When Your Industry Is Losing Steam, Pivoting Is the Wrong Move. Do This Instead.



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Key Takeaways

- Instead of reactionary pivots, businesses should embrace rotations — redirecting attention, reallocating resources and evolving their business model to better align with emerging market demand.
- Founders should analyze their revenue drivers more frequently, stay attuned to market signals and pay attention to customer behavior.
- Founders who view their companies as vehicles — not monuments — can evolve with market changes, maintaining

growth and relevance while staying grounded in their mission.

Over the last few years, we've witnessed entire industries experience meteoric rises followed by equally dramatic contractions. Edtech, for instance, saw an incredible surge in funding, attention and adoption during the pandemic, but as 2024 rolled in, many of those tailwinds began to dissipate. What was once considered a "future of learning" revolution became, for some, an uphill battle to retain engagement, justify valuation multiples or find sustainable revenue.

And that's just one example. Across the broader startup ecosystem, similar patterns are playing out in categories like direct-to-consumer brands, crypto exchanges or even the so-called "creator economy." At the same time, other verticals are quietly gaining traction: Real-world asset infrastructure, AI-native enterprise tools and stablecoin ecosystems are becoming the new frontier for capital and talent.

For founders, these shifts create an uncomfortable but necessary reality: Sometimes, the opportunity you started with is no longer the opportunity you should be chasing. This doesn't always mean shutting everything down and launching something entirely new. Often, it means *rotating* — redirecting attention, reallocating resources and evolving your business model to better align with emerging market demand. Unlike a pivot, which often signals a drastic or reactive move, a rotation is strategic and proactive. It's about building on what already exists, but shifting the engine toward more promising terrain.

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Reading the signs: When it’s time to reroute

The key difference between a reactionary pivot and a strategic rotation lies in how companies interpret market signals. Many startups delay these decisions far too long, waiting for metrics to collapse or burn to rise before taking action. Instead, companies should be analyzing their revenue drivers more frequently and more critically.

What types of customers are growing fastest? Which services are showing signs of margin erosion? Are there adjacent markets where your team’s skills or technology could create greater leverage? These aren’t just questions for an end-of-year strategy offsite — they need to become a regular part of the leadership cadence.

For us at NewCampus, the shift came gradually. We began as a live learning platform aimed at emerging market operators. But as we worked more closely with growth-stage tech companies, we noticed a rising demand for services that extended beyond learning. We were being asked to help build, coach and scale teams in more strategic ways.

Over time, this opened doors into talent development, startup acceleration and even venture financing. The throughline remained: helping companies scale responsibly in fast-moving markets. But the method evolved — because the needs of our customers evolved.

Looking across the ecosystem, this kind of evolution is increasingly common among smart companies. Shopify began as a simple ecommerce tool, but eventually added payments, lending and fulfillment, responding to what their customers needed to grow. What started as a store builder is now a financial and operational infrastructure layer for online retail.

Similarly, Amazon didn’t become the giant it is by sticking to

books. It expanded horizontally and vertically based on observed customer behavior and operational leverage. These weren't impulsive decisions — they were gradual rotations, made based on a consistent stream of insight from both their customers and the broader market.

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Executing the shift without breaking the business

The challenge for early- to mid-stage startups is that these decisions often feel existential. There's a natural tension between sticking to your original thesis and staying open to change. Founders worry about losing focus, confusing the team or appearing indecisive to investors. But the reality is, staying in a declining market out of fear can be far more damaging than retooling your strategy with intention. In fact, some of the most respected companies today were forged during periods of change. They built flexibility into their operating model and kept optionality alive until the right signals became clear.

To do this well, companies need to build the muscle of adaptive planning. Instead of rigid annual roadmaps, implement shorter strategic sprints that allow for experimentation in new verticals or customer segments. Rather than tying your brand identity to a specific product category, focus on the core problem you solve or the persona you serve.

One example of this in action is how Canva, originally focused solely on graphic design for social media, gradually expanded into presentations, team collaboration and enterprise templates — while staying rooted in its mission of democratizing design.

That gives you more room to shift your distribution channels, pricing models or positioning without confusing your market. It's also important to manage these transitions internally. Keeping your team aligned during a rotation means communicating the "why" clearly and ensuring that you don't spread execution too thin across multiple new bets.

Ultimately, founders have to view their companies as vehicles, not monuments. Vehicles can move, shift gears and adjust their trajectory without losing their structural integrity. Monuments, on the other hand, stay in one place, revered for their original form but unable to adapt. Building a business with movement in mind means staying attuned to external market signals and internal operating leverage, always with an eye on sustainable growth.

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Making the move with confidence

Strategic rotation isn't about chasing trends or jumping on the latest hype cycle. It's about listening carefully to what your market, your metrics and your team are telling you — and responding with conviction. Whether you're transitioning from edtech to fintech, SaaS to AI infrastructure or Web2 to Web3, the mindset should be the same: Stay grounded in your mission but flexible in your approach.

It's worth remembering that some of the most iconic companies we know today didn't start where they ended up. Slack started as a gaming company. Shopify was built to sell snowboards. Twitter began as a podcasting platform. None of these companies "failed" their first ideas — they simply saw where the world was heading and rotated accordingly.

For startups navigating uncertainty today, the lesson is clear. If you sense that your current industry is starting to

sunset, don’t wait for the lights to go out. Take stock, realign, and start the turn. Your future growth might depend on it.

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