



Stanford eCorner

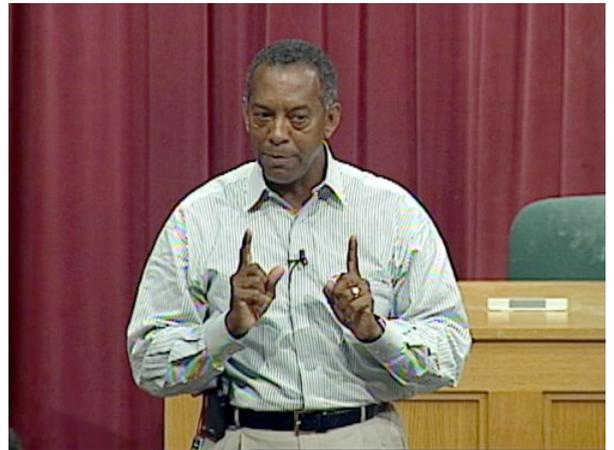
You Cannot Stop Spending on Innovation

John Thompson, *Symantec Corporation*

May 23, 2003

Video URL: <http://ecorner.stanford.edu/videos/350/You-Cannot-Stop-Spending-on-Innovation>

John Thompson states a company must never stop spending on innovation, even in challenging times. When Symantec's customers had no way to measure the effectiveness of the security technology they deployed, the company chose, amidst a difficult period, to spend a large percentage of revenue to build a portfolio of tools that would become industry standards.



Transcript

I think the final thing that we've learned is that you cannot even in challenging times stop spending to innovate around the theme of what problem you are trying to solve for customers. And as we entered a challenging 2001, which was in fact fiscal year 2002 for us, we concluded that the problem to be solved in the security space was not about security. But it was about the cost of owning and operating the security infrastructure that customers had deployed around the world. Because many of them had already deployed our antivirus products or firewall technologies from other companies or range of security technologies. But what they found was that they were far less secured than they thought they were. And they had no way to measure the effectiveness of the technologies that they deployed. So rather than pull our horns in, we've spent 15% to 16% of revenues for the last few years to build a portfolio of management tools and integrated security technologies that are now arguably the model for how security ought to be done around the world. Now my board wants to see it bare out in revenue as do the investors in our company. But by the same token, we did not back off in challenging times. We continued to invest not just in new product development but in the enhancements of our own team.

We've grown from 2,300 people when I joined Symantec to 4,400 people today. Last year we grew revenues 32%, we grew human capital at 20%. And so even in challenging times, given the diversity of our product portfolio, the diversity of our customer base and the diversity of our geographic revenue streams, we've been able to find a way to make it in a tough market.