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financial institutions to qualify businesses for loans, Intuit is looking at ways it could work with small businesses and lenders to help provide better financial strength assessments, which could help with the qualification process.

**Isaac M. O'Bannon** • Jan. 17, 2013



Intuit is not going into the banking business, but its president and chief executive officer, Brad Smith, told stockholders on Thursday that the company has been looking at potential roles it could play in helping small businesses secure financing.

Although he did not go into detail about the potential future venture, he noted that

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January 17. The technology company is the developer of QuickBooks, Quicken and TurboTax, as well as other personal finance applications and programs for professional accountants and tax preparers.

Smith, who took the helm at Intuit in 2008, focused his initial comments on the company's performance over the past few years, external market trends and the company's strategy moving forward.

Intuit had previously reported on its fiscal year 2012, which ended July 31, during which the company realized 10 percent growth in revenue and operating income, and earnings per share of 16 percent over 2011. Although Smith acknowledge that the performance was good, he noted that he and the board expect better results.

"It was a solid year, but it was not our best year," he said. "We did not see the levels of growth that we anticipated, not as many new customers." He noted that areas that the company needs more work on include acquiring and "delighting" new users, and better competing with "mobile-first/mobile-only" newcomers to the space.

Among the areas that he strongly applauded the company's performance was its retention of highly talented staff and a rewarding work environment. Today's release of Fortune magazine's Top 100 places to work for 2013 listed Intuit at number 22. In making this selection, Fortune noted that "Intuit encourages employees to spend 10 percent of their time pursuing projects they're passionate about."

This is one of the keys to the company's innovation, Smith said. Although an 8,000 person company, he said they work on development as if they were a startup, with "two pizza teams" driving and experimenting with new ideas. This means that the groups were small enough to be fed by two pizzas, he explained.

This energy has spurred the company's mobile and cloud-based initiatives, which

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## Looking Forward

Although Smith said that he does not see the overall economy changing much over the next year, he noted that Intuit's products "are resilient and steady in demand even in economic downturns," because individuals and small businesses look for ways to better manage their finances.

A core focus of their development in the near and long term will be "participation-driven innovation," where users increasingly determine which apps and features of programs they engage with and use. Other fundamental shifts in user engagement are driving Intuit's products toward greater geographic openness, he said.

"In the era of cloud-based technologies, the world's borders have come down. About 40 percent of our U.S.-based small business users are doing business outside of the country."

The participation-driven development strategy is also enabling Intuit to gain more traction internationally. The new QuickBooks Online includes functions that allow users to customize the accounting system into 42 languages and to update and share their national or local taxation and financial rules with others. As a result, the system now has users in 162 countries.

The annual stockholder meeting also included the reelection of Intuit's board of directors, which is led by chairman Bill Campbell, as well as approval of executive compensation and material terms. The company plans on filing form 8-K within four business days.

Intuit stock opened Wednesday at 63.01, and at the time of this article was trading at an all-time high of 63.57.

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