



Do I pivot?

What is a business Pivot? *(no, its not a pivot table)*

- Eric Ries first used the term 'pivot' in his book, *The Lean Startup*.
- PIVOT is “*a change in strategy, without a change in vision*”.
- Done as a continual process, the data collected and evaluated can give a clear indication of the success or failure of a brand/ product.
- Decision: Founder/ CEO

When to Pivot?

- When your business fails to build or loses its Sustainable Competitive Advantage
- Any **Sustained Competitive Advantage** must reflect in revenues and profits
- How to tell if you fail to build:
 - $LTV \text{ (lifetime value)} \leq 3 \text{ CAC (customer acquisition cost)}$
 - Missing the investor promise
 - Rapidly losing market share

Sustainable Competitive Advantage

4-conditions of Sustainable Competitive Advantage

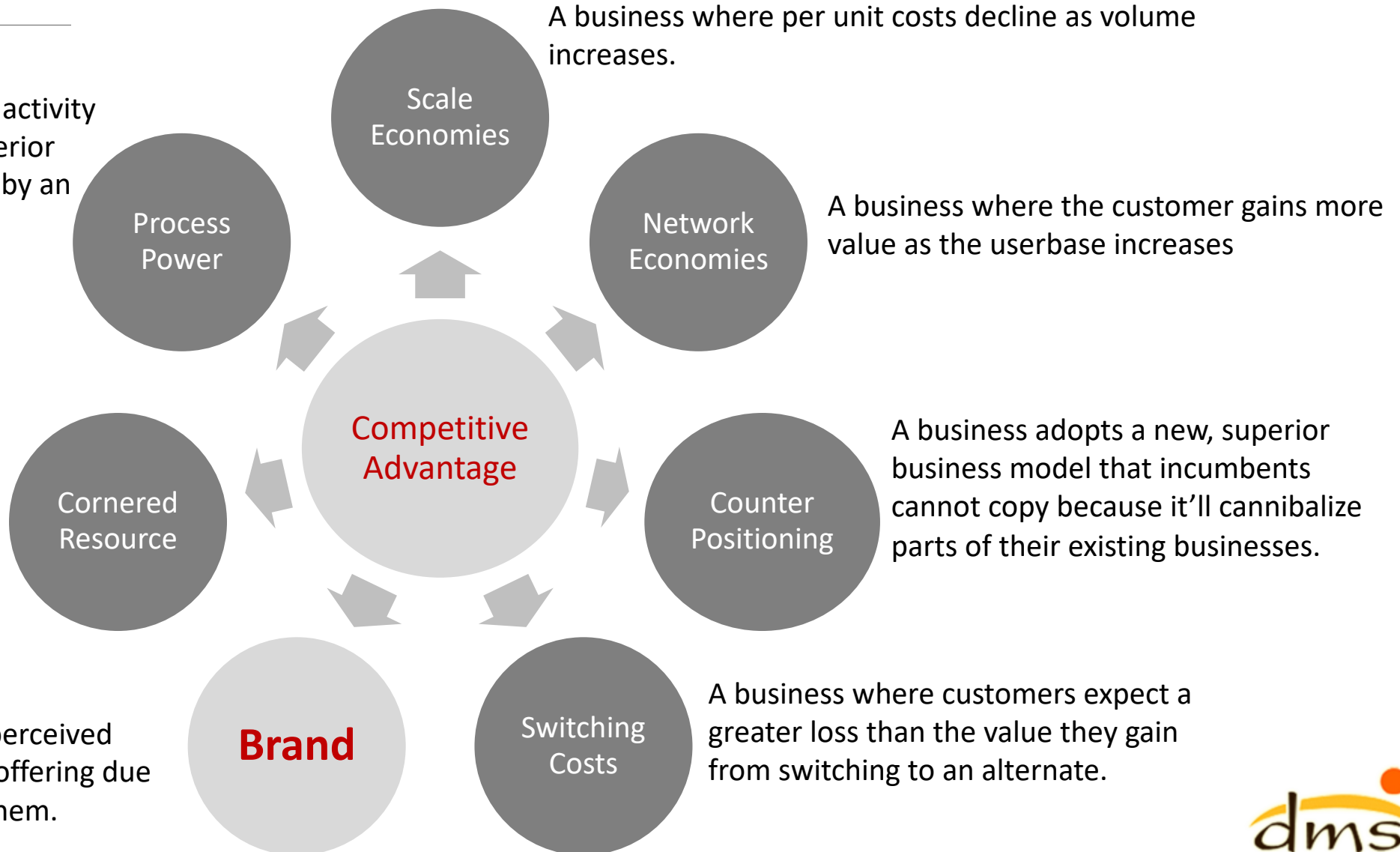
- Valuable customer is willing to pay for it
- Rare no other firm can deliver the same value in the same way
- Non substitutable no other firm is providing the same value in a different way
- In-imitable competition cannot copy your way

