIS IS  
RIGHT FOR YOUR ORG**

ability to build businesses  
varies for teams

**listen to the  
market**

**listen to your  
customer**

**listen to your  
organization**

**listen to your  
talent**



Growth is never by mere chance; it is the **result of forces working together.**

- James Cash Penney  
*Founder, JC Penney*

RIGHT  
*Pivot*

4



Learning  
from the  
best

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What are the  
successful ones?

---

What is common  
between them?

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How important is  
timing?

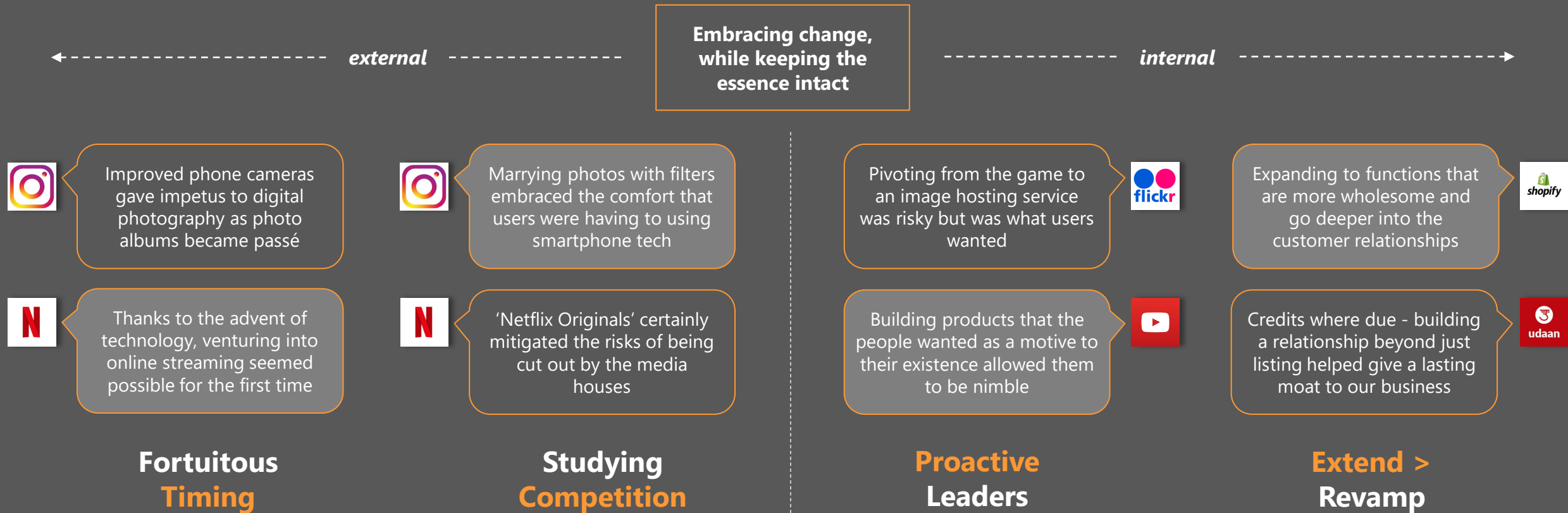
# 4

## Anatomy of a successful pivot

Learning from the best



The ability to address uncertainties head-on can be rooted in a *first principles* thinking. The factors here are more human, more philosophical than technical. It is hard to point at one factor and attribute success to it because the complexity can be more than an internal factor.



These principles **increased** their **odds** of having **things fall into place**.

