



CLASSROOM ACTIVITY

To Pivot or Not to Pivot?

OBJECTIVES

Students will be able to:

- **Provide** examples of businesses that have changed products or services.
- **Describe** a business decision from various points of view.
- **Suggest** decisions made by a business.

GRADE RANGE

6–12

DURATION

60–90 minutes

OVERVIEW

In this activity, students begin by matching modern businesses to their previous product and/or service and discovering how many pivoted to new ideas over time. Students are introduced to a business scenario and asked which path a gaming company should take: stay the course with its current game, expand the game, create a new game, or sell it and take the profits. In small groups, students will consider the company's decision from various perspectives. Each team will select one member to represent them in a fishbowl discussion in which participants advocate for their perspective. After considering multiple points of view, students will reconsider their thoughts about what the company should do. Lesson extension options are provided to give students real-world learning opportunities by incorporating *Venture Valley*.

MATERIALS

- **When Business Takes Off: How Entrepreneurs Use Profits** Topic Series video—projected or sent to students to view independently
- **Business Befores and Afters: Make a Match** signs—cut apart and tape around the room before class or at the beginning of the activity
- **Business Befores and Afters: Make a Match** capture sheet—one per pair of students
- **Scissors**—one per pair of students
- **Tape**—strip of masking tape to each pair of students
- **Team Roles**—one copy cut into cards
- **To Pivot or Not to Pivot** capture sheet—one copy per student
- **Venture Valley Connect: Time to Pivot?** handout—one copy per student (optional)

ESSENTIAL QUESTION

How do businesses make decisions?

TEACHER PREPARATION

This lesson utilizes an instructional strategy called a Fishbowl Discussion. The term “fishbowl” comes from the idea that the students in the discussion group are being watched from the outside—similar to fish being observed from outside their bowl. Educators use this strategy in a variety of ways to engage large groups or an entire class in one discussion.

In the case of this activity, students work first in teams. Each team is assigned a specific role or persona to adopt during the discussion. When it is time for the discussion to take place, one member from each team will sit in the “fishbowl”—the inner circle of active participants. The remaining team members will serve as observers. Note that in the diagram, team members are shown with the same color. One of each team/color is in the inner discussion circle or “fishbowl” while the rest observe.



Consider your students and their ability to engage in a productive discussion in advance of the activity. The personalities and culture of your students will play an important factor in their group placement. In order to give all students an opportunity to contribute to this activity, your preference may be to place more dominant speakers on one team so that only one of them is present in the fishbowl at a time. This may help engage students who are less inclined to participate in classroom discussions. Allowing students to self-select their groups is also acceptable as long as each team has at least two participants and all team roles are taken.

This classroom activity can be used as a standalone activity or in conjunction with the competitive business strategy game, [Venture Valley](#). Playing the game is not a prerequisite for the activity; however, it can be used to drive home key points, extend learning, and allow students to make real-world connections. This activity allows students to consider the decisions that are made by players in the game. An added bonus is that students have the opportunity to step into the driver’s seat and make decisions for their own business, applying what they learned throughout the lesson. Be sure to play the game ahead of your students so that you can provide prompting and support for students who may need extra help in making these connections.

PROCEDURE

Engage

- Tell students that many businesses they might know or recognize were likely different when they first launched or opened. Challenge students to see if they can identify a business that has changed over time, what those changes were, and why they occurred.
- Share with students that you will share eight examples of companies that have evolved. Let students know that they will work in pairs to see if they can match these business “befores” and “afters.”
- Divide students into pairs and distribute a copy of **Business Befores and Afters: Make a Match** capture sheet, a pair of scissors, and tape to each pair. Instruct students to cut apart their cards. Each pair should work together to decide which “before” matches each “after.” Once they decide, instruct them to tape their responses near the signs

posted around the room. Alternatively, students can respond directly on their capture sheet rather than cutting and taping to match the cards.

- Compare student responses with the correct answers below. Which ones did they get right? Which were harder to match?
 - **Twitter:** once known as Odeo—a network where people could find and subscribe to podcasts
 - **PayPal:** was once Confinity—a service that allowed people to “beam” payments from PalmPilots and other devices that predate smartphones
 - **Groupon:** evolved from a website called “The Point” where causes could receive funds once enough people pledged donations
 - **Starbucks:** started in 1971 selling espresso makers
 - **Nintendo:** has existed for several centuries and previously produced everything from playing cards to vacuum cleaners to instant rice
 - **Instagram:** began as Burbn, a check-in app that included gaming elements and a photo element
 - **Pinterest:** started as “Tote” which allowed people to browse and shop their favorite retailers and sent them updates when their favorite items were available and on sale
 - **Suzuki:** purveyor of weaving loom machines that powered a country's silk industry

