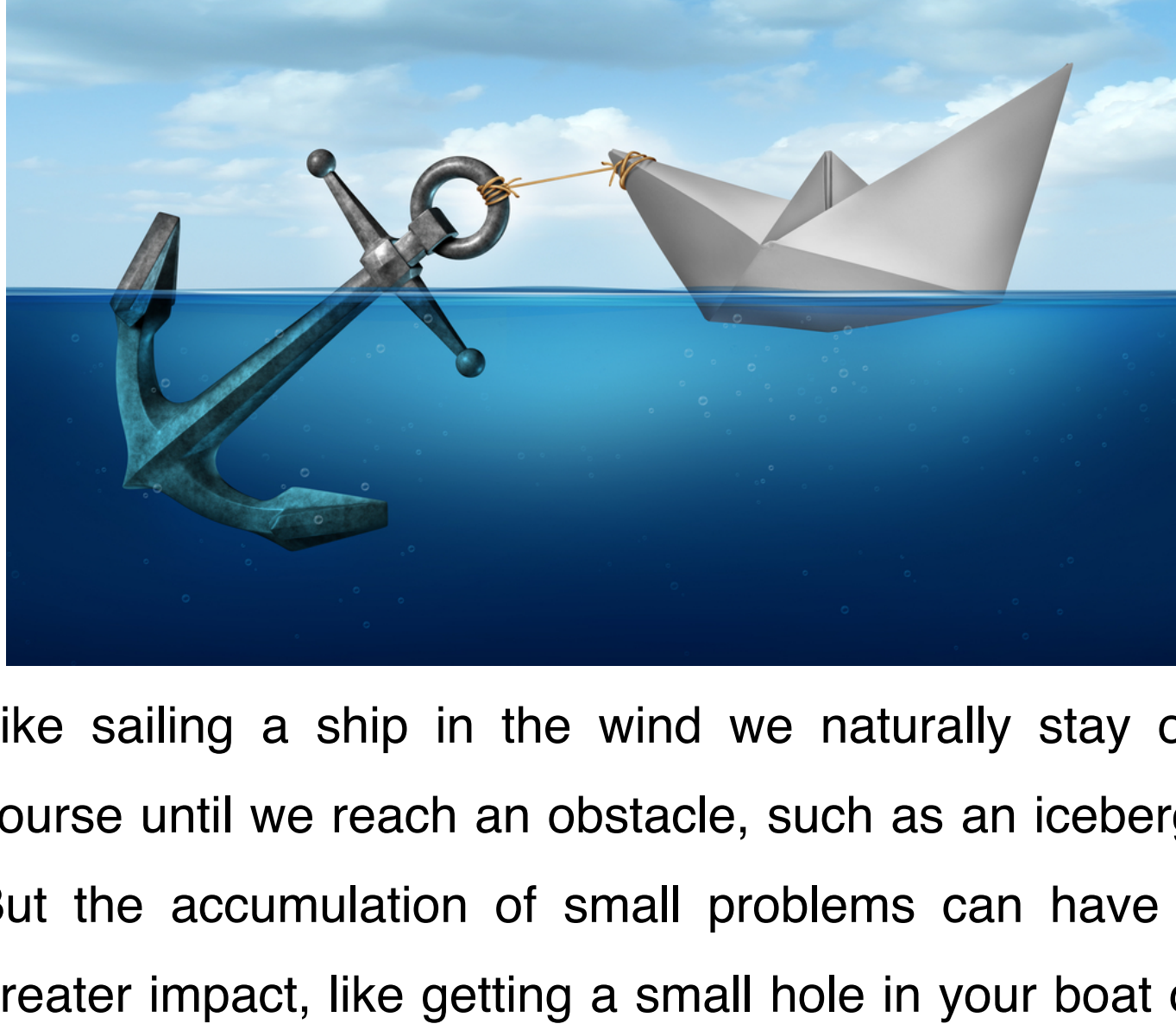


PIVOTING



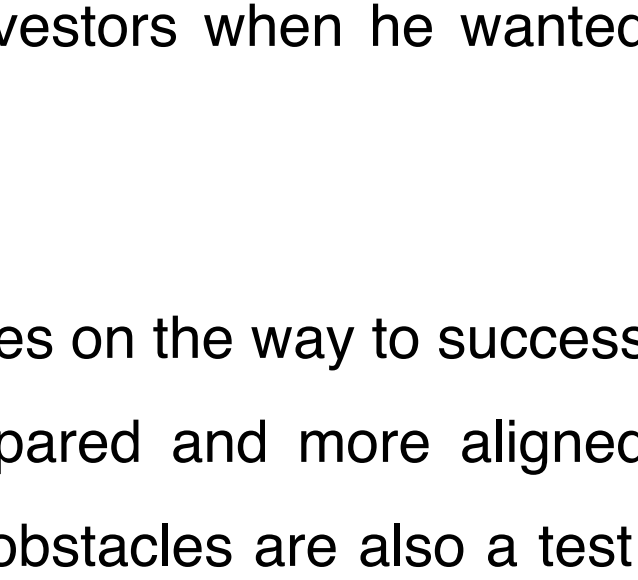
Like sailing a ship in the wind we naturally stay on course until we reach an obstacle, such as an iceberg. But the accumulation of small problems can have a greater impact, like getting a small hole in your boat or the wind blowing in the wrong direction. Whatever you try to do to stay on course and get your desired result, it doesn't work. In fact, your actions can make the situation worse. You feel attached to this course due to the time and energy invested into it, but continuing in the same direction is becoming problematic.

CHALLENGES CAN HELP US GROW AND REFINE IDEAS, BUT THEY CAN ALSO INDICATE WE ARE ON THE WRONG COURSE. BEING ABLE TO EFFECTIVELY CHANGE DIRECTION, OR PIVOT, IS CRUCIAL TO MAKING PROGRESS IN THE RIGHT DIRECTION.