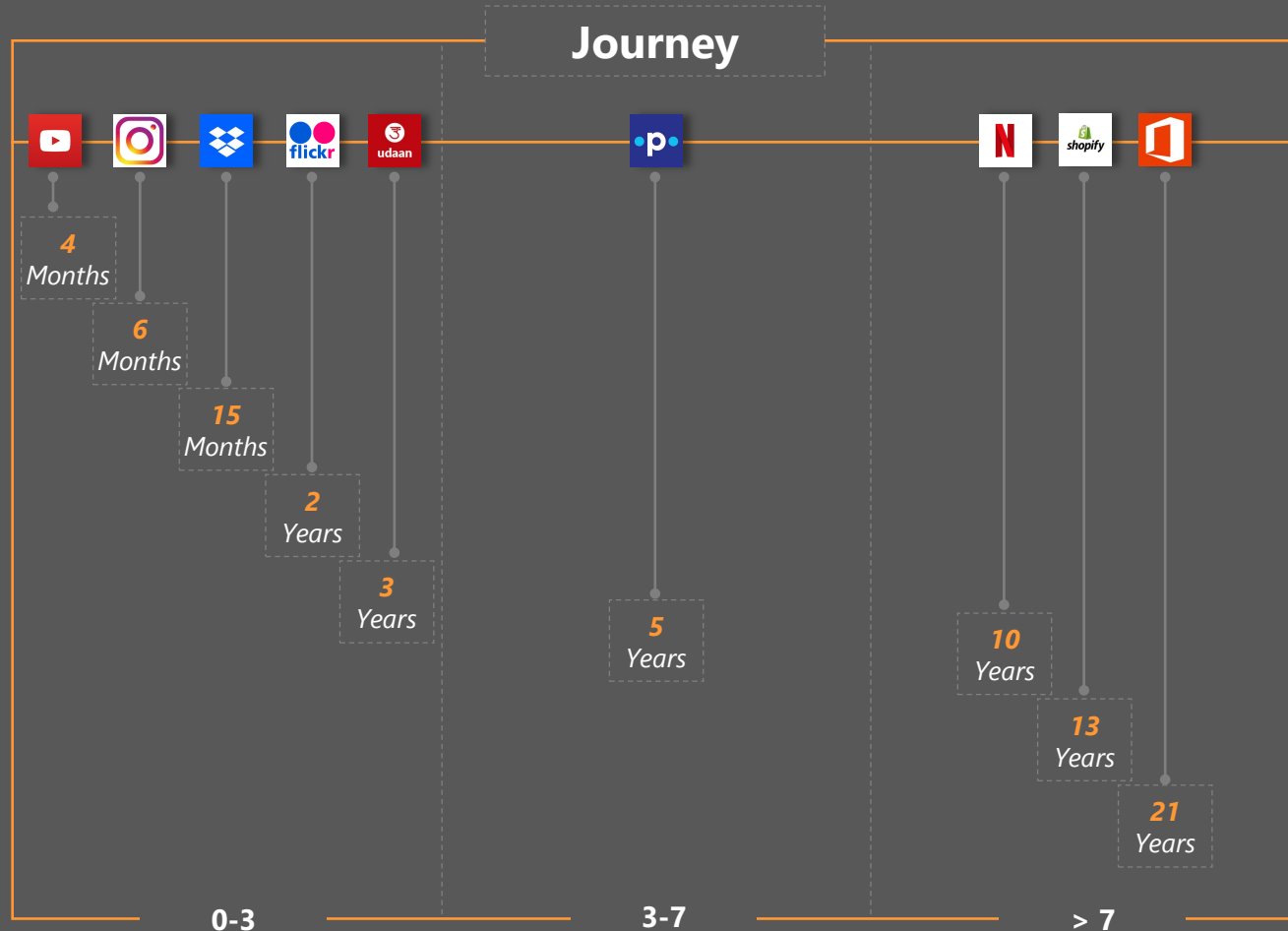
# 4

## The right thing at the right time

Learning from the best



The truth is that it can always feel like the right time to pivot. When you're exposed to success stories of companies that made it big, you could see a growing temptation to change course. But the most important consideration you need to have? Timing.



### why it made sense



An [...] attempt to *build upon the aspect that gets most traction* could be an opportunity lost if not grabbed early on



Paid heed to the insights shared by the *first 100 users*-focusing on photo sharing. Lucky for us, it was quick!



Pivoting after having a *sizeable userbase* made sense as it could use *its existing users* in order to onboard new ones through a referral program



An early pivot made sense as the relationships it had gathered could now help *solidify its moat* as a B2B marketplace



Right when *technology for streaming had matured*, it pivoted to its streaming business so as to deliver more entertainment value



Pivoting late made sense as it had built an *established userbase* and a superior product which it could leverage to a subscription model



The **future is already here** – it's just not evenly distributed.