7-sources of SCA

A business whose organization and activity set enables lower costs and/or superior products that can only be matched by an extended commitment.

A business that has preferential access to a coveted resource that independently enhances value.

A business that enjoys a higher perceived value to an objectively identical offering due to historical information about them.



When to Pivot

- When your business fails to build or loses its Sustainable Competitive Advantage due to
 - Internal Factors:
 - External factors

How to Pivot

1. Eliminate : Stop
2. Reduce: do less of the same
3. Raise: do more of the same
4. Create : Start

e.g.: How to Pivot

Disney

[Disney and Google Ink Broad, Multiyear Digital Advertising Deal](#)

Highly Cited-[Variety](#)-27-Nov-2018

LAUNCH

[Disney's New Streaming Service Will Be Called **Disney Plus**](#)

[Screen Rant](#)-08-Nov-2018

TECH READY

[Disney Acquires 21st Century Fox in Historic \\$71.3 Billion Deal](#)

<https://www.highsnobiety.com/p/disney-fox-shareholders-71-billion-deal/>
Jul 27, 2018

CONTENT AGGREGATION

[Disney to pull out content from Netflix by 2019; will launch its own ...](#)

<https://www.bgr.in › News>

Aug 9, 2017

IDENTIFY SOURCE OF BUSINESS

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How much to pivot (contd.)

- Read the trend for **COMPLEMENTS** vs **SUBSTITUTE**
 - Complement: Strengthen your business
 - Substitute: Weakens your business
- Analyze properly
 - Correlation vs Causation

e.g. Paired Changes

1. What happens to DVD sales if we show a movie on broadcast TV?
 - Sales increase by 119% in the week following the broadcast
2. Is this effect smaller or larger if a movie is available on BitTorrent?
 - Sales increase is the same irrespective of whether movie is pirated.

e.g. Does the Internet Undermine Sales?

5-day:	Didn't read post.com	Read post.com
Didn't read <i>Post</i>	6,012	680
Read <i>Post</i>	7,203	2,204