Explore

- Show the animated video “**When Business Takes Off or Doesn't: An Entrepreneurs Decision to Pivot**” Topic Series Video.
- Debrief the video with the following questions:
 - Whose initial business strategy worked well and why? (Answer: Morgan's worked well because the drones they had worked well for the service they were marketing. Soon they were making 80% of grocery deliveries.)
 - Whose initial business strategy was better and why? (Answer: Morgan's business strategy had an edge over Sawyer's because the larger drones worked better for the service they were marketing. Soon they were making 80% of grocery deliveries.)
 - How did Sawyer change their business? (Answer: Since they had smaller drones that were having a hard time keeping up with the weight of large grocery deliveries, they started making only small deliveries instead. They focused on delivering last-minute items and small orders instead of big ones.)
 - What does it mean for a business to pivot? (Answer: Make a major change to the business, for example changing the service or product they provide).
 - Which of the businesses in the Before and After matching activity do you think represent a pivot in their strategy? (Answers will vary. Students may make an argument that all of them pivoted while others may defend the position that Starbucks and PayPal's changes were less significant.)
- Inform students that they are going to consider the situation of a business with a big decision to make.
- Read the **To Pivot or Not to Pivot** scenario below.
 - An up-and-coming gaming company had great success with its first game. Players love the unique gameplay and available options. In-app purchases skyrocketed, and the company has more than recouped its

investment into the game's development. Now it is facing a big decision. How should they use the profits from the game? They have narrowed it down to four options:

- **Stay the course** and see how many new users they can get to play the existing game.
- **Expand** the current game to keep current players happy and recapture the interest of inactive players.
- **Pivot** and create a whole new game and see if they can replicate their success.
- **Sell** the game to a larger company and take the profits.

Teacher Note: *Students will use the instructional strategy Four Corners in order to share which big decision they feel the business should make. This strategy gives students the opportunity to practice movement, choice, and communication.*

- Ask students what they think the business should do. Identify each corner of the room and tell students to stand in the corner that best reflects their answer: stay the course, expand, pivot, or sell.
- Call on students in each location to explain their rationale.
- Explain to students that in many businesses, there are differing opinions about how businesses should proceed in a situation such as this. While their initial ideas might reflect what they think personally, they will now be challenged to take on the perspective of a specific person or group of people.
- Divide students into eight teams and provide each team with a **To Pivot or Not to Pivot Team Role** and distribute a copy of the **To Pivot or Not to Pivot Student Capture Sheet** to each student.
- Direct students to discuss how their team would approach the scenario and complete the table of pros and cons for each option from the perspective of their assigned role.
- Let students know that one member from each team will represent the team in a "fishbowl discussion." Explain that the select team members will sit in the center of the classroom and engage in a discussion while the rest of the class observes. The students in the discussion group are like fish in a fishbowl being watched from the outside. Tell students how long they will have to prepare for the discussion in their groups before the discussion begins.
- If needed, rearrange seats so that the fishbowl participants can easily sit in a circle or square while their teammates sit on the outside as observers.
- Let students know how long they will have for their discussion and provide any necessary ground rules. Examples include:
 - One person will speak at a time.
 - Students should focus on the perspective of their assigned role.
 - The discussion will begin with each person getting a chance to offer their initial position and then proceed to a discussion format.
 - The group is not expected to reach a decision or engage in an argument.
 - A team may offer an alternate choice for the business as long as a strong rationale is provided.
 - The purpose of the discussion is for the viewpoint of each role to be heard, clarified, and questioned.
 - If needed, you will serve as a moderator for the discussion.

- (Optional) In some discussions, it can be helpful for students to take a break from the discussion and regroup with their teammates. This allows them to consider points made by others and formulate strong responses.
- Conclude the discussion by thanking all of the participants and observers.
- Direct students to return to the corner they selected earlier and remind students of what each answer represented.
- Challenge students to reconsider the question and their **personal** opinion about what the business should do (i.e., they are no longer playing the role assigned to their team). Ask who wants to move to a different location now that they heard from the various perspectives in the fishbowl discussion and allow time for students to relocate.
- Invite students to share why they did or didn't change their opinions. Discussion can be encouraged with the following questions:
 - Why did or didn't you change your mind?
 - What points from the discussion influenced your decision?
 - What new information or point of view influenced your decision?
 - Which team's perspective had the greatest influence on your decision to stay where you are or move?
- Direct students to return to their seats and thank them for participating in the discussion.
- As an exit ticket, challenge students to briefly explain three factors a business should consider when deciding whether or not to pivot or make a significant change.

Extend

- **Lather, Rinse, Repeat:** The team roles have been written in such a way that they can be used to discuss a variety of challenges. Repeat the discussion with additional business dilemmas. Create your own or challenge students to write them and select one or more to discuss or debate.
- **Tough Decisions:** There are many examples of businesses that have decided to make changes in their business model and/or the products or services they provide. Some turn out well and others do not. Invite students to research and report on examples in small groups. Allow students to identify their own or offer one of the following examples: Kodak sticking with photography, IBM changing its business model, JCPenney trying a new pricing strategy, and General Motors committing to all-electric vehicles.
- **The Case Method:** Students who take business courses in college often encounter case studies—opportunities to learn from a specific business. These cases can be real or imagined and creating them is a business of its own. Ask students how case studies can promote learning. Is it an effective learning strategy? Why or why not? What makes a case study interesting? Educational?

