



PRODUCT STRATEGY NETWORK



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Searching for Your Inner Google

Focus on authentic strengths

Particularly during tough times, a company's ability to survive requires knowing what its core values are and then focusing relentlessly on building the business around them. At search giant Google, whose profusion of new products has been the awe of American industry, economic contraction has prompted the company to sharpen its focus on projects that match its core strengths. Google New Business Development Manager Robert Meese explains.



Robert Meese
Business Development
Manager
Google

By Peter Longini

Not long after Google's founding in 1998 – well before it grew to become a common verb denoting online information search – the U.S. economy fell into recession. As a result, the startup learned to be very focused, using its modest early resources to support one central idea: that there was an alternative to the human-generated directories which were then being used for popular Internet searches. It was this: in academia, the frequency of a scholarly paper's cross-reference in other documents provides the strongest signal of its relevance to a given topic. It was an insight that the company's founders learned to engineer into the heart of their hugely powerful search engine.

Over time, the economy eased and Google prospered, allowing it to expand into a wide variety of product spaces where it typically operated at a very high level. But now that the economic pendulum has returned to an even deeper recession, the company's early lessons are once again being applied. Chief among them is having an unambiguous understanding of what Google's essential strengths really are.

"Google's founders have said 'scarcity brings clarity,'" Robert Meese of Google's New Business Development group in Mountain View, California observed. "The biggest change with the current environment is that the company is focusing on a smaller number of more significant products. It's a healthy process for us to step back a little bit and take account of the various initiatives that have been going on."

The Google Spin

So exactly what is it that the company looks for in a product idea when it takes that step back? “The company really values working on products and in markets where Google can do something very different,” he said. “Google’s not interested in releasing me-too products.”

That’s not to say everything Google does is completely new. But there’s always a distinctive Google spin to it. “Gmail, the email service, is a good example,” Meese pointed out. “Google took a core strength of the existing business – search – and applied it to email, providing a much more intuitive way to find things.

“Storage was something else really different; email at the time had a very limited amount of storage where you’re constantly deleting things,” he said. “The concept with Gmail was that you would never need to delete your email again. So it was taking the advantages that the company had built up around its search and storage infrastructure, applying them to another market, and allowing the company to do something very different than what had previously been done for those products.

Testing, Testing

They also look for things that can be done quickly and which lend themselves to real-time, real-world testing. “Speed is very important,” Meese pointed out. “If we’re able to do quick tests that don’t require as much time or investment, that would be attractive. There’s definitely a bias towards the pace at which innovation can occur.

“Testing is also a big part of the company culture,” he said. “There’s a great ability to run tests side-by-side, showing different users different things, and seeing what the actual response is. We’re able to show progress quickly and progress measured a number of different ways; it doesn’t necessarily need to be revenue-focused.”

But perhaps more than anything else, the most important measure is acceptance. “If you had to boil it down to one metric, it would be something that gets usage,” he said. “Products that are initially popular tend to stay popular; products on a low growth curve tend to stay on a low-growth curve.”

The Bottom Line

Of course in any business, revenue is the lifeblood. But it's not the only thing Google considers in deciding whether to advance a new product idea. "It's something that needs to be considered," he admits. "But it's only one of a handful of criteria for decision-making."

Then again, there's the company's unconventional history. Its home page is probably the most austere of any major company in America. Most of its products are free. Its very public commitment to social and environmental progress is as unusual as is its philosophical allegiance to openness in Internet and telephone technology. And so, by the way, is its stellar stock value.

"When Larry Page and Sergey Brin first developed this index of the web, they didn't know how they were going to monetize it," Meese recalled. "But the insight for the company is that they focus mainly on users and usage. So it's first doing something that people will like and use, and then making the decision of how do you build a business model on top of that."

Selective Listening

To help figure out what people are going to like, many companies look to the voice of the customer for insight and guidance in developing or improving their products. But at Google, they hedge a bit. "Those approaches can be valuable," Meese acknowledged, "but they lead you to toward the problems that the user has already identified. You're not able to address problems that users don't know they have."

The company is also a bit more selective in which customers it listens to, paying much more attention to early adopters and power users, who are typically willing to spend more time, tinker more, and put up with uglier interfaces as products work themselves into the mainstream. It also pays close attention to its own 20,000 member workforce. "Even before figuring out the business model, the first thing is testing products internally. If we have a new product and people really like using it within the company, that's a really good sign," he said.