There will be times when you need to make tough choices. Do you continue in the same direction with methods that produce problems, or do you pivot and find a new route? Many startups begin with an idea that fails. The lessons learned can be used to realign their business towards success.

The ability to evolve, adapt, or "pivot," is critical for both businesses and individuals. Should you continue with ideas, directions or products that have had significant energy invested into them, but no longer seem viable? There is often an ego battle between the stubbornness of pursuing a failing idea and the wisdom of knowing when to change direction.

You need to be persistent at the beginning and overcome obstacles and rejections. Many successful ideas took time to be positively received. J. K. Rowling was repeatedly rejected by publishers before Harry Potter was finally accepted. Starbucks CEO, Howard Schultz, got

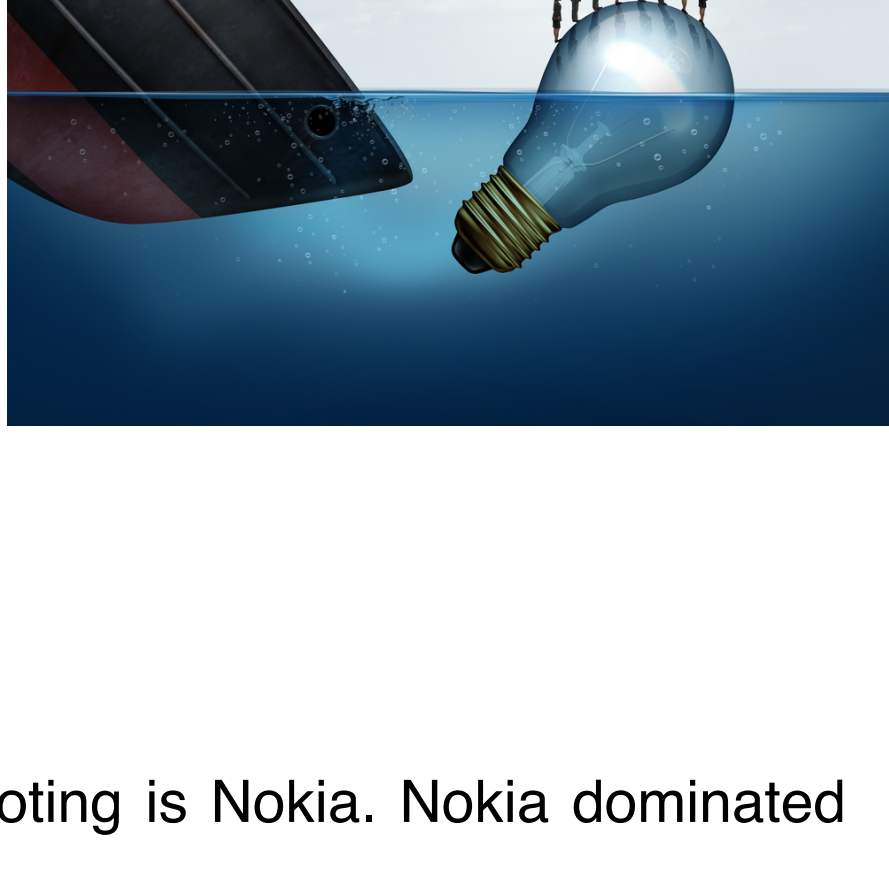


hundreds of rejection from investors when he wanted to develop his company.

