

Celebrating

This year we are celebrating our 50th year of business, a landmark event in any company's history. But what does it mean to be 50? What is the legacy of having been formed in the era that JFK set NASA the challenge of putting a man on the moon? And what, if anything, did we learn from having been forged in the white heat of Harold Wilson's technological revolution?

Of course, these are all quite rhetorical questions, impossible to answer from this distance. So much has changed since 1960, not just in terms of the technology we work on, but also in terms of our perspectives, practices and priorities. Looking back, the world our founders launched their company into seems like a different planet, let alone a different era. In the '60s, technology evolved very slowly and, by necessity, was more about testing a hypothesis than improving people's lives. Trial and error played a huge part in an inventor's work, and unfortunately in many cases, it also played a significant role in the end-user's experience too.

We now see technology - in the developed world at least - as the servant of needs. We reach for it unthinkingly, and have come to trust it, almost implicitly. Over the next few decades, this trust will become implicit, and we will no longer have to reach for it. It will reach for us. Particularly in terms of communications technology, a field that always seems to be at the leading edge of technological innovation. The year of our formation saw AT&T launch the first communications satellites into orbit. So much in communications has changed since then, but the vision behind those early systems is not so far removed from what we see today, and what we will continue to see as we evolve over the next fifty years.

There is then a sort of loose continuity that ties those early days to the present, despite the significance of the changes. And for me, these threads provide interesting insights into how Cambridge Consultants has come to grow into the globally successful and widely respected business it is today.

But if the historical continuity is relatively loose, the same cannot be said of the threads that bind us to our clients. For when I look back over the many different organisations we've worked with over the years, from very early stage start-ups chancing their all on a radical new product, to some of the world's largest and most successful multinational, multi-market, global firms, it is clear that they all have certain characteristics in common. Indeed, it is these characteristics that mark them out as different to their competitors, and which, we believe, enable them to innovate repeatedly and successfully and translate that innovation into profit.

The first thing they have in common is that they are habitual and early adopters of new technology. They recognise that novelty has a value in and of itself, but that success depends on meeting real needs. This requires a particularly clear insight into both the market and the technology's potential, skills that enable them to pick the winners from the losers and target investment efficiently.

Related to this is a firmly held view that technology provides the most effective means of defending one's market position when a key product or service line is in danger of becoming just another commodity. For example, we helped a European domestic appliance company develop a highly advanced premium product which, within a year of launch, accounted for almost 50% of their sales. Critically, because the method was patent protected, the company had the market to themselves for an appreciable length of time.



years of innovation

Of course, not all developments can involve new technology, and one of the other characteristics we identify amongst clients is the ability to spot new opportunities to revive that hidden gem on the dusty shelves of their R&D department, or to transfer the benefits of existing technology from one market to another. A classic example of this was where we helped one of the world's best known blue-chips take a crop-spraying technology and use it to develop a \$400m a year cosmetic range.

Both of these examples are of high-end, premium products, but the businesses we work with also recognise that technology can be used to gain market share by dramatically reducing the product price point in an emerging market area, or to create a radically differentiated, highly disruptive product. This latter strategy requires a rare combination of insight and entrepreneurialism, an ability to see an opportunity and to quickly commit the resources needed to go after it. In many cases, the effect on a market can be nothing short of revolutionary, and - as for several of our clients - can catapult a company to a position of market dominance and keep them there for some time.

Finally, our clients tend to be willing to accept that risk is an important part of technology innovation, and that risk management should be integral to all corporate functions. By definition, our clients are willing to divest some of that risk to us, and to invest significant time, resources and trust into their relationship with our teams.

To my mind, these characteristics represent the essence of some of the most successfully innovative companies now, and will continue to define market leaders in the future. But what will that future bring?

Well, what we are already seeing is the need to make more of less ... to tease ever more efficiency and power out of products and systems while making them carry out ever more sophisticated tasks. Concurrently, we are seeing the need to 'hide' this sophistication behind ever more simplistic and 'user-friendly' interfaces, almost obscuring the technology from view. This is what we mean when we talk about seamlessness or ubiquity, and it's a very powerful - and highly challenging - trend. It also tells us a lot about the current cultural view of technology, and perhaps allows us to predict some of what is to come.

It is also fair to say that the challenges of demographic change and carbon-effective energy management will also dominate our work in the decades to come. The world is not getting any larger and its resources are not getting any more plentiful, and yet we are demanding ever more from it. We will need to begin to quickly find ways of making ever more efficient use of these resources and spreading the benefits to an ever-increasing number of people, and technology innovation is at the heart of this enterprise.

Finally, the internet - although seen by many as a maturing technology - is actually still in its infancy. So far, we've only scratched the surface of what it can do, using it for relatively simple forms of communication and transaction. The next phase will see the convergence of objects, devices and systems with the internet - the so called internet of things - a phenomenon that will have an impact on all of our fields of operation, from medical diagnostics and drug delivery to energy management and industrial systems. For a company of opportunists like us, this is a very exciting trend.

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