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Case Study: Intuit Adapts Its Product Portfolio To Exploit Tablets

Innovation Infrastructure Empowers Product Strategists' Success

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EXECUTIVE SUMMARY

Product strategists from software, media, finance, healthcare, and other industries can learn from the example of Intuit. Intuit's culture of innovation — including unstructured “white space” time and competition and events to inspire new product ideas — has spurred product groups across the company to exploit tablets in different ways. In this report, we share lessons learned from product strategists at three product groups at Intuit — Mint.com, TurboTax, and Intuit Health — as they've developed tablet products.

TABLETS SPUR PRODUCT STRATEGISTS TO ADAPT THEIR PRODUCT PORTFOLIOS

Tablets, such as the Apple iPad, are disrupting business for product strategists from software, retail, finance, healthcare, media, and other sectors. They disrupt established thinking about digital product design, as tablets are a blend of PC and mobile phone, and their unique properties require a distinct approach.¹ They also disrupt organizational norms for digital product design, as they don't fit comfortably in either web or mobile product groups and require collaboration across business units.²

Not all product strategists find tablets disruptive, however. At software company Intuit, product strategists have viewed tablets as more of a catalyst for innovation than as a disruptor. Because of Intuit's innovation infrastructure, product strategists in multiple business units have quickly been able to adapt their product portfolios to exploit tablets.

CASE STUDY: INTUIT SEEDS TABLET INNOVATION WITH CORPORATEWIDE INITIATIVES

Intuit's culture of innovation has been studied before, most recently in an article in the *Harvard Business Review*.³ But we found it worthwhile to reexamine Intuit's culture for its impact on tablet product strategy across business units. To understand Intuit's approach to tablets, we interviewed Kris Halvorsen, Intuit's chief innovation officer, who reports to Intuit Chief Technology Officer Tayloe Stansbury; Omar Green, director of strategic mobile initiatives, who also reports to Halvorsen; and senior product strategists from several of Intuit's business units, including Mint.com, Intuit Health, and TurboTax.

While there were success-breeding tactics specific to each product group, there were some commonalities across products, too. In particular, each product strategist attributed some of their tablet success to corporatewide innovation initiatives, including:



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- **Unstructured “white space” time for engineers.** Intuit allows its developers to use 10% of their time as unstructured white space time that they can devote to any project — a benefit common to other software firms, including Google. All of the product strategists we spoke with at Intuit said that the ideas for their tablet products were the direct results of engineers’ white space time. For example, on the day Apple released its software development kit (SDK) for the iPad — before it announced the hardware — three TurboTax engineers used their white space time to experiment with developing an iPad app. First, they ported over the underlying infrastructure (a tax calculation engine) from TurboTax for Mac to the iPad SDK. Once they established that the basics worked, they took the concept to upper management and got approval and resources to turn it into a real product for tax year 2010.
- **Competition and awards for innovation.** Intuit’s corporate CTO sponsors the Tech Challenge, where projects compete for engineers’ unstructured time. This year, the challenge was entirely tablet-focused and yielded five awards among the many ideas submitted. The annual winner of the Scott Cook Innovation Award gets six months of “free time” to go and build something else, which continues the cycle of innovation.
- **Events to inspire new product development.** Every year, Intuit hosts a four-day event called Create the Offering for the top tier of product strategists and engineers across the company, similar to IBM’s innovation jam sessions.⁴ Intuit founder Scott Cook also hosts internal Design for Delight forums, where teams attend together to get ideas from internal and external speakers.
- **An online community to share best practices.** In between events, product strategists and engineers can tap into an internal online community called the Design Innovation Group. This online community helped the TurboTax group draw on best practices from others at Intuit when designing their iPad app.

Intuit’s Tablet Products Yield Four Lessons For Product Strategists

For the past year, Intuit’s product groups have been hard at work developing tablet products. TurboTax, the leading self-service tax-filing software, was the first to launch a tablet app: TurboTax for iPad, which gives users full functionality for filing their taxes via the iPad. Mint.com, a personal finance website acquired by Intuit in 2009, is currently developing tablet apps for iPad and Android that are due to launch this fall. Intuit Health is developing a tablet product for self-service patient check-in at doctors’ offices that use Intuit’s patient portal. The check-in product can verify patient information and insurance information, process insurance copayments, and let patients schedule their next appointment.

Intuit product strategists from TurboTax, Mint.com, and Intuit Health all exhibited some smart behaviors as they set the strategies for their tablet products. In particular, tablet product strategists should learn from these lessons:

- **Lesson 1: Create and leverage shared resources for tablet expertise.** Omar Green, an MIT graduate and mobility expert, directs the strategic mobile initiatives (SMI) group at Intuit. Product strategists from different business units leverage his group's expertise in different ways. The TurboTax for iPad team piggybacked on SMI's relationship with Apple, which helped them set up a developer portal, get feedback from Apple on their app, and time their app's launch for maximum promotion. The results: TurboTax for iPad launched the same week as the iPad 2 and during tax season became not only the top-grossing iPad app in the finance category but the top-grossing iPad app overall.⁵
- **Lesson 2: Evaluate user needs through ethnographic research.** The TurboTax team conducted "follow-me-homes" with customers to observe how they were using the iPad app, which helped the team refine the product design and plan future product improvements. For example, they noticed that the No. 1 location their customers used the iPad app was on the living room couch, followed by the bedroom — people used the app to do their taxes in more relaxed settings. Intuit Health has also used customer observation to refine its tablet check-in product for doctors' offices. It observed patients' ability to enter information and tested new concepts, such as capturing an image of patients' insurance cards with the iPad camera and allowing patients to swipe their credit cards for copayment using Intuit's Go Payment accessory for iPad.
- **Lesson 3: Design for unique tablet attributes.** Mint.com has used the iPad to rethink what Mint could be for customers. "It's been very liberating," says Aaron Forth, Mint.com director of product design. Whereas Mint's mobile app for iPhone and Android is focused on efficient tasks like checking balances, the iPad app allows users more fully to visualize where their money is going and incorporates more content, such as money-saving tips from the Mint.com blog. The tablet app departs from the PC finance software convention of showing a line-by-line ledger of expenses, instead using logos and graphics that users can manipulate with tapping, spreading, and pinching gestures.
- **Lesson 4: Define clear business objectives for your product.** Business objectives will differ from product to product. TurboTax's iPad app is geared to new customer acquisition — more than half of consumers who filed their taxes on the iPad app were first-time TurboTax users. For Intuit Health, the tablet check-in product is geared at delivering more value to existing customers of its patient portal product; by increasing check-in efficiency, the tablet product gets Intuit more ingrained in its customers' business processes and, hopefully, this will lead to increased satisfaction, retention, and new revenue opportunities.
- **Lesson 5: Choose platforms based on adoption, goals, and available resources.** Product strategists developing content experiences for tablets have two main choices to make: 1) Should we develop native apps versus optimizing for the Web (or do both)? and 2) if we develop native apps, which platform should we choose?⁶ At Mint.com, product strategists decided to develop native apps rather than web apps for iPhone, Android phones, iPad, and Android

tablets in order to benefit from marketing promotions from Apple and Google and maximize new customer acquisition. While they recognize that Android tablets have low adoption today, because Mint.com already has developers with Android programming skills who worked on Mint's mobile app, adapting its iPad app to Android carries low marginal cost.

RECOMMENDATIONS

PRODUCT STRATEGISTS OUTSIDE OF SOFTWARE SHOULD EMULATE INTUIT

Product strategists from other industries, such as media, retail, financial services, or healthcare, can use lessons learned from Intuit to take advantage of the tablet opportunity. In particular, product strategists should:

- **Think like a software company — give your employees “white space” time.** It's no accident that so many of Intuit's tablet products came out of engineers' unstructured time — psychology researchers have found that taking breaks is necessary for “Eureka!” moments.⁷ You shouldn't expect that every minute of white space time will lead to a new product idea, but then again, you shouldn't expect innovation from employees who have tablet products as one more thing on a never-ending to-do list.
- **Have a single, companywide resource for tablet expertise.** Product groups can and should innovate on their own, but there's no reason for them to reinvent the wheel. Assign corporatewide responsibility to one small group for maintaining partnerships with Apple and other platform owners, keeping abreast of tablet research and best practices, and maintaining shared technology assets.
- **Observe, not assume, customer needs.** You might think people are using your product in a particular way, but there's no substitute for finding out for sure. Intuit uses ethnographic research; you can also leverage less-expensive alternatives, such as online communities, for conducting qualitative research.⁸ Or you can even bring customers directly into the product development process through co-creation.⁹

ENDNOTES

¹ Forrester defines a tablet as “a portable computing device with a color touchscreen measuring between 7 inches and 12 inches, optimized for communications, entertainment, and limited-input productivity. Tablets may have a physical keyboard and/or a stylus, but the primary mode of input is via finger-operated touchscreen.” See the January 13, 2011, “[Executive Q&A: iPads And Tablets](#)” report.

² Source: Inquiries with Forrester clients.

³ Source: Roger L. Martin, “The Innovation Catalysts,” *Harvard Business Review*, June 2011 (<http://hbr.org/2011/06/the-innovation-catalysts/ar/1>).

- ⁴ Innovation leaders at IBM developed jam sessions as a way of empowering employees and connecting contributors across large demographics in order to generate innovative, worldwide collaboration. These three-day “flash communities” allow employees to embrace the concept of open innovation by contributing ideas for new products, services, and business opportunities. See the April 15, 2011, “[Jam Sessions Unlock Innovation For Product Strategy](#)” report.
- ⁵ Source: Forrester interview with TurboTax product team.
- ⁶ The Splinternet is causing pain for product strategists: In an era where consumers connect to the Internet via multiple devices and platforms, how do you make smart decisions about which devices and platforms to develop products and services for? See the September 14, 2010, “[POST: Developing An iPad Product Strategy](#)” report.
- ⁷ Source: William Powers, *Hamlet's BlackBerry*, HarperCollins, 2010; Mihaly Csikszentmihalyi, *Flow: The Psychology of Optimal Experience*, Harper Perennial, 1991; and Winifred Gallagher, *Rapt: Attention and the Focused Life*, Penguin Press, 2009.
- ⁸ Forrester outlines the vendor landscape for product co-creation. See the June 8, 2011, “[Navigating The Co-Creation Landscape](#)” report.
- ⁹ Social technologies can be used to bring customers into product development. See the July 9, 2010, “[Social Co-Creation](#)” report.