

CIO / CUSTOMER PROFILE

PROFILE – RICHARD (RICK) KING - EVP AND CIO



Full Report Sample

This SUMMARY report provides insight into [THOMSON REUTERS' CIO](#) and technology landscape for positioning ABC Corp's product and services – (As of Nov 1 2016 - By Ned Daubney - 508-965-9676)

WHAT THEY DO:

Thomson Reuters Corporation (TR) is the market leader in financial data (ahead of rival Bloomberg). TR provides electronic information and services to businesses and professionals worldwide, serving the financial services, media, legal, tax and accounting markets. Data is primarily offered online; nearly all revenues come from subscription sales to its plethora of offerings.

“We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial and risk, legal, tax and accounting, and media markets, powered by the world’s most trusted news organization.”

In short, TR takes mostly publicly-available information (financial, legal, gov't), adds value to that information in many different ways, and then sells it to professional information users. The premium value-added information helps users make better decisions faster.

BUSINESS STRATEGY:

“We derive the majority of our revenues from selling electronic content and services to professionals, primarily on a subscription basis. Our businesses provide solutions, software and workflow tools which integrate our core data and information.” (2015 Annual Report Form 40-F (Canadian version of Form 10-K))

Solutions; not just data: “Some of our businesses, in particular Legal, continue to evolve towards becoming greater providers of solutions to our customers as part of an ongoing transformation from focusing

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primarily on providing data and information. These solutions often are designed to integrate our core information with software and workflow tools. We believe that transitioning a greater part of our business to solutions will help us increase customer value, create growth, diversify business mix and differentiate us from competitors. (2014 Annual Report – Form 40-F)

(TR is complicating its technology needs and will likely seek guidance on how to manage this mix of new software and workflow tools – Cloud and Security guidance looks most likely.)

HOT BUTTONS – Issues to address, avoid or simply be aware:

- Innovation – CEO mandate to create internal structure to promote and leverage innovation. They are encouraging internal crowd-sourcing techniques (known as “TR Challenges”) to fuel and activate good ideas. *(Suggestion – provide TR attendees exciting new ideas to run through to these internal workshops – Bring them to your Innovation Center!)*
- Movement to Cloud-based workflow tool solutions – and the need to secure them
- “Intelligent Information” is TR’s “unique synthesis of human intelligence, industry expertise and innovative technology that provides decision-makers with the knowledge to act, enabling them to make better decisions faster.” *(TR uses this term often.)*
- M&A – After 300 acquisitions over the past 10 years, TR has made a strategic decision essentially to stop buying companies and to consolidate operations and efficiencies.
- Per King: “Technology has reduced the cost of entry for our competitors”. *(Help TR differentiate!)*
- Selling IP & Science businesses – these may be over ¼ of TR’s sales (a guess) – This *must* be a hot issue.

CHANGE DRIVERS: Trends & Issues driving technology purchases:

- Movement to more (Cloud-based) workflow tools – going beyond just delivering data & intelligence – TR looks to differentiate itself from ankle-biting new market information-delivering contenders with new higher-value solutions.
- Mobile technologies – customers are now viewing their firm’s highly sensitive data (via TR) on personal phones and tablets – Innovation towards secure and high-end presentation/display is their challenge. The fact that people put sensitive merger and acquisition documents in a personal cloud storage site terrifies them.
- Cash rich in 2016 - TR is “sharpening their strategic focus” and sold its Intellectual Property & Science business in 2016, bringing in a fresh \$3.5 billion - TR Reuters said it would use any proceeds for “general corporate purposes, including investing in its core businesses”, among other things.

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- Innovation is more than thinking about how we can do things in the cloud,” says Bob Schukai (TR’s Head of Applied Innovation). “It’s how we rethink design, rethink business models, and rethink an experience that is beneficial for the enterprise and the end user. Our strength is providing trusted, high-quality, high-value information and a premium ‘information experience.’ But that isn’t enough anymore. If you don’t present your information in a way that makes it easy for people to consume – and creates an experience people want to come back to – you’ve lost the battle. That’s why innovation is crucial.” (*ABC should always be talking in terms of “innovation”*)
- Blockchain - Over the past year (2016), TR has made several significant moves in the blockchain sector, including one strategic acquisition. Be prepared to at least speak high-level about this technology, as TR strongly suspects this could *revolutionize* its industry. As King does not appear yet to be a major contributor to TR’s efforts here, he will be VERY interested in any education/teaching you can do here.