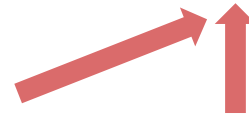
Washington Post

e.g. Analyze it

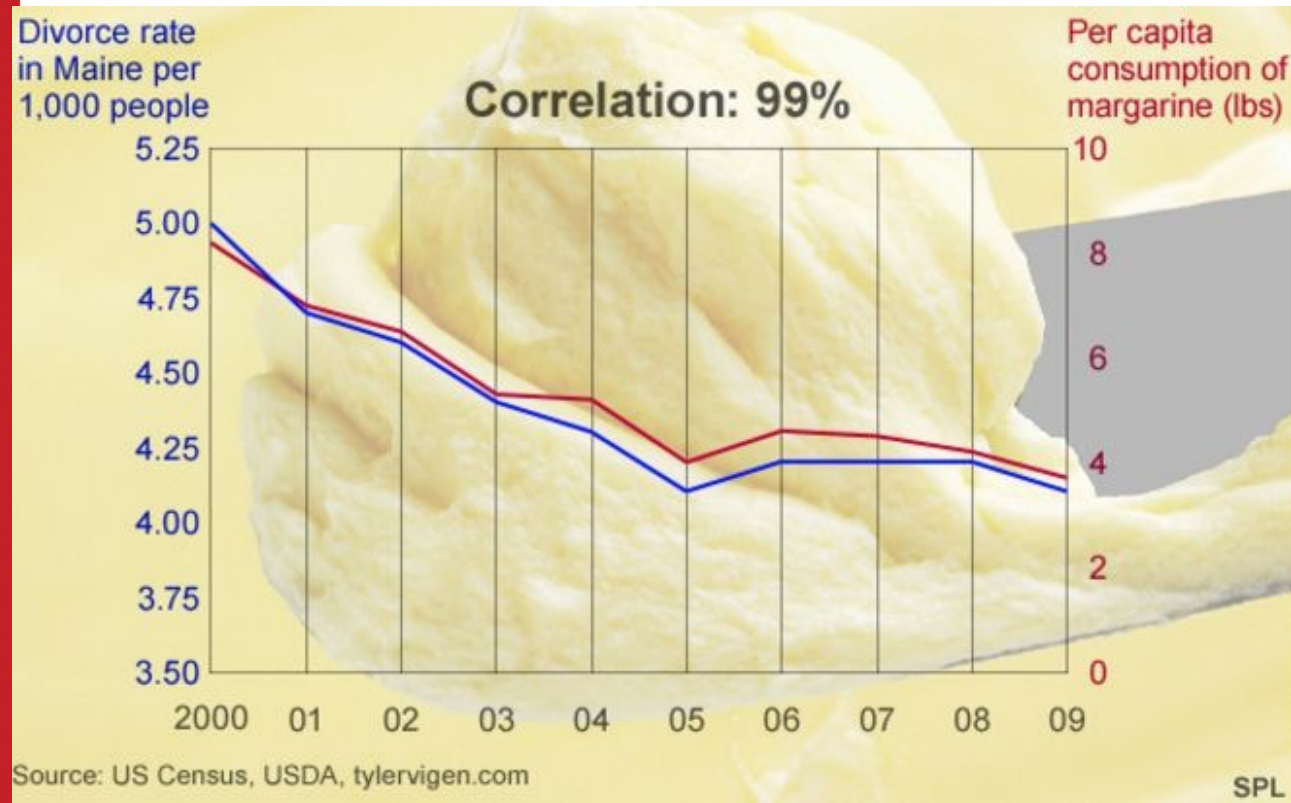
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e.g. Correlation vs Causation...the perils of machine learning



Margarine linked to divorce!!!



Miss America & Murders !!!

Pivot 2021: Covidigital



The Covidigital Pivot

- Covid 2020 is a BLACK SWAN event.
- It is not a recession, but a **reset** – a new way of life.
- Digital adoption, already on a high is now catapulted at break-neck speed...catch it if you can.

Do you need to pivot post a reset?

- Revalidate business model/ proposition/ POC
 - with customer
 - Quantitative, quick , cost-effective dipsticks
- Revisit Media Attribution with the right metric
 - Use 'share of mind' metrics as much as 'share of market'
- Advertising: Use video and other formats too
- Data Analytics: Invest into primary database
- Social: reducing in its credence, reduced impact but high on buzz creation

Covidigital Reset: a few observations?

- Most large organized companies have had a fantastic FY20-21
 - A few 'sectors' have tanked like apparel, travel
- B2B:
 - Post Nov 2020, client ability to spend has increased, willingness reduced
 - Transactions are happening, but margins are stressed
 - Meeting are easier to get but sales are taking longer to convert
 - More competition as meetings are easier to get
 - Businesses are open to any non-compete opportunistic alliances
 - Digital transactions are ok but sales is still 'in-person'

Covidigital Reset: a few observations?

- B2C
 - Personal & Family needs are priority; professional & party need less important
 - There is definitive trend towards D2C, even with large companies
 - Media consumption has moved away from print, radio to TV & digital
 - Video and content have a glut thereby lowering the impact of digital advertising
 - TV continues to rule for brand building but sales are going online
- Government Regulator is becoming more alert towards digital

Thanks & on Tuesday

DIGITAL DISRUPTION

