

Executive brief

Financial Times: Enterprise news in the 21st century

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FINANCIAL TIMES  
Corporate



*Adapting to emerging trends and behaviours  
within the enterprise market for digital news.*

## *Market trends*

We ask our institutional customers why they purchase access to Financial Times journalism and we hear the following themes:

*“If you think it’s expensive to hire a professional to do the job, wait until you hire an amateur.”*

### **The judgement premium**

Technology has created new, cheaper and more dynamic channels of distribution for news. The result is more information than is needed, which in turn means the risk of wasted time.

The sheer volume of information often makes it hard for knowledge workers to determine what is relevant and reliable. Information overload is an increasing challenge for our customers.

### **The quality of decision-making**

Many customers recognise that the quality of their decision-making depends in part on the quality of the sources they rely on. Our customers value and are prepared to pay for accurate, independent and reliable sources – especially in times of financial and economic uncertainty.

They recognise that free information may have a hidden cost. Free information that is unreliable, inaccurate or biased could have very expensive consequences. As Red Adair, the famous fire fighter said “If you think it’s expensive to hire a professional to do the job, wait until you hire an amateur.”

### **Technology platforms**

We also hear that the format or delivery mechanism for news has become an equally important consideration for information professionals. Technology has revolutionised the way news is delivered to the enterprise.

News delivery platforms will continue to proliferate, offering information professionals a bewildering array of options when implementing enterprise news solutions – from news content aggregators, vertical news providers, ‘cuttings services’, search engines and new tools combining news search and analysis.

## *The FT's strategy*

The Financial Times delivers the essential intelligence businesses need to help our readers avoid risks, identify opportunities and make better informed decisions.

*LG explained that the Financial Times is used by its lawyers to develop an in-depth understanding of clients and their industries.*

Within the context of the market factors outlined above, there are a number of key principles underlying the FT's approach to licensing its content to organisations, outlined in more detail below.

### **A trusted guide**

Readers value their time more than they value the news. This is something we have recognised since 1888. The Financial Times employs 550 journalists to do a daily global information search, filter out the noise and add insight – giving senior decision-makers a concise report on what matters.

Our aim is to help our clients be more productive. Take the legal profession as an example. Many law firms have restructured themselves to be more client and sector focused. They want to be able to give legal advice in a business context. We've been working with one such firm, Lawrence Graham LLP (LG). LG explained that the Financial Times is used by its lawyers to develop an in-depth understanding of clients and their industries.

This enables lawyers to build stronger client relationships, deliver a superior level of service and spot emerging opportunities and risks.

The FT also saves LG time. By offering accurate, trusted information in a concise format, users get up-to-date quickly and don't have to spend time validating this information against other sources.

Improved relevance and confidence in quality can have a significant impact on productivity.

### **Flexible licensing approach**

The Financial Times, or 'FT', is now much more than a salmon coloured newspaper. Thanks to advances in technology, millions of people access our journalism via our website FT.com, via Blackberries, iPhones, Kindles and via third party news aggregation platforms.

Rather than try to decide for you, our flexible licensing approach recognises that individuals and organisations will want to access content using a wide variety of technology solutions – including aggregation services that combine information from several providers.

Our readers pay once for the right to access the journalism and then can access it via multiple platforms. We view newsprint as simply another platform.

*By getting closer to our customers, we are finding new ways of making our content more relevant and adapting to changes in how news is used within the enterprise.*

That is why the Financial Times continues to invest in precise indexing processes and improved taxonomies to help integrate our content into third party solutions.

Our licensing approach also provides a mechanism of separating the value of FT content from the value provided by technology services.

#### **The value of a direct relationship**

Since the launch of our direct licence in April 2008, we now have over 750 corporate customers and they are benefiting from a direct relationship with the FT. By getting closer to our customers, we are finding new ways of making our content more relevant and adapting to changes in how news is used within the enterprise.

The introduction of a customer advisory board programme has provided a forum for bringing together customers and industry practitioners to explore key industry and market trends.

Our customers share how they are using the FT and the FT uses these meetings to shape future plans. Feedback from these discussions is used to refine and develop how the FT supports its customers.

We are also working with our customers to carry out internal research surveys, served either by email or IP-based online advertising, to obtain end user feedback on the FT's service.

Similarly, advances in technology provide the ability to better understand and respond to our audiences. Digital technology has facilitated the development of targeted, niche products such as Alphaville, our markets blog, and China Confidential - a premium investment advisory newsletter.

#### **Pricing on demand**

Rather than pre-determine which content should be free or paid for, the FT has adopted a 'metered' subscription model for its website that prices according to demand.

The first ten articles per month are free, as long as the user registers on FT.com. After 10 articles, the user is invited to subscribe. In this way, readers get to sample the content and decide whether it is worth paying for.

The same approach is taken for licensing our content to organisations. The FT works with information professionals to identify the number of people or 'core readers' in an organisation that require access to FT content. That might be five people or fifty or enterprise wide – the flexibility of our licensing allows you to determine what works best based on your unique requirements.

**Visible indicators of value**

As digital usage metrics become increasingly prominent, the FT recognises the need for information professionals to measure the relevance and value of FT information to an organisation.

Our licensing strategy is designed to encourage 'visible' use of FT information in order to provide a more objective basis for a discussion around value.

For example, whilst we do not permit the digital redistribution of full text FT articles for free, we do encourage the use of headline links. The recipient of the link can then access the article on FT.com either as a registered user or as a subscriber.

Similarly, if the FT is accessed via a third party, the third party provides usage statistics to both the customer and the FT. This ensures that corporate customers pay once for their access to FT content and independently of where they use it.

*For more information*

The principles of our business-to-business licensing strategy are applied consistently around the world. More than 750 organisations are now FT licence holders and you can read about how they benefit from the FT on our website at **[www.ft.com/corporate/customers](http://www.ft.com/corporate/customers)**