APPROACHING KING – What to know when approaching Rick King:

Business-oriented:

- King directs over 3,500 of TR’s operational technology teams in implementing vital transformational programs with data centers, management information systems, and internal IT services
- TR has been busy “transforming its infrastructure, creating a flexible private and public cloud foundation on which new products and technologies can be conceived and implemented.”
- Since 2014, TR began operating more as an enterprise rather than a set of distinct portfolio businesses. This marked the beginning of a “far more collaborative approach” across the enterprise. They’ve acquired roughly 300 businesses since 2003. Their new (late-2014) transformation program is designed to increase innovation, simplify the company and increase efficiencies. (*Talking to TR in terms of helping them consolidate operations will resonate – perhaps tell how ABC does it*)
 - TR has operated as 4-6 separate businesses put together from all these acquisitions – now they are trying to connect these businesses and systems - to share data and do a better job at cross-selling. This is a huge technology challenge.

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- TR is firmly entrenched with Oracle and NetApp as technology partners, and perhaps with VMWare.
- Per King: "PowerPoint drives me crazy. I find it distracting, and it rarely helps tell a better story. You can't feel someone's passion from their PowerPoint presentation. But you can see their passion when you're watching them tell their story". (*Be sure to limit your PPT and prepare to engage with stories*)
- King is recognized as an expert on broadband and was named by former Governor Tim Pawlenty to chair Minnesota's Ultra-High-Speed Broadband Task Force.
- TR has publicly indicated (Nov '15) its intention to sell-off its Intellectual Property (IP) and Science divisions. (*You may want to ask if these businesses should be included in your discussions*)
- Rick, as CIO, stills very much sees himself as a coach and teacher as he was at the start of his career in VT. (*As such, he may be impressed with vendors they can learn from and team with*)
- Telling quote from King about building personal trust: "You need to make deposits in people's banks before you can make withdrawals". (*He may take his time evaluating ABC's long-term trustworthiness – but be a loyal fan afterwards*)
- King has "deep expertise in technology strategy insights into building and scaling world-class technology infrastructures to support business growth".
- Kings says TR has been "particularly focused on Brazil, Argentina, China and Korea (King travels extensively) (as of Oct 2015).
- Per King in 2013: "We rely on companies like Oracle to be a big part of our innovation. We don't really produce technology, we use other people's technology in a way that brings together our content and delivers it in a different way. We need players like Oracle to be really innovative in their space to ensure we can be innovative in ours." (ABC Corp. *needs to stress innovation*)
 - (*TR is a firm craving innovation "success stories" – highly recommend bringing TR to your Innovation Centers to help them find their next story.*)

More personal

- Ice-breaker topics: King is very sports-oriented – was coaching school football and baseball teams, serving as a hockey referee in VT, and is a very good skier

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- Minnesota (where he lives) Vikings had good year, but lost in playoffs (but should have won), hockey, skiing, teaching, coaching, Vermont, Massachusetts.
- Also – airports (he's on local Board) and Tweets often about airport issues – it must be passion.
- King is married. He and his wife Gina have two children and live in Eden Prairie, Minnesota.
- King grew up in MA, and received his undergrad / grad degrees from the U. of Vermont (UVM)
- King is heavily involved in community and civic life, serving on multiple boards of arts and nonprofit organizations.
- More than one source refers to King as “affable”. (*This is clearly so*)

OPPORTUNITIES: Potential tech sales opportunities:

Centralizing: The Company is transforming its technology infrastructure, driving toward more standardized and modern data centers, IT systems, business systems and networks. The Company is also focused on utilizing technology as part of its security programs to safeguard its assets and those of its customers. (Phil Britan - CTO) (*TR's whole business seems to depend on secure Cloud operations.*)

It's important to understand TR's customers:

Financial Services firms – Most likely, the need for speed - need nearly instantaneous, ubiquitous (all channels) access to financial market information to make quick decisions – speed and network reliability (uptime) is everything to these customers.

Legal, Tax and Accounting, and Science – Security is crucial – as these customers use TR workflow tools to share their clients' legal, tax and other highly sensitive information. Also important is the need to quickly search and find data from extremely large data pools.

Media firms – reliable, ubiquitous network access is key.

(TR does more than just deliver market information – they provide “workflow tools” where customers share highly sensitive internal or client information (tax returns, M&A info, legal documents, ...etc.). These workflow tool solutions may be the chief area of concern for TR – the sheer volume of data, the extreme sensitivity of client's data, and the movement to multiple mobile devices may all keep TR execs up at night.)

TR sells its own secure cloud solutions – and has been delivering hosted applications to firms for more than a decade.



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Regarding Security, TR sells to customers obsessed about security (banks, law firms, etc.). TR is asking these firms for their trust – to use its technologies to share and collaborate outside the customers' own systems.

