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When To Pivot: Is it Time to Retool Your Business?

You can't carve success with a dull knife...

I have an amazing friend who during the day is a world class branding expert. In his spare time, he enjoys woodcarving. He tells me it's a peaceful and enjoyable hobby that provides relaxation after a stress filled day at the office. Over the course of several years, he has carved numerous works of art and has improved his talent with every new creation. To enhance his skills, he has taken educational classes from accomplished teachers who have witnessed his progress as an artist.



As an entrepreneur are you willing to pivot?

My artistic friend has noted that the number one challenge of being a wood carver is keeping the carving knives razor sharp. With use, these fine tools lose their sharpness. As the blade becomes dull, the carver stops cutting and turns his attention to the worn steel edge. Sharpening the blade is a process as old as time. It requires a rotating grinding wheel covered with abrasive grit. The carver places the knife perfectly against the wheel to create a sharp new angle. The sharper the better, my friend says. On other occasions, I'm told the blade only needs to be honed, or buffed with a felt wheel to straighten, polish and clean an already sharp edge. This process is used to maintain the edge between sharpenings and prevents premature dulling of the knife.

Expert wood carvers always have a plan of what they intend to create. They know what material needs to be removed by their razor sharp tool and what wood remains. From time to time, they have to adjust their plan as they encounter unforeseen imperfections and impossible barriers. As they chip away patiently and thoughtfully around these challenges they ultimately produce award winning art.

In starting and growing a business, we likewise need to hone our strategies. At times, we need to stop altogether and cut an entirely new, sharp strategy edge. About 30% of the time, a business founder has to make only a few tactical improvements to a well conceived business plan that is directionally accurate. However, 70% of the time, entrepreneurs begin to execute what they think is a superb idea only to find that it is not engaging customers. Instead of buffing the plan, they need to energetically pivot in another direction to find their sharpest new edge.

In a like manner, a mentor or an investor may look at a new venture and suggest that a few edges need to be cleaned and straightened and they recommend a few modest adjustments to a terrific business plan. At other times, due to market conditions, changing customer needs and competitive improvements, advisors may strongly recommend a dramatic shift in priorities and use of resources; a time to sharpen the plan to create a new edge.

In my daily world of investing, I often find entrepreneurs who don't recognize that their knives are no longer sharp and are not cutting effectively. Oblivious to the facts, they stubbornly continue down the same unsuccessful path, determined to do it their way. Foolishly they insist their business idea is optimal and will be wildly acceptable to customers in time. Blindly they continue, unwilling to change, to pivot, and then to re-tool.

We are struggling now with such a founder. We have invested tens of thousands of dollars in his firm only to receive requests for more money to cover losses from a dead strategy. Are we frustrated? Are we upset? Why won't he listen to experienced advice and excellent counsel? Is it his ego? His pride? Since I see no change on the horizon, I anticipate this business will fail and our money will be lost. As investors, we will lick our wounds and move on to the next opportunity.

I can also report, happily, that I have invested funds in companies with wonderful entrepreneurs who see and respond to challenges both great and small. They are teachable, humble and willing to adjust their positions as needed. They recognize their ideas are imperfect and need to be enhanced. They are open to customer wishes. They seek to solve problems with the help of bright minds. They will continue to pivot and refine their operations until they achieve excellence. What a difference! As investors, we embrace these founders. We are behind them. We will go out of our way to provide funding and support. We know they will chip away at knotty obstacles, morphing until they get the strategy just right. The result is sometimes a work of art. In the end, we know our investments are solid and that in time we will attain the financial returns we desire.

If you are an entrepreneur looking for money from investors, consider carefully what I have described. Could your success boil down to your personal nature, and your ability to listen and learn and to re-tool and pivot?

It should be clear to you the kind of founders investors prefer.

Do you have a story to tell or a question to ask? You can reach me here, at [@AskAlanEHall](https://twitter.com/AskAlanEHall), or at my personal website at www.AlanEHall.com.

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