

The Pivot

This is Dr. Constantina Katsari-Muston and I would like to explain to you how Pivots are working. According to Eric Ries a "Pivot is a structured course correction designed to test a new fundamental hypothesis about the product, strategy and ending for growth". I'm sure you're all wondering what that means. To put it simply, when something is not working we change direction. We don't persist, we don't make the same mistake twice. But you have to be careful. It is a change of strategy. We may change our strategy but we should not be changing the vision -where we would like to be. So we may change our direction, we may change some of the aspects of our business model but we're not suppose to change our aim, where we'd like to be in 5-10 years time.

There are different types of Pivots but today I'm going to restrict myself to explain only 1 of them; that would be the Pivot on the problem of the customer. When you assume that the customer has one problem, while in fact you uncover that he or she has another.

I would like to give you a very simple example. Let's assume that the customer's problem is that he's annoyed by the frequent electric blackouts in a specific country. So, he feels like its disrupting his work... maybe... or he has other problems. We go ahead with the interviews, the personal interviews that we talked about, in order to find out what the real problem is. Once we know what the real problem is, then we can target the solution towards it. So we did the interviews and figured out he's actually annoyed by unruly kids for not watching TV during the blackouts. So, the kids are freaking out, they can't watch TV anymore and they're making a mess in the house and this is what he's annoyed about. This way he targets his solution to the real problem or the real sub-problem that he's facing.

How do you think that fact, that example would change the solution? How do you think it would change the price that we put based on the frustration that he's feeling? How do you think it would change the channels from which the customers are going to come? The same example should be applied to all aspects of your business. You have the business model in front of you. But this business model you could change it. You could alter every single box. You could change one of the boxes or more than one of the boxes. The link canvas is going to change according to the interviews with regard to the customers properties...

So, do you plan to give up or persist? Talk to your team and decide whether the best course of action is to change direction or persist to the path that you're following so far.