



## Episode 3 - Tips to pivot your startup

This is the transcript for Episode 3 of the Smart Startup English Podcast.

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Hello and welcome to the Smart Startup English Podcast, episode 3! I'm Mickey, I'm your host, and in this episode, we're learning a few words you should know if you're thinking about making a change in your business.

**But first, let me ask you this question:**

Have you heard of Airbnb? Why do you think the name of this startup has the word "air" in it? I mean, we already know that BnB stands for bed and breakfast, but what's with the "air" in the company's name?

It turns out that the founders of Airbnb started with a different idea. Their idea was to rent out air mattresses to people attending conferences when the hotels in the area were overbooked.

So if you went to a conference and you couldn't find accommodation in a nearby hotel, you could pay Airbnb to connect you to someone who would inflate an air mattress in their living room for you to sleep on. As you might expect, not a lot of conference-goers were keen on sleeping on somebody else's floor. To be keen on something means to be interested in something and really enjoy doing it.

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That's when the founders of Airbnb decided to pivot their business model. To pivot means to abandon the original idea and to go in a different direction. It wasn't until they opened up the platform to people looking for a cheaper place to stay that the company started gaining traction. When a company or a product gains traction, it means that it's starting to become more popular.

Airbnb is not the only big success story to come after a few iterations. In this context, when you iterate, that means you're trying different things with the goal of improving your result. When you iterate, the things you usually try are quite similar to each other. You're not getting too far away from your starting point. So an iteration is a different form or version of something, usually an improvement.

Let's look at another example of a startup whose product you might be using every day in the office. And I'll let you guess the name of the startup while I'm telling the story of their iterations.

The first product this startup released, back in 2009, was a video game called Glitch. And while they were developing this game, they were communicating with each other via chat. Even though the game was somewhat popular, it wasn't very profitable - it wasn't making a lot of money. And the founders had to come to terms with this fact. To come to terms with something means to accept that you can't really change that thing. So the founders had to come to terms with the fact that the game wasn't making enough money.

Because their bank account was dwindling - it was shrinking - meaning they were spending more money than they were making, they decided to pivot.

So they started investing their time into a new product: a chat app designed for coworkers. There's a high chance you might have heard of it.

It's called Slack. And you may be using it in your office every day.

So before it was a work collaboration tool, Slack was a video game.

Iteration is a very common term in the startup world, and you should try to learn this word. Again, it means trying to improve a product, and going through a process which leads to an improved outcome, or result. It's a term usually applied to a product development cycle.

**So what should you do if you think that your startup idea is not gaining enough traction?**

Advisors say that you should cut your losses - stop wasting more resources in an unprofitable scenario. That means stop investing resources in something that doesn't work.

Instead, see what **COULD** make you money, what's in demand, and focus on that aspect of your business.

**Before we move on to this episode's speaking assignment, let's review the vocabulary we've learned so far.**

If **you're keen on** something, that means you really enjoy doing it, and you're really interested in it.

In a business scenario, if you **pivot**, that means you're changing directions. You're moving away from the original idea and going in a different direction.

**To gain traction** is a really good thing. It means your product or your company is becoming more popular.

When you **iterate**, that means you're trying different things with the goal of improving your result.

If you **come to terms with something**, you're accepting something that you can't change.

When your **bank account is dwindling**, that means you're spending more money than you're earning. There's more money going out than coming in. That's not a good **outcome** - meaning it's not a good result.

If this is the case, you should **cut your losses** - let go of something that's not profitable, no matter how many resources you invested in it.

**Here's my speaking practice for you for this episode:**

Is there anything that you've come to terms with recently? Can you explain more about what it is, and what made you come to terms with it?

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