

Leveraging the Capabilities to Drive Consumer Product Innovation

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What are we hear to talk about?

- A basic problem we all need to solve for....
- Anyone remember?
- What has changed
- How F500 companies view Open Source
- Bright Shiny Objects (BSOs)
- What we're doing at H&R Block with Open Source
- What did we learn?
- Where is all of this going?

A basic problem we all need to solve for...

- It's about the customer, all of the time.....
- Time to market is critical, product pipelines are shorter
- Innovation curve is steeper and more competitive
- The Internet has created access to competitive alternatives for your goods and services
- Niche is good but scale is more important
- Initial investments are getting smaller

Anyone remember?

- Mainframe / Unix wars?
- SNA – TCP/IP wars?
- Object Oriented Programming?
- SGI?
- OS/2?
- Card punch / PPT / green bar?

We are now into our 3rd generation of driving core technology changes and have not yet fully delivered on the value that ‘technology’ has long promised to bring!

How many F500 view Open Source

- Evil
- Confusing
- Always 'not good enough'
- Lacking maturity and key features
- Unsupportable
- Never 'free'
- Highly 'hackable'
- Career ending
- 'Fly by night'

Bright Shiny Objects

- Technology for technology sake is interesting but not really valuable
- We (technology leaders) are guilty of BSO
- So are our business partners, magazines, newspapers, etc...
- Newest is not always best, neither is most mature. It's the mix of the best that wins
- Every time you change a technology you change someone's career aspirations / employment options
- BSO can be powerful if used wisely
- BSO can kill your company if used poorly

A little background on H&R Block

- Total tax market size 133M consumers
- 22M consumers use our Digital and Retail offerings
- Peak of tax season we have over 13,000 retail locations, 100K Tax Professionals (mostly seasonal) and a significant online consumer community
- Highly competitive industry – also highly regulated
- Very fragmented with few key players
- Every year requires retraining of Tax Professionals and major rebuild of key systems to support regulatory changes

What we're doing at H&R Block

- Organizit! Solve for consumers need to have all the information to do their taxes and gain meaningful insights into options / what else can they do?
- Tango - Solve for consumers need to understand what they are doing instead of 'just filling in the boxes'.
- Email - Solve for simple to deploy and price sensitive email for our 10,000 office locations / 100,000 Tax Professionals
- VPro - Solve for a consumers need to work with a Tax Professional (who does their taxes) without having to go into a physical office

Organizit!

- New product, launched this season
- Consumer tool – both online and CD form
- Organize tax information and provide ‘expertise’
- No cost, easy to use
- Launch point for additional services
- First iteration of connecting consumers to our Tax Professionals without having to go to a Tax office
- 10 weeks to design, build and launch
- Stores online generated data on consumers PC (hybrid offering)

Tango

- Tango is the next generation of Do It Yourself (DIY) tax preparation products.
- Tango is build using emotional design – connects with consumers through story telling and not questions / forms.
- Co-designed with movie producers, emotional design teams and consumers
- 5 months to build, stores online data on consumers PC or on the server (their choice)
- Platform for future consumer offers

Email

- Sounds simple, but it not really that simple
- Compliance
- Access
- Scale
- Costs
- Support
- Mix of access tools
- Network complexity
- It's not the standard.....

VPro

- Virtual Professional is a new platform to connect consumers with Tax Professionals real time
- Huge complexity, skills / availability / quality / communications (multiple) / document scan & store / routing / work movement
- Can't add a lot of costs or complexity
- Must support multiple consumer methods (DIY, Drop Offs, etc)
- 8 months, multiple Open Source elements integrated into a single platform
- Key to driving new H&R Block 'Taxes your way' offers

What did we learn (or still are learning)?

- Open Sourced technologies still require support
- Integration with existing technology is more complex
- Industry standards are critical (XML, XAML, etc...)
- Build with understanding of production support needed upfront
- Do not allow to become a 'BSO' project
- Do create a cross group team to work on the project
- SCRUM is a great tool for interactive design / build / test
- Tackle 'competing' technology issues as quickly as possible
- Open Source is a viable option for us

Where is all this going?

- Within 5 years the key Open Source components will be the same place as UNIX was in the late 90's
- More computing power for less \$s, do we know how to use it?
- SAAS providers will get it 'right' – Applications / computing on demand will be usable and trusted
- Shift towards Intellectual Property (IP) creation over writing interesting code – different pipeline to manage
- Innovation pipeline continues to get compressed through features / competition and ubiquitous access
- Global teams are required to make it all work, talent is critical

What you heard today....

- Open Source is a key part of what we are doing at HRB to solve for real world consumer issues
- Still have more to do on managing the transformation of our teams to leverage fully
- Open Source is not about saving \$s, it's about performance and flexibility
- Applications and tools are still needed to fully mature the potential of Open Source offerings
- It's still all about change management and aligning what technology can do with what the business / consumers want!