

# The age of the pivot: can entrepreneurs and governments carve and inform the new economy?

Improvise. Adapt. Overcome. When it comes to startups and their founders, these three words can often make the difference between resounding successes, and failed attempts.

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In the business world, the decision to shift a business strategy to better align with external industry and societal changes is known as a pivot. Reasons for pivoting can be varied, from adapting to a change in customer needs and expectations, to market feedback or general shifts that result in a change in business model. Instagram is one famous example. Originally launched as Burbn (an app with Foursquare-like check-in functionality), its founders realised that its most-used feature was the ability to upload and share photos. The rest is history.

A pivoting process will be different for each company. For some, it might be changing the way a product is manufactured, or the way in which materials are sourced. For others, it can involve a rebrand, scrapping a product, or expanding into a new field entirely. Generally, companies pivot as a reaction to factors beyond their control.

The current pandemic is a global event that's forced all companies from small startups to giant corporations to pivot in some way, to remain viable. Founders are being faced with new challenges, making crucial decisions and innovating in new ways - not only to help ensure survival, but to improve and find greater

success in the process.

These changes are also taking place on a local community level, as well as an increased global connection, made possible by remote working tools that are bringing everyone together – something that UK-based AllBright has used to great effect.

## Small shift, big impact

A private members club focused on creating networking opportunities for women in business, AllBright was founded by Love Home Swap founder Debbie Wosskow OBE and ex-Hearst UK CEO Anna Jones.

“We think it’s really important that women focus on their networks”, says Anna. “More often than not, we’ve seen a lot of women very focused on getting their head down doing a good job, and not necessarily thinking about broadening their connections. This has been particularly important with our physical clubs, and we’ve got amazing stories of moments that have changed people’s lives because of the people that they’ve met at the AllBright clubs”.

COVID-19 has, of course, also highlighted remote collaboration, such as AllBright’s Digital Membership – an online platform designed to help women connect, upskill themselves, and get inspired, by providing curated courses, advice, career hacks and exclusive networking opportunities to build a global community of ambitious, like-minded women from different backgrounds.

“For us, the exciting thing was to see how we could take things online, particularly during the pandemic”, Anna continues. “At first, it was pretty weird for everyone to beam into each other’s living rooms, offices, bedrooms or kitchens. But in some ways, I feel like it has brought teams closer together. There’s something that really helps you see the real person when you can see them with their dog running behind them, or their kids running in and out, or the books on their shelf. I think it helps people seem more 3D, more authentic. I think that’s definitely been a positive”.

AllBright also hosts pitch days which see female founded or co-founded companies pitch ideas to a panel of angel investors, high net worth individuals and business leaders. These events are supported by HSBC’s Private Banking team, who participate in panels and provide some of the applicants with coaching sessions to advise them on how to grow and nurture their business. This partnership reflects HSBC’s wider commitment to help female entrepreneurs thrive, while supporting diversity in business.

Driven by a mission to reduce the wasteful use of plastic bottles by supplying innovative dispensers, Urban Spring is another company that has adapted its

strategy in light of the pandemic – a shift in narrative to highlight the hygienic benefits of its solution helped ensure continued success in these trying times.

“Our vision hasn’t changed – it’s more about how you execute it”, says Ada Yip, CEO of Urban Spring. “With COVID-19 we changed the narrative to focus primarily on hygiene – an issue that has always been a key concern for people. We introduced a foot pedal, so you don’t even have to touch a button. The customer wouldn’t necessarily think of one as a necessity, but we used our expertise to develop a solution that works for them and for us.

The rapid, agile changes shown by companies like AllBright and Urban Spring represent a wide-ranging, global need for change – one that is transforming governments, societies and economies, with the potential to form the grass-roots of a very different economic landscape.

## A fundamental, global shift in support

The UK is one example of how governments have been responding to entrepreneurs and businesses during challenging times. The Future Fund, for example, issues convertible loans between £125,000 to £5 million, to innovative companies which are facing financing difficulties due to the coronavirus outbreak.

At a more local level, is London’s Pay it Forward initiative. Primarily aimed at helping Londoners support businesses such as hospitality, retail and leisure which are currently struggling, the scheme is part of a wider package which includes the London Growth Hub, which delivers tailored one-to-one advice to small and medium-sized enterprises (SMEs).

Across Asia, we’ve seen similar support. In Japan, SME business loan programs reaching close to \$20 billion have been introduced. Productivity subsidies are also being provided for initiatives that lead to efficiency improvements, with potential subsidy amounts ranging between 300,000 and 4.5 million yen.

Hong Kong’s approach also offers various government release packages, including providing wages to eligible employers who undertake no layoffs or redundancies, while also providing lump sums to self-employed individuals. In a similar vein, China has provided policies such as postponing the repayment of loans, providing loans with preferential conditions, and supporting measures for cross-border financing.

In Malaysia, numerous measures have been introduced to reduce the strain on businesses in hard-hit areas like tourism. This includes a six-month deferral of tax instalment payments, and other incentives, such as accelerated capital allowances for machinery and equipment.

Singapore's relief programs have been designed to support business continuity and employment of workers with a job support scheme designed to help companies keep local workers, alongside enhancements to the wage credit scheme, which supports enterprise transformation efforts by sharing productivity gains with employees.

In South Korea, VAT exemptions have been made available to companies earning less than KRW60 million per year. In addition, special financial support for SMEs has also increased, while business property taxes were reduced by 50 percent.

## The future

We've seen just a few examples of how the activities of entrepreneurs and founders, made possible by their agile response to economic crashes, can inform wider economic change.

The response from governments around the world has also helped ensure that the vast potential damage has been reduced, increasing the chances of businesses thriving in the post-COVID world.

In addition, it's always important to remember that times of crisis can also unveil new opportunities, for those with the vision and willingness to seize the opportunity. Often, difficult times are the driving force behind the greatest, most innovative ideas. The hacked together CO2 scrubber from Apollo XIII often comes to mind – people used the tools they had available at the time to create a completely new, life-saving solution in a time of need.

There has never been a more important time to push for the adoption of technology and new, innovative ideas. It's unfortunate that the world has come together as a result of such a negative development, but at the same time, we're seeing companies innovate, and governments offer their support – both of which are building the foundations for startups and businesses with incredible potential.

*Maddyness, media partner of HSBC*