Setbacks, rejections and failures on the way to success make us stronger, better prepared and more aligned with a successful vision. The obstacles are also a test: how important is your goal? Strong visions can also be supported with powerful data and passionate intent.

There is a psychological principle known as 'sunk cost fallacy'. **WHEN SOMEONE HAS INVESTED LOTS OF TIME, MONEY AND ENERGY INTO SOMETHING THEY OFTEN RESENT GIVING UP, EVEN IF IT'S ACTUALLY IN THEIR BEST INTERESTS.** There can also be personal attachments to a specific outcome. For example when you begin watching a film that seemed interesting, part way through you realize it's not very good, but you continue watching anyway, knowing you are wasting time.

Often when we're not pivoting, we're operating under the sunk cost fallacy - "I've put so much into this relationship and even though she doesn't love me, I can't just throw it all away." When you face repeated failures, no matter how much energy you've put into something, it's time to pivot and change direction.



Here are some examples:

Twitter

The most legendary pivot in social media history is the transformation of Odeo into Twitter. Odeo began as a podcast network, but the founders' feared iTunes would take over the podcast niche. After giving the employees two weeks to come up with new ideas, the company made a drastic pivot with the idea of a status-updating micro-blogging platform.

Nokia

An example of not pivoting is Nokia. Nokia dominated the cellphone market until the first iPhone was launched. They failed to pivot quickly to this drastic change in the market, and paid the price.

Kodak

They were market leaders in camera film and photo printing until the era of digital cameras. They failed to pivot into the digital age and have been resigned to cutting room floor.

How to Pivot

It's often difficult to pivot because we have to admit we were mistaken. It also means you have to make a change and evolution has programmed us to prefer stability in our lives. Learning to pivot is about accepting mistakes so you can rectify them. Learning from allows you to gather valuable data to improve your next endeavor.

Examples of situations you could pivot:

- 1) Being unhappy in your job;
- 2) An exhausted relationship with your partner;
- 3) No longer enjoying a sport you practice;
- 4) No longer enjoying the people you spend time with;
- 5) Being tired of living in your city, state or country;

Exercise: Knowing When to Pivot

When do you quit and try something different? Start by creating a scale from 1 to 10 of how satisfied you are with different areas of your life: health, career, significant relationships, friends, home, finance and fun (10 being completely satisfied and 1 being completely unsatisfied).

Assess each area honestly: look at it from different angles, seeing all the positives, problems, benefits and challenges. It's easy for us to be overly demanding on ourselves and forget to appreciate what we have; maybe it's not so bad after all.

WHEN YOU HAVE FINISHED REVIEW ANY SCORES THAT ARE 3 OR BELOW, CONSIDER PIVOTING ASPECTS OF THIS AREA. SEEK OUT ALTERNATIVES THAT FULFIL YOU MORE.

Then either set completely new goals or change your current ones. Identify your options and prepare an action plan. Start pivoting now!

To Summarize

PIVOTING IS CHANGING DIRECTION WHEN THINGS AREN'T WORKING OUT

SOME FAILURES REQUIRE DETERMINATION AND PERSISTENCE TO KEEP ON COURSE

MANY HIGHLY SUCCESSFUL PEOPLE FAILED AND PIVOTED TO MORE SUCCESSFUL OUTCOME

THE ART OF PIVOTING IS KNOWING WHEN TO CONTINUE AND WHEN TO STOP AND RE-EXAMINE

PIVOTING REQUIRES ACCEPTANCE OF FAILURES TO USE AS VALUABLE LEARNING TOOLS FOR SUCCESS

REFLECTING ON YOUR LIFE PROVIDES THE OPPORTUNITY TO CREATE MORE SATISFYING CIRCUMSTANCES