"Google also places a higher value on engineering. Product managers here tend to be more technical than in most other companies," he pointed out. "So part of the decision process for new products is internally driven, based on technical feasibility more than other inputs to the process."

The Inward Search

For many companies of Google's size, sustaining the innovation that built the company in the first place can be a real challenge; it certainly doesn't happen automatically. Even in a company with Google's culture of innovation, there are deliberate processes that have been put in place to assure that it continues. "We do that a couple of ways," Meese said. "One is through transparency inside the company. We have regular meetings where we discuss new products – those that have recently been released and even those that are upcoming and are not yet in the market.

Another is through 20-percent time, where engineers have the flexibility to pursue any projects of their liking. "The concept is that the company is run bottoms-up. Rather than having a formal hierarchy, the company values having everybody take ownership and having the ability to spend some percentage of their time doing something other than what their job title specifies. Gmail was created that way. AdSense was created that way, too. It enables engineers, if they have an interesting idea, to just do it and see what happens.

"And we use a lot of our own products," he noted. "I can see everybody's calendar in the company, for example, and we share a lot of documents. As you can imagine, search is also applied inwardly at Google and there's a lot of information available internally to employees. It helps counteract the issues that you have with a larger company."

Harvesting Good Ideas

At Bayer, they're going out into the field

Doing it all yourself is so last century. And it's probably going to lead to the wrong answers anyway. So at Bayer, the quest for innovative ideas has become much more outwardly focused with the wisdom of crowds unseating the solitary inventor in identifying relevant product concepts. Ten-year Bayer veteran Brian Long, who is charged with managing innovation at the company's New Business Creative Center, explains.



Brian Long
Innovation Manager
Bayer

By Peter Longini

The core business of Bayer MaterialScience – the materials side of the German-based firm whose pharmaceuticals and crop science products have made the company a household name for generations – is high-quality plastics. But plastics, like the products they go into, have life cycles that begin with breakthrough innovation and end as low-margin commodities. As a result Bayer, which has been a leader in its chosen markets, is constantly looking for new ways to leverage its formidable technical, production, and market strengths toward innovation. And it has worked on institutionalizing that search process.

Brian Long, a chemist by training, is one of a handful of people that the company has designated as Innovation Managers at its New Business Creative Center outside of Pittsburgh. His job is not to shake up Bayer's traditional research and development patterns, but rather to gradually introduce new ones into a firm which has enjoyed considerable success. And he avoids being dogmatic about how it's done.

"We're moving into slightly different places in the value chain," Long acknowledged. "We're focusing on strategic growth areas that we haven't looked at as closely in previous decades. And one of them is moving a little further downstream. We're a raw material supplier. But as we see technology trends and business model trends moving in a certain direction, we realize that if we leverage it properly, we have a lot of expertise in things that can be moved

downstream in the supply chain.”

Connect and Develop

However, the process through which those technology trends are identified, and the development of product ideas that follow, has undergone radical change in the last few years. It’s called Open Innovation. “As a conservative company your philosophy tends to be: put your head down in a lab and emerge five years later with something that may or may not be relevant to a market,” Long said. “The idea was fix, fix, fix, fix, and then ship it. But in the last few years, the message getting across to us loud and clear is that we need to have a methodology of: build something and then ship it, and don’t be worried that it’s not complete. Because chances are if you do all that work yourself, it won’t be the right kind of solution anyway.

“You need that input from the market, you need that input from the key players. You need that input from thought leaders,” he said. “So the philosophy now is: fix-ship, fix-ship – however many iterations it takes to get to something that’s going to be a viable product.”

That represents a major shift in the emphasis, sequence, and focus of the company’s development efforts. It also means looking at customers as more than just customers, but rather as co-developers. “The idea now is ‘connect and develop,’” he said. “In this day and age, you’re not going to get the right answer all by yourself. That was even rare 20 years ago when you had the mad scientist with his head down, working for years on something he eventually emerged with. Now it’s much more collaborative. You can see it even in the tools that are being developed: your Wikis, your crowd-sourcing tools – those types of things.”

Validate

Ideas come from everywhere. “They all have a different genesis,” Long acknowledged. “Some of them came from a technology push. Some came from a societal demand. Some came from trend-watching, some came from market pull. We’re not so concerned with how we got the idea, but what we do with it once we get it.