- William Gibson  
*The Economist, 2003*

# the right thing

Today, a pivot is more than just a short-term survival response – It's a response for long-term resilience. Most great pivots were brought on by a healthy mix of introspection and vision for the future. But what united them was that they were always well timed, decisive and quick.

## So should you?

The woods are lovely, dark and deep,  
But I have promises to keep,  
And miles to go before I sleep,  
And miles to go before I sleep.

Robert Frost

'Stopping by Woods on a Snowy Evening'



**PRE**  
**QUATE**

Now, can **Prequate**  
help?

**Of**

**course**



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Modelling**

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**Key Value  
Identification**

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**Value  
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Now, can Prequate help?

Some of our work

Early stage  
HealthTech  
Asia

We helped re-model a 5YO organization for a pivot from a medical device manufacturer to a diagnostics and data analytics provider.

**Key pivot >**

From **Value-on-sale** to **Value-in-use**

**Role >**

Value proposition analysis  
Business re-modelling  
Financial modelling

**Impact >**

- Revenue potential went up 13x
- Projected Y5 EBIT went up 3x
- Investment required came down by 45%

Growth stage  
Enterprise SaaS  
Asia

We helped re-model a 5YO organization for a pivot from a e-com player to a B2B SaaS player providing customers with an integrated and sticky solution.

**Key pivot >**

From **Transaction led** model to **Continuity led**

**Role >**

Business modelling  
Investor collateral  
Financial modelling

**Impact >**

- MRR went up 170%
- Gross Margins went up 85%
- Company successfully raised next round of venture capital

Late stage  
Telecommunications  
US

We re-modelled a 15YO organization for a pivot from a telecom infrastructure player to an integrated consumer tech & data analytics provider.

**Key pivot >**

From **Value-on-sale** to **Value-in-use**

**Role >**

Entity expansion plan  
International expansion plan  
Financial modelling

**Impact >**

- Revenue potential went up 3x
- Proj. NPV increased by 7x
- Investment required dropped by \$12.1Mn



management ^ finance

Setup in 2010, **Prequate Advisory (Prequate)** is a management ^ strategic finance advisory. **Prequate** acts and manages as a Management Assist group / CXO bridge on matters ranging from business strategy to planning and execution.

Over the last 10+ years, we have worked with 400+ businesses (ranging from Fortune 500 companies to award-winning start-ups) across 20+ countries in capacities ranging from crafting their international expansion strategy to managing investor relations. These include the portfolio companies of funds like Sequoia Capital, Accel Partners, Omidyar, Tiger Global, Coatue, Naspers, Breakthrough Energy among others.

During this time, **Prequate** has been featured on various publications for their breakthrough approach to advisory.

**Prequate's** DNA is made of a team with experiences from some of the world's leading consulting outfits on areas spanning international business management, business consulting, risk advisory, assurance, corporate finance, investment banking and entrepreneurship and work as **partners for growth** to SMBs across the world.

# A big thanks



This world is a better place thanks to people who are ready to commit to missions far beyond themselves – to make available insights and information about the world we live in. One such organization is The Internet Archive, a non-profit library which we have used extensively to capture the pulse of the state of their thoughts using their web presence as a proxy. Another instrumental influence is of Eric Ries, author of The Lean Startup which has shaped the industry's thoughts on pivots itself. Apart from this, the teams at HBR and some of the other professionals from across the world who put their thought leadership out there for us to learn from.

The most important people to thank are the brands that feature in this report - Dropbox, Flickr, Instagram, Microsoft, Netflix, Practo, Shopify, Udaan, YouTube, Zetwerk. Their journeys truly inspired the research and gave new perspectives to the research. Thank you.

Lastly, this may be a few Mb of data, but it has taken hundreds of hours to research, host and compile. Our team of dedicated, gifted individuals of Anuj Khimani, Devasheesh Bisht, Gautam Keswani, Pradyumna Nag & Sakshi Bhansali contributed to it with their time, reputations & hearts to make this document possible - to them, a heartfelt thank you.

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# PRE QUATE