VENTURE VALLEY CONNECT

Venture Valley provides users with many opportunities to make business decisions. They can expand their businesses, open and close locations, and choose how to allocate their resources. If your students are able to play *Venture Valley*—either in the classroom or on their own time—use the **Venture Valley Connect: Time to Pivot?** student capture sheet as a way for students to consider the decisions they make in the game. Provide opportunities for students to share their reflections.

STANDARDS CORRELATION

Common Core Standards in English Language Arts

- Speaking and Listening:
 - Comprehension and Collaboration.
 - Presentation of Knowledge and Ideas.

National Standards for Business Education

- Entrepreneurship:
 - Recognize trends in society that can lead to entrepreneurial opportunities.
 - Use lean startup methods to generate, develop, and test ideas to identify market and business opportunities.
 - Apply economic concepts when making decisions for an entrepreneurial venture.

Business Befores and Afters:
Make a Match

Twitter

**Social media
company**

Paypal

**Online payment
system**

Groupon

**Deals and
coupons**

Starbucks

Coffee shops

Nintendo
Video games

Instagram
Social media

Pinterest
Visual
bookmarking
tool

Suzuki
Vehicle maker

Business Before and Afters: Make a Match

Directions: Each of the businesses below evolved into another business. Can you match the “before” to the “after”?

Business “Afters”

Twitter PayPal Groupon Starbucks
 Nintendo Instagram Pinterest Suzuki

Business “Before”

<p>Evolved from a website called “The Point” where causes could receive funds once enough people pledged donations.</p>	<p>Company has existed for several centuries and previously produced everything from playing cards to vacuum cleaners to instant rice.</p>	<p>Once known as Odeo—a network where people could find and subscribe to podcasts.</p>	<p>Purveyor of weaving loom machines that powered a country’s silk industry.</p>
<p>Started as “Tote,” which allowed people to browse and shop their favorite retailers and sent them updates when their favorite items were available and on sale.</p>	<p>Was once Confinity—a service that allowed people to “beam” payments from PalmPilots and other devices that predate smartphones.</p>	<p>Began as Burbn, a check-in app that included gaming elements and a photo element.</p>	<p>Started in 1971 selling espresso makers.</p>

The Scenario

An up-and-coming gaming company had great success with its first game. Players love the unique gameplay and available options. In-app purchases skyrocketed, and the company has more than recouped its investment into the game's development. Now, it is facing a big decision. How should they use the profits from the game? They have narrowed it down to four options:

- **Stay the course** and see how many new users they can get to play the existing game.
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Your Team's Role (circle one)

Business Owner

Marketing

Research & Development

Finance

Devoted Users

Game Critics

Human Resources Director

Investors

Complete the table based on the perspective of your team's role. Consider these points during the fishbowl discussion.

	Pros	Cons
Stay the course		
Expand the current game		
Pivot and create a new game		
Sell the game		

Marketing Team

The marketing team is in charge of growing the business by promoting its products and services. You work hard to understand what customers want and use strategies such as advertising and social media to attract new customers and encourage repeat business.

Finance Team

The finance team is made up of the business' money crunchers. You are all about the bottom line—profit. As a result, you focus on maximizing revenue (the money made by the business) and limiting its expenses (the money the business spends).

Research and Development Team

The research and development or R&D team is made up of the company's best innovators. You are focused on improving existing products and services and developing new ones. Your efforts can take time (and money) and involve an element of risk. It is never a sure thing that your work will succeed, but when it does the payoff can be huge!

Devoted Customers

Devoted customers are the ones who repeatedly buy a business's products or services. You are the ones that made the business a success. You like what they produce and keep coming back for more of the same.

Critics

Every business has its critics. You aren't a fan of the business's products or services. You find fault with the way what it offers and/or how it offers it. You think it can and should do better or just close up shop.

Human Resources Director

The human resources or HR director oversees hiring and employee relations for the company. You believe that happy employees are key to the success of the business. If they aren't happy, chances are good that customers won't be happy either.

The Entrepreneur

You are the person who started the business and wants to see it succeed. You have built a great company and an even better team to support you and the business. Sometimes, you're forced to make hard decisions—especially when members of your team don't agree.

Investors

Many businesses have investors—people who have put their own money into the business in order for it to launch and/or grow. You are hoping to see a good “return on your investment.” The better the business does financially, the more your investment in it is worth.

Venture Valley Connect: Time to Pivot?

You've played the game. Now make the connections!

Your success as an entrepreneur in Venture Valley—and in real life—comes down to the decisions you make. Some will help your business and others can cause harm (or losses). Reflect on some of the decisions you encounter in the game and the lessons you learned. Fill in the last row with another decision of your choice.

Decision	Lesson(s) Learned
Changing prices	
Adjusting employee wages	
Picking a location	
Upgrading products or services	
Altering the marketing budget	