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Changing spots: How to reinvent your business

Business leaders must find the motivation behind any core change, and act decisively

There's no room for standing still in business, especially with a constantly shifting environment, emerging dimensions and new threats looking to derail your business model, sometimes without any hint of warning.

As such, the ability to adapt to changing circumstances is certainly a vital attribute for success in any business leader.

For a minority, however, there may come a time when the only option is to rip up the game plan and branch out into something seemingly altogether unfamiliar, whether such a move is spurred by changing times or even evolving customer demand.

Streaming giant Netflix serves as a pertinent example of a company that's undergone one such radical

transformation during its lifespan. Despite launching his company as a DVD rental service in 1997, CEO Reed Hastings soon embarked on a project to transform the firm into one that predominantly encouraged customers to stream films and TV programmes over the internet.

The company that had printed the Yellow Pages since 1966, meanwhile, decided in 2017 to go fully digital in response to the changing nature of its industry.

Indeed, Yell CEO Richard Hanscott announced that his company had transformed into a digital advertising firm, and would no longer print the iconic telephone directory.

Twists and turns

Whether you're a startup looking to

stay ahead of the curve, as Netflix was nearly 20 years ago, or an established organisation forced to bow to the pressures of the modern era, radically transforming your business is no less stark.

Many small businesses may well find themselves forced down the digital transformation road in some manner as a result of pressures brought on by the COVID-19 pandemic.

Avis Vans research, for instance, found a significant portion of retail businesses had pivoted their business models to introduce an element of delivery or mobile service during lockdown. This is true for 42% of beauty salons, and more than a third (37%) of restaurants, by way of example.

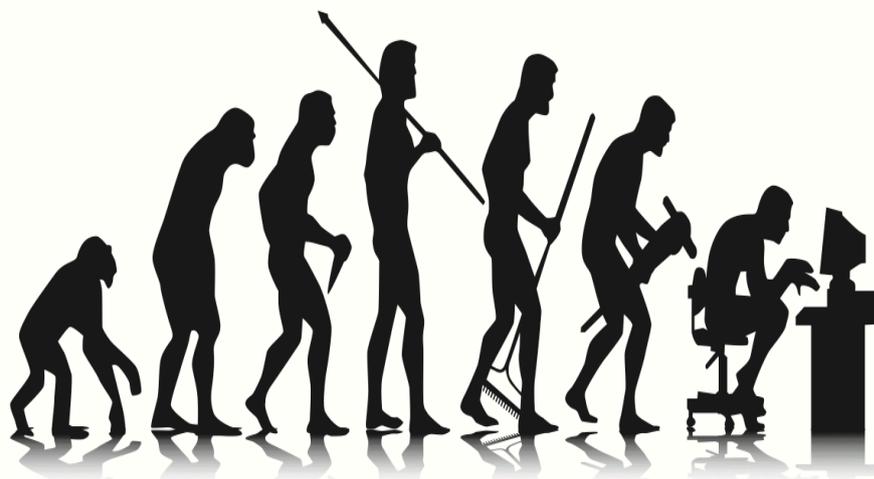
Nevertheless, the reasons behind any reinvention would vary case-by-case, as would the scale and pace of the transformation.

For the founder of Wi5, Prask Sutton, the transition of his startup from a Wi-Fi-enabled content delivery

service, to a platform that digitally processes food and drink orders in venues, was a gradual process that took place over several years. Although he was initially courting clients such as BMW, the business now services various high street restaurants including Pizza Pilgrims and Pho.

"It's not unusual for a start-up to take different twists and turns on their journey," Sutton explains.

"It shouldn't mean big pivots, just that the challenges you face and the solutions to them will change. When the business has changed, it's often us being proactive to the information coming in - making data-driven changes, which I suppose is in a sense reactive, but we're always trying to get in front of things and lead, rather than follow."



Find your motivation

By way of contrast, Gary Knight, CEO of the online festival platform WOLF, made the conscious decision to entirely rebrand and reangle the company's business model, away from its origins as the messaging service Palringo.

Post this decision, the business conducted a full analysis of its internal operation, as well as a wide-ranging user research study. This resulted in the introduction of live audio, and online performances, as the headline feature, building on the foundations of Palringo's core messaging and community functionality.

"Perhaps our biggest challenge and, accordingly, our biggest opportunity was to ask ourselves the question of 'why?'," Knight tells *The Business Briefing*.

"Our core business had been around for a long time in mobile app terms and was doing okay, but was that really what we wanted to do?"

"We had an app that was very familiar and loved and making the decision to say it's not enough and that we want to make a fundamental change takes a deep breath.

"However, we were supported by the user research and metrics to confirm the sought-after experience matched our ambitions and product vision."

While Knight's greatest challenge was finding the fundamental moti-

vation behind the need to transform, Wi5's CEO Prask Sutton reveals that his motivation was communication with established business owners as to why his platform represented the answer to their prayers.

"If you're ahead of the curve, there's sometimes an educational component of bringing people up to speed," he says. "And without heritage, there's sometimes a suspicion as to whether you actually know what you're talking about."

Making the leap

While figuring out how to reinvent your business may seem like the most daunting challenge, often enough such a transformation may see your company hop between sectors; into one that may seem familiar but operates in an altogether different manner.

When celebrity hairdresser Phil Smith knew it was time to expand his salon business globally, he opted against franchising arrangements and decided instead to transform his venture into one that distributed hair care products.

This transition has only been underway for a little more than a year and required a real pivot in thinking, according to Smith.

"We had to put more time into websites, social media, product design

and tone of voice - this is how you 'speak' to your customer so nailing those areas is vital," he explains.

"I've realised, the digital side of things is always changing too, it's not enough to get a great website and stop there.

"Updating all online platforms to stay relevant and competitive is so important. I feel like this is similar to the hairdressing world so I was able to redirect this energy and thirst for learning into what makes the product side of things thrive."

Businesses that are making similar transitions should use their current business model to their advantage, involve their wider team, engage their clients, and hone into why and who you are making the change for, according to Smith.

Entrepreneurs also shouldn't sit on their hands too long, and make that crucial leap before somebody else does, he advises.

Wi5's Sutton also urges business leaders to follow their instincts and act quickly. "The biggest mistakes we've made weren't necessarily the mistakes themselves," he says. "But, the impact they had on the business due to us not acting decisively enough, early enough.

"We move quickly now, trust our instincts, and although it can seem extreme at times, it brings success."