

# 10 Best Practices for Changing Your Company's Business Model

7 min read



Technology, consumer desires and needs, and the market are constantly in flux.

## Key Takeaways

- **Set Goals and Recognize When Change Is Necessary:** Part of your company's monthly, quarterly, annual, and long-term strategy should include a regular practice of goal-setting, benchmark mapping, and...
- **Changes Should Be People-Focused:** Pivots that you make in your business model should be centered around people – the people in your business and your customers. Pivoting simply to cut costs without...
- **Time to Pivot Your Business Model? Get Your Company's Back Office in Order First:** Without a solid, well-functioning back office, making changes to your operation could spell disaster...

As a result, the business model that has served you well since your company started might not always be your business model.

Evolving, pivoting, and modifying business models is a natural part of growing your business. In order to survive, you have to be able to observe changes and adapt your strategy to continue to meet the consumer's needs, serve your clients well, and keep your company relevant.

Don't simply watch the world change around your business, keep an eye out and be ready to change along with it.

## 10 Best Practices for Changing Your Company's Business Model

### 1. Set Goals and Recognize When Change Is Necessary

Part of your company's monthly, quarterly, annual, and long-term strategy should include a regular practice of goal-setting, benchmark mapping, and success tracking. This practice should keep you on course to identify when your current goals and benchmarks simply aren't working for your company anymore.

Maybe you're no longer able to achieve your benchmarks, perhaps a shift in demand has affected your numbers, or maybe you see greater opportunities in an adjacent product or service.

No matter the reason, it's essential to always be thinking about your goals, staying aware of your challenges, and keeping an eye out for new opportunities so that you'll be able to recognize when a business model change is necessary for your company.

## 2. Develop a Clear, Revised Vision of the Future

The vision you had for your business's future when you first started out most likely won't and shouldn't be the same vision that you have for your business after five years – and the vision should continue to grow, change, and adapt, as you continue to learn more about your industry and become better acquainted with your market.

While your future vision needs to be malleable, it should also be clear before you decide to pivot your business model. Set realistic goals for the change and clearly define what success will look like for your business post-pivot. Doing this will require you to thoroughly consider every aspect of your company's current model and your future vision for the model, ensuring you take advantage of every opportunity and don't disregard any potential pitfalls.

Read More: [How to Prepare Your Company for Ongoing Change](#)

## 3. Changes Should Be People-Focused

Pivots that you make in your business model should be centered around people – the people in your business and your customers. Pivoting simply to cut costs without considering the potential impact on the people that matter most to your business (those who run it and those who fund it) could be fatal.

## 4. Don't Lose Sight of Your USP

What is it that currently makes your company unique? What competitive edge do you offer your customers that makes them choose you instead of your competition? This is your unique selling proposition or value proposition, and you don't want to sacrifice it during a pivot.

As you shift your business model, consider how you are going to preserve your USP or how you will create and market a new one during the shift.

## 5. Have an Execution Plan

Before you begin a pivot, you should have every single step of the change planned in advance. Do not launch without first testing your new model in a "sandbox" that is separate from your existing business model. Once this test has been proven, you can create a plan to roll out the new model.

This plan should include:

- Employee training and education
- Systems, tools, and technology overhauls
- Policy and procedure changes
- IT updates if necessary
- Existing client education

- New client education
- A rebrand if necessary

## **What stage is your organization in?**

### **The 5 Stages Of Business Growth.**

**Knowing your business's current growth stage can help you execute processes strategically.**

#### **6. Communicate Transparently and Strengthen Your Team**

Depending on the scope of your business model revision, the disruption to and impact on your employees' daily work could be minor or significant. Be sure that you communicate changes clearly to your team, talk with them about the reasons why the changes are necessary, and provide them with all of the training they're going to need to help you execute the pivot successfully.

During these kinds of changes, it's also important to focus on your company's culture and the strength of your team. Schedule additional team-building exercises, sell your team on the changes, motivate them around the changes, and ensure that your good workplace culture is preserved throughout the pivot.

It's vital not to miss this step in revising a [business strategy](#) because pivots can be highly stressful when they aren't communicated and executed with your team in mind. Without your team, your company can't operate.

Read More: [How to Successfully Pivot to a New Business Venture](#)

#### **7. Tweak Your Marketing Strategy**

Before you pivot, consider whether your company's messaging or branding is going to need to change. Your current clients have already chosen you, and it's important to sell them on the new you. Think about how you want to communicate these changes to your current customers. Next, consider how you want to present your business going forward to the market as a whole.

#### **8. Retool Your Org Chart**

Business model changes can sometimes require operational adjustments. Consider how the shift is going to affect your operations, the size of your teams, and the structure of your company overall. Do

you need to adjust your org chart to better accommodate this new structure? Will you need more [managers](#) to oversee smaller teams or a different management hierarchy to handle large teams?

Be sure you have everyone in your company working in the right place and clear about their new roles and responsibilities before you roll out your plan.

## 9. Tighten Up Your Spending

In business, times of change can also be times of loss. Consider how much the pivot is going to cost you in terms of new system implementations, production lag, new marketing, and potential employee turnover, and be sure you're prepared to cover these costs. It's a good time to tighten up your spending and avoid unnecessary expenses to ensure you have plenty of financial padding to get you through any unforeseen challenges that might arise after you launch your new business model.

## 10. Revise Your Metrics for Measuring Success

A new business model means a set of new goals, and new goals mean that your old company's metrics are no longer the right set of metrics. Take a look at your new business strategy and determine which [KPIs](#) are going to be essential to tracking the success of your new model's launch. Be sure you have the data-tracking systems in place to facilitate the accurate measurement of these metrics before you roll out your pivot plan.

# Time to Pivot Your Business Model? Get Your Company's Back Office in Order First

Before you embark on a business model pivot, make sure that everything in your company is in order and has the ability to support your company while you execute your plan to shift your business model. Without a solid, well-functioning back office, making changes to your operation could spell disaster. You'll need easy-to-use systems in place that can measure your current business model while also tracing new data sets to track and measure new KPIs designed to assess your business as it pivots. Before making any big leaps, ensure your back office is fully equipped with the teams, tools, and technology you need to successfully pivot.