TECHNOLOGY CHALLENGES:

Per King: "Our mission is to meet the information needs of businesses and professionals across a wide range of fields, so information technology is critical to everything we do," writes King. "The key is to be able to identify, package, and serve up data and information for the bankers, lawyers, scientists and investment managers whose livelihoods are increasingly based on not just the quality of their insights, but also the speed, relevance and adaptability of those insights. And that incessant desire for speed, insight and optimized decision-making—that appetite for intelligent information—has required us to find new ways to create these increasingly intelligent information factories without having to spend more money on IT each year...The key to success for all Thomson Reuters products is to be able to perform searches on massive amounts of data very quickly and with complete accuracy.

"The key elements of our infrastructure include: Standard building blocks; A cloud-like search architecture; Virtualized Web front end; and Replication for disaster recovery. We have approximately 100,000 servers in our data centers, most with 2- or 4-CPU configurations and backed by NetApp storage. Our network infrastructure is almost entirely 10-Gigabit Ethernet."

"We believe that changes in how people access, consume and analyze data – along with the sheer volume of "big data" – place us in a great position to meet our customers' needs effectively. We believe that we can make information more relevant and deliver it faster to our customers through the smart use of technology. By harnessing the power of big data, using shared platforms and working across our business units, we are making our data more accessible and valuable for our customers. We are continually transforming our content, products, services and company to better meet our customers' needs.

In 2014, technology-related capital expenditures constituted over 90% of our total capital expenditures for the year. We developed a new infrastructure to help us more effectively gather, aggregate, connect and disseminate our content and link with customer, partner and open Internet content. We also launched our Data Innovation Lab, which allows us to partner with businesses, customers, start-ups and academic institutions on data-driven innovations and research. We continued to improve our information security risk posture and infrastructure to safeguard our assets and those of our customers. (2014 Annual Report – 40-F)

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- “Thomson Reuters Labs” will be an engine of innovation for our company, bringing together our unrivalled information assets and industry expertise with experts who can help make those assets increasingly actionable for our customers,” said Jim Smith, CEO. (*Can ABC help here??? Looks big*)
 - Canada Expansion: In October 2016, TR announced the expansion of its Canadian operations with the creation of a new technology center in downtown Toronto. The Toronto Technology Center is expected to create 400 high-quality technology jobs in Canada over the next two years (and will grow to 1,500). “It will be a global center of excellence that will focus on certain tech jobs that we believe we need the skillsets to survive and thrive off in the future,” CEO Jim Smith said. “We’re going to focus our efforts around cognitive computing, artificial intelligence and around data visualization skills. These will be software engineering jobs, they’ll be data science jobs and this will be a place where we build new software tools and products that we use in all our businesses across the world.
- TR relies heavily on their telecommunications, network systems and the Internet and any failures or disruptions may adversely affect their ability to serve our customers. Most of its products and services are delivered electronically and their customers depend on TR’s ability to receive, store, process, transmit and otherwise rapidly handle very substantial quantities of data and transactions on computer-based networks. (Form 40-F)

VALUE PROPOSITIONS / COMPETITIVE DIFFERENTIATORS / MOTTOS:

- “We are positioned at the intersections of commerce and regulation” (TR CEO)
- “We make financial markets more transparent” (TR CEO)
- Differentiator: “We better understand our customers’ workflows” (TR President Tax and Accounting)

KING’S ROLE AT THOMSON REUTERS

Rick is EVP and CIO at TR. He has been with TR since 2000 and has held numerous executive-level roles. He has also have served as COO - Technology and CTO of various TR units. King’s job is to keep TR’s infrastructure running smoothly 24/7, 365 days a year.

According to a 2015 article, “In recent years, TR has been busy transforming its infrastructure, creating a flexible private and public cloud foundation on which new products and technologies can be conceived and implemented. With 16 petabytes of information stored worldwide, the company’s requirement to sift



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through more information in less time and deliver better results was a tall order. Storage has been foundational to the change. A big part of the upgrade involved changing the storage in the back end so we could change the whole dynamic of search. The NetApp shared storage infrastructure made it economically feasible to increase the processing power applied to each search. As a result, we were able to save roughly \$65 million by eliminating the need to build another two megawatt data center."

Prior to TR, King held executive-level positions at Ceridian Employer Services, Jostens Learning and WICAT Systems Inc. King began his career as a teacher and coach with Chittenden Central School District in Vermont.

RECOMMENDED READING / VIEWING

[INTELLECTUAL ASSET MANAGEMENT DATA SECURITY IN THE CLOUD](#) - Protecting the assets that protect your business (TR Brochure)

[How Thomson Reuters Is Creating a Culture of Innovation](#) (Harvard Business Review)

[Case Study: Thomson Reuters with NetApp](#) (NetApp video)

[Economically increasing processing power with NetApp shared storage](#) (CIO Review article by Rick King)

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As of 1/12/2016 / Updated Nov 1, 2016