

Brad Smith, Intuit CEO, on selling Quicken

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It's tough to part with an icon, but according to Intuit CEO Brad Smith, it was time. In August, Smith and his board bit the bullet and put their legacy personal finance program Quicken up for sale.

Quicken is the program that made Intuit, but it's been left in the desktop dust by the trend to mobile and cloud computing for small businesses.

Since its start in 1983 with a single product, Mountain View-based Intuit has grown to an 8,000-employee company with QuickBooks users in more than 100 countries and more than \$4 billion in revenue. Its TurboTax and QuickBooks are standards for tax preparation and small-business accounting, and Mint, the online finance application it acquired in 2009, has grown in popularity. Now Intuit is staking its future more than ever on the continued growth of cloud-based finance products for small businesses and consumers.

Intuit is talking to several potential buyers for Quicken and two other products, Demandforce and QuickBase. In an interview with the San Jose Mercury News after tearing himself away from a crowd of selfie-taking fans at Intuit's QuickBooks 2015 expo in San Jose, Smith explained the reasoning behind the decision.

Q: So Quicken is ancient history?

A: It is rooted in desktop technology. Our challenge is we have other products that are growing faster that have a lot more addressable market in front of them. That has always left me with an unenviable choice of

taking resources away from Quicken and putting them somewhere else. That wasn't fair to the product. So Scott (Cook), the founder, and I and the board sat down and said we need to find a family for that product that will allow it to grow while we continue to invest in our future.

Q: Will Quicken still interface with TurboTax?

A: We plan to continue to support Quicken. It will always be a part of the family.

Q: But a lot has changed in 32 years.

A: We've had to go from DOS to Windows, from Windows to the World Wide Web, from the Web to the cloud, with [mobile devices](#). Now data is doing a lot of the work that we used to have to type in, so what we've had to do is reimagine how we get the job done without losing who the company is in the process. It has been transformational change, but I will tell you we have caught a tailwind with the mobile devices and our platform now. We are growing much faster than we were a couple of years ago.

Q: When would you say that Intuit became a "cloud" company?

A: I can give credit where credit's due. It was Bill Campbell, who just recently announced his retirement as our chairman, who saw it back in the late 1990s when Kleiner Perkins' John Doerr was still on our board. We introduced TurboTax for the cloud in the late '90s and we introduced QuickBooks for the cloud in 2001.

When I stepped in as CEO in 2008, it had become the mainstream way people were starting to do business.

What really helped was the smartphone and the tablet. People were able

to be more mobile and they could actually do things in their car. And many [small businesses](#) operate on wheels. They mow lawns, paint houses and clean pools, and they no longer had to come home to do QuickBooks on their kitchen table at night. They could do it on their phone. And that's what's given the cloud a tremendous boost.

Q: You're keeping Mint, the online [personal finance](#) site. Are you going to do more with that?

A: Last year we bought a mobile bill pay company out of Israel called Check. We put Mint and Check together. The reason why we kept it and we didn't keep Quicken is that many of our small-business customers send invoices now electronically, and we want to have the ability for the person who actually has a small business doing work for them to be able to look in their Mint account and see if they have enough money and pay the small-businessman.

Q: How is that working out?

A: We have about 13 million invoices a month being sent out of QuickBooks, Two years ago it was zero. In the past 90 days we were averaging about 300,000 of those being paid electronically, and we're just early days ramping that up. So it's really starting to scale. It's exciting.

Q: And Quicken?

A: Its one of the most iconic brands out there, but it's 2 percent of our revenue and the customer base hasn't grown for 20 years. It is just an incredibly loyal customer base, and it solves an important problem for a small group of people, and we want to go out and solve big problems that aren't getting solved well. We had to move from trackers to doers, who want to have a reminder, something buzzing in your pocket. Oh, I have

to pay that bill, you press a button and it's done.

Q: Where do you see Intuit in five years?

A: I see a company that's more cloud-based, with an open platform so third-party accountants and developers can customize and personalize it. It's clearly going to be international. We are already doing about 20 percent of our QuickBooks sales outside the U.S. QuickBooks online is translated into over a dozen languages. And you're going to see that continue to be a bigger and bigger piece of our portfolio. And between our TurboTax and our ProTax that we sell to CPAs, our goal is to do more than half of the nation's taxes in the next five years. We're about 40 percent right now.

Q: Do you think you're ahead of the pack?

A: We remain incredibly humble and paranoid. Yogi Berra used to say you don't make your own candle glow brighter by blowing out someone else's. So when it comes to competition, we wake up every day, admire what they're doing and try to take our game to the next level.

Brad Smith

Born: Kanova, W.Va.

Age: 50

Career: Intuit, president and CEO; previous various executive positions; Automatic Data Processing; 7UP Co.; Pepsi

Education: Master's degree, Aquinas College; bachelor's, Marshall

University

Family: Married; two daughters

Home: Menlo Park, Calif.

Five things to know about Brad Smith

1. He writes poetry.
2. He has a second-degree black belt in Taekwondo.
3. He plays saxophone and guitar.
4. His favorite movies are "The Godfather," "Gladiator" and "Forrest Gump."
5. As a 6-year-old, he saw the smoke rising from the plane crash that killed Marshall University's football team in 1970. He attended and graduated from Marshall, which in October renamed its University Foundation Hall the Brad D. Smith Foundation Hall

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