

FREEDOM FIGHTERS

An Australian company is showcasing the value of innovation

BY GEORGINA SWAN

It has been a good year for Atlassian. The software provider closed a \$US60 million investment deal with Accel partners for a minority stake in the company in July. Not bad for an Australian outfit co-founded in 2002 by Mike Cannon-Brookes and Scott Farquhar, who also head up the day-