“We look across and say: what kind of technology can we develop to meet those needs in 5 or 10 or 15 years? And if we see enough business coming out of that, or if it’s in our strategic portfolio, we start developing it. We employ different tactics at that stage to validate our assumptions: Do some feasibility studies. Do a trial run with a customer. Do something else

that gets us more information.”

For mobile robotics – a particular area of interest for Long – getting more information includes meeting informally with people in the robotics community at universities, startups, and technical consortia; attending professional conferences, giving out samples of materials that the company is working on in order to secure feedback. “If we talk to people that are outside the realm of what we think of as customers, we’re going to get at needs that are unmet or unarticulated,” he said. “If we can approach them intelligently and lay the foundation for a relationship with that particular company or industry, we’ll have a first mover advantage.”

Leveraging Networks

One of the most important strategies comes through leveraging networks of people outside the organization. “I’m not expected to do everything and figure it all out myself,” Long said. “So among other things, I’m in charge of establishing industrial designer networks here. Industrial design is a hot topic, a way to get pictures of the future. The designer’s way of thinking is almost diametrically opposed to the engineer’s type of thinking. And that sort of creative friction opens up our eyes to realities of the marketplace, because designers are very well trained in user-based research or user-centric design. Those are the types of concepts we are trying to embed in our culture.”

Another form of network leverage for product ideas is one that’s more common in Europe than here, at least for now. It has formed itself as a “future_bizz” network. This platform is a complementary network of industry partners and experts with the charter: explore and develop the future. “We find and recruit like-minded companies who are usually on a similar innovation path as Bayer. We approach them and say, for example: ‘We’ve been looking at future logistics and we think there’s some opportunity there.’ And they say, ‘yeah, we’ve been looking at that kind of area too.’

“Then we create working groups with clear future relevant topics, share experiences and build knowledge about trends and scenarios and roadmaps – whatever we happen to have. And we create new minds around that area from the perspectives of the different companies,” he said.

The network bundles the resources and competencies of companies and speeds up innovation processes for the exploration of new business ideas. Changes in the value-added chains can be detected early and shaped accordingly.

“We’re not coming together because we’re all in the same region or because we all have the same culture or whatever,” Long noted. “It’s really about strategic interests. So the topic could be future of security. It could be the future of mass transit. Or whatever it happens to be that is strategically aligned to these recruited companies. You can drop in or out. Maybe a company says there’s really not a whole lot here for us, we’re going to pass this round. Then the rest of them get together and fund a project to create a designer portfolio of future application opportunities.”

Idea Hot House

One more strategy for idea generation grows out of training that all the New Business Creative Center staff members have taken. “All of us here have been trained at the Creative Problem Solving Group in Buffalo, New York with the traditional Alex Osborn-type of brainstorming process. So we’re also for hire internally to get at new ideas,” Long said.

“In addition, we use idea management tools to build upon, categorize and store the ideas of our employees. With these, we can run short ideation sessions or longer-term, suggestion box-type events. We know our employees at all levels have ideas worth pursuing if only given an outlet to express them. Currently, for example, we’re running sessions asking our employees to contribute technical solutions in an open innovation pilot.

Filtering New Market Ideas at Vocollect

Discipline, focus and luck all play key roles

Vocollect, which has been in business for more than 20 years, knows its technical sweet spot. Matching new business opportunities to that awareness is a multi-step process that gradually brings out product ideas capable of expanding the company's reach. Amar Kapadia, who heads the company's New Ventures Unit, explains how it works.



Amar Kapadia
Market Development
Manager
Vocollect

By Peter Longini

The product that Vocollect built its reputation on is a two-way, voice-driven, wireless computer that gives warehouse workers the ability to interface with their company's data centers hands-free, using only natural speech. Their devices are used by hundreds of thousands of workers on six continents. As a result, the company now has a dominant position among suppliers of the data-capture devices used in assembling orders for shipment at distribution facilities worldwide.

But that same voice-activated mobile technology platform could, at least in principle, benefit worker productivity and safety in other industries as well. Deciding which ones offer the greatest promise is the mission of the company's three-member New Ventures Unit, led by Amar Kapadia.

"We've been through a couple of different markets," Kapadia acknowledged. "The auto industry turned out to be a non-starter. But the warehouse turned out to be a huge market for us. Then more recently healthcare, specifically long-term care.

"What I'm doing now is the next step," he said. "We are in long-term care now; where else can we take this? Can we take it to other parts of healthcare, like acute care? There are other markets I'm also looking at. But those are now at the stage where we were with long-term care three years ago."

Screen Sequence

To get there, a new product or market idea must pass a series of screens. “It goes through several different tests,” Kapadia noted. “The first is a standard elevator story. And we look for some fairly specific things in the elevator story: What’s the size of the opportunity? Is there a person or a group of people who can really benefit from it? Is there a return on investment?

“There are also some issues specific to Vocollect. For instance, does this make use of our core technology components? Does this use the same or similar business model to the one we’ve used over last 20 years? Is this a business-to-business product, since we’re not really interested in consumer-oriented products? Does this take advantage of some combination of software and electronics with human interaction, which is our sweet spot? Does it have some component of voice, which is obviously our strong suit? There’s are eight or nine items we look at early on.”

Kapadia himself is typically the initial audience for these elevator stories, which come from people all across the 350-member company. And if someone is too busy with their day job to develop a pitch, Kapadia’s staff will help out. “At that level, we are not really looking for a lot of commitment, I’m not looking for anyone to spend more than half a day to a day on putting it together,” he said.

Validation

But if the pitch sounds interesting, things escalate. “The next step is that I like to get validation from three or four experts. So, for example, if it were the hospitality industry, maybe someone who runs a hotel, or someone who sits on the board of a hotel – as well as someone who actually does the job at the worker level. Because you want to find out: is the person going to use this? Is it going to be beneficial to the individual user? Is anyone going to buy it if I build it? Is this something viable? Or is it something way out there?

“By the time you find three or four people and set up the appointments and either talk to them on the phone or in person, it might be a couple of months. I typically assign someone on my team to do the research,” he said.

Since the cost of bringing in expert consultants at a very early stage can be quite high, Vocollect looks for expertise elsewhere. “One approach I find that works quite well, at least in the early stages, is talking to universities that specialize in a particular area,” Kapadia said. “Four years

ago, when we were just thinking about healthcare, we came across the University of Virginia Medical Automation Research Center (MARC). And doing something with them – especially since they have a university hospital – was a lot cheaper than hiring a couple of consultants with 20 years of industry experience. And we recently partnered with the University of Maryland’s School of Nursing to test some new concepts. We find the specific group or lab or center within the university that’s doing something of interest to us, and we contact them directly. As long as you know what you can expect from them, the university tends to be a good option.”

Field Research

If that expert research input looks promising, the idea continues moving forward. “The next step after we’ve done that validation with three or four experts is to do more in-depth field research,” he said. “Spending half a day to a day with four or five people across different customer organizations, studying their workflow, studying what kinds of applications they use, the organization’s structure, who reports to whom, and so on. It’s a much more in-depth ethnographic study. We use that to build a concept. And the concept can be anything from a slide show to something that’s built to the point where it’s a more an alpha or beta version of the product.

“We start building relationships with beta customers once we have a concept and can see light at the end of the tunnel,” he said. “At that point, in addition to a working prototype, you need to have a vision for how it fits into their operation, what kind of benefits it’s going to bring – essentially painting a picture that says: here’s what the future looks like if you use this product.

“From time to time, you come across several different opportunities in one given market,” Kapadia pointed out. “If I find an idea that’s not a radical paradigm shift – maybe just an incremental change and a relatively small market – I sometimes help our resellers develop that idea. We have internal threshold below which we really don’t want to spend a lot of time and effort. But if it’s too small for us, it may not be that small for some of our resellers. So I’ll get some of them to work on it.”

Hang Loose

However, staying flexible is essential in advancing new ideas, according to Kapadia. “Say, for example, that I have this big vision with four or five different ideas. I pick one and say, okay, this makes sense because it’s relatively easy to develop based on what we already have. But then, once we start pursuing it, it doesn’t generate a lot of excitement. I could keep on pushing it, but maybe we should go back to the original list and go with some other idea that people are interested in and excited about, even though it may be harder to pursue.”

But serendipity also plays a role. “It’s part luck, part persistence,” Kapadia reflected. “For example, over the last few years, I had been talking to an early prospect about a new opportunity. They were very good in helping us think the idea through and letting us do research and concept testing at their site. But when we said: okay, can you spend the money to put this in full time, as opposed to just doing a pilot? The answer was, ‘Well, the economy is pretty bad, we’re not sure if we can do this right now.’”

“We have a general company policy of not going live with a product for free because there’s no buy-in if you do that. So I was looking for ways around it, and it so happened that I ran into someone there I had met several years earlier. And I mentioned that there was an award coming out for innovation in her field; would she like me to apply on her behalf? She said, yes, that sounds interesting. So we applied with them and they won a cash award for the innovative use of our technology. Despite the economic conditions, the award generated a lot of excitement at the client organization and helped move the conversation around to going live on the new product much faster.”

The Care and Feeding of Innovation

A dedicated, front-end development group can help a lot

How should you go about exploring the opportunity to turn fuzzy new concepts into category-killing products? At one company, they've created a special Innovation Group to handle the early-stage aspects of that assignment. Don DeLauder, who is responsible for that group at MEDRAD, explains how it works.



Don DeLauder
Executive Director of
Corporate Innovation
MEDRAD

By Peter Longini

It's precisely because early stage technology concepts tend to be so fragile that they require special handling. So at MEDRAD, a business of Bayer Medical Care and a leading supplier of advanced medical imaging technology, tender ideas have been given their own special research incubator staffed with its own group of deep technologists. Projects nurtured in the company's so-called Innovation Group are also given a longer time, as well as a more forgiving environment, in which to grow – and often to fail – than those which are lodged in the company's more rigorously disciplined product development units ever enjoy.

That doesn't bother Executive Director of Corporate Innovation, Don DeLauder, who is responsible for early-stage technology development at MEDRAD and in charge of the company's Innovation Group. "The truth is that metrics in this area are very hard to develop. It's not like you measure effectiveness by a certain number of patents. You could have fifty useless patents and then end up with one that makes the entire investment worthwhile, ten times over," he said. "It requires a much softer style of management."

Two years ago, for example, MEDRAD introduced a new product it named XDS. In essence, it pinpoints exactly where the contrast media which has been injected into a patient's vein is actually going. That's an important advance in the world of radiology, where the risk of contrast material infiltrating surrounding tissue has been a nagging problem.

But what may be even more remarkable is that MEDRAD's work on the project actually began all the way back in 1992 and involved only modest levels of investment. "We tried a number of different approaches and they never worked out," DeLauder recalled. "They were either too costly, or not sensitive enough, or overly sensitive. We tried X-ray, we tried radiography, and eventually we came across a microwave technology we were able to use.

"We did mathematical models, we did physical models, we did testing with chicken breasts to see what happens in real tissue," he said. "We slowly built our understanding of how it works to the point where we had a technology we thought would be viable in a product. Our group worked on it for years, developing and patenting it. And then we transferred it into Product Development. It takes another two years in Product Development before it comes out into the marketplace."

Upfront Research

Part of the value MEDRAD saw in forming its early-stage, advance development Innovation Group is that it could handle a number of the issues associated with upfront work – technology research, business development, identifying opportunities for acquisitions, and intellectual property development, for example – without distracting the company's much larger, – and far more costly, product development teams which need to focus their work on more clear-cut opportunities.

MEDRAD's 45-member early-stage Innovation Group accounts for about 15 percent of the company's overall research and development budget. At any given time, it may be running eight to ten projects on its business development side, along with another eight or ten on its technology development side. Each of them has a charter that outlines what it is trying to achieve, and monthly staff meetings are held to review whether progress is actually being made in those directions. But they don't follow a traditional business template.

"Classic project management doesn't necessarily lend itself to these fuzzier projects," DeLauder acknowledged. "How do you manage a technology development project in its early stages without snuffing out the innovation or, at the same time, allowing it to meander forever? It's a delicate balance.

"We're more worried about snuffing out an innovation than about spending too much time on something that's not moving forward. If we miss the mark, it's by letting things go on too long. But that's purposeful; we would rather do that than become the sort of mechanistic

organization where the instant something doesn't look too good, they kill it. If we had done that, we would not now have this XDS product, which is performing very well in the market."

Faith-based Research

There's another risk, however; it's very easy for an early-stage lab operation to retreat into an ivory tower of arcane technology. "We try to make sure we stay well-connected to both the engineering side and the inbound marketing end of new product development," DeLauder noted. "Our marketing people are telling us what's going on with the customers and helping to make sure we're working on problems of relevance. We really try to stay connected to the businesses."

But can the company's spending on its early Innovations Group be justified in a quantitative way? "We don't have the answer to that," DeLauder admits. "What we do is to make the logical argument that it's important to quarantine resources, to do some of the up-front development work, and to look into opportunities which may not be current, but may be interesting in the future. We make that case purely on an argumentative rather than a quantitative basis.

"It's really a matter of faith, which means it's always at risk," he said. "Every year I worry: are we adding enough value to the total organization to make sure that we continue to operate this way? So far, the answer's been 'Yes.' But the pressure has been to make sure we see ourselves as a function that ultimately adds value to MEDRAD's business.

"We keep asking ourselves: are we effectively transferring what we do into the Product Development organizations? Because if we're not good at transferring the work we're doing into Product Development, then what we're doing isn't terribly useful."

Soft Scales

Even so, early innovation work doesn't live by faith alone. "When we take on a project, we have a set of fixed criteria against which we measure an opportunity," DeLauder said. "One of the criteria is whether there's a clinical need. Another is whether the market size for that opportunity justifies working on it. Is this something we can be successful at? Can MEDRAD do this or is it beyond our reach? And for each of those criteria, we use a scale from 1 to 5."

At the same time, however, DeLauder is skeptical of adhering too rigidly to those numerical scales. “It’s worthwhile to set up criteria. It’s worthwhile to give each criterion a scale,” he said. “But you shouldn’t evaluate it against some random norm because the problems are simply too complex for that. What’s more important is a holistic assessment. The real value is in the journey that has you discussing the criteria rather than in deriving value by totaling these things against some arbitrary threshold.

“We think that is too mechanistic a process and we don’t believe it works well. In organizations that have, for example, ten criteria that you add together to come up with a score, what we’ve found is that when they don’t like the score, they find some reason to go back and tweak the criteria until the score rises above that threshold. If it’s a pet project, they include it because they say it’s ‘strategically important.’ But our view is that if you’re going to play games like that, don’t bother adding them up; use those criteria as a way to prompt discussion about the project along different dimensions. That’s worked well for us.”

Portfolio Theory

In its pursuit of complex new projects, MEDRAD’s Innovation Group doesn’t always work alone. “What we’ve learned is that in a company the size of MEDRAD – really any company – you can’t possibly own all the technologies that could come to play in solving a customer’s problem,” DeLauder pointed out. “In the case of the XDS, Battelle already owned certain elements of the technology. So we co-developed that technology with Battelle and shared some of the development costs as well.

“We’re always running a portfolio of opportunities. And each of them has some element of risk,” he said. “But, as with investments, the idea is that if we run a portfolio of opportunities, the risk averages out. That includes work on some opportunities that are relatively near-term, that can add value to the company sooner rather than later.

“I also think it’s important in a front-end innovation group, to include things that we can’t see the company turning into products just yet. Maybe it’s outside of our current space. Even so, we really need to see those nascent opportunities and start to work on them, start to reduce some of the risk, start to develop more of an understanding, so that when the time does come, we can come take advantage of them.

“To me, managing the innovation portfolio is like that; it’s a lot more art than science.

How Thomson Reuters Lightens Up Its Product Lines

Serious people like to have fun too

You don't have to be a bleeding-edge technology startup to support genuine innovation, to make yourself memorable to customers, or to have a good time. The venerable Thomson Reuters information service has formalized a way to make it happen while pleasing some of the world's most famously unsmiling clients. Product Management Director Michael Koppelman explains how they did it.



Michael Koppelman
Product Management
Director
Thomson Reuters

By Peter Longini

Thomson Reuters makes serious products for serious people. The \$13 billion-plus company, which traces its corporate history all the way back to 1799 and today employs more than 50,000 people, calls itself the world's leading source of intelligent information for businesses and professionals in the global finance, legal, tax, accounting, scientific, healthcare and media markets. It's pretty somber stuff.

So what criteria do they use to decide which product enhancements its developers should build? Fun! Dazzle! Buzz! Bonding! And they're serious about it. Just ask Michael Koppelman, Director of Product Management within the company's Investment and Advisory group.

Koppelman is leading an initiative, but it's not to create the sorts of industrial-strength information tools that anchor the desktops of brokers, analysts, advisers, fund managers and other solemn financial professionals around the globe. Those kinds of heavy-duty products are already on the company's roadmaps and new releases of them are issued two or three times every year. Instead, his assignment is to spearhead a new initiative focused on creating an environment to encourage smaller-scale innovation around those big products, to make the

case for including creative innovations in the official roadmap, and to bring on exciting enhancements to enliven the company's otherwise austere product lines.

The Fun Factor

"We came up with four criteria for looking at these items," Koppelman said. "The first is an Entertainment Factor. Entertainment is really not our business. But when we look at the technologies people use on their own because they want to. And when you see how sticky some products like Facebook or Linked-In or Flickr really are, it goes way beyond the usefulness of the product. Here, we take products designed to do very serious things, like helping managers deal with great volumes of complex data, and try to create that same sense of enjoyment and addictive attraction."

The Dazzle

"Another criterion is Visual Impact. We think it's logical that people would rather spend time with a product that's visually appealing and interesting than one that's not. So while our company wins its deals by the quality of our products and services, at the end of the day, we're selling to people who have a number of choices. And when they come out of a conference after a week's worth of demos of competing products, we want them to have stuck in their mind: 'Hey, remember that one cool thing we saw in your product?'" One example might be using mapping technology to graphically show an advisor's or a company's book of business. "We think that gives us an edge," he said.

The Buzz

"Another criterion is Socially Trending topics," Koppelman noted. "Take for example social networking. Right now it's a hot topic for us because it's so socially trendy – and there's real value there. You really can't talk to anyone about technology right now without Twitter coming up. And even if people don't understand it or know the value of it, they're interested. They know it's a trend, they know it's a major social thing. And they want to know how we're dealing with it, or how we're interacting with it. So for us to bring microblogging in to someone and make it useful for them, we're allowing them to interact with something they might never have done before. It also shows that we're conscious of major social trends."

Ties That Bind

“The fourth criterion we look at are things that tie our products together in new ways. All of the things I’m talking about are enhancements; they’re not really new products. So, with a company like Thomson Reuters, with so many technology products covering verticals ranging from healthcare to news to tax and accounting to wealth management, we look at small enhancements that bring things together. So, for example, right now we’re looking at some interesting crossover functionality between news, contact management and some of our wealth tools. And there are a ton of other things you can do with those three components.”

Think Small

The size of a potential enhancement project is critical to its acceptance and funding by the company’s leadership, Koppelman pointed out. “These items are struggling to be included in a roadmap which is already crowded with client- or application-critical projects. The issue with many innovative type projects is that they’re often seen as ‘nice to have,’ but they’re crowded out of the roadmap by these core enhancements. So keeping them small helps to ensure they can be included in each release.

“I also believe that in many cases, projects overreach, adding 70 percent of their features on top of the 30 percent that really generate the majority of product value. We feel that if you focus on the maximum value, the rest are enhancements you can get from small projects – not from new products themselves. We’re looking to include a couple innovation items with each release, across product lines. But each one of them can bring a great deal of value; so they’re not small in impact.”

Encourage Innovation

In many large, well-established companies, creativity tends to happen on the sly, where people feel that they’re forced to sneak around established procedures in order to do innovative things. But not at Thomson Reuters. “It’s a smart place,” Koppelman pointed out. “They’re saying ‘look, we want you to do these type of things – we’re interested in them; we see the value, and we’re going to make a commitment to letting certain types of things get done within the roadmap.’ We’re formalizing it, giving it resources, and saying that we’ll make this type of work a priority even when it’s busy, even when our roadmaps are jammed full. We’re letting

our people know that we're empowering them. We're saying as a company that we're making a commitment to this and that they should share their ideas."

Particularly from a company with more than 200 years of history, that sends an important message: "A lot of times, people coming from big companies and big matrix environments tend to look at the startups and the trendy, bleeding-edge technology companies and think they must have some sort of unique environment that allows them to create new ideas or bring new ideas to market," Koppelman said. "But you can replicate that internally by committing to innovative projects and giving people license to bring their ideas forward. That's what Thomson Reuters has done and it's interesting how fast some great ideas come to light."

About Product Strategy Network

The PSN is a practitioner membership and education organization for the leaders of product strategy and product management. With our highly relevant and private membership, and a unique blend of peer learning, training, tools and resources, we make it possible for our members to know-how to achieve profitable, innovative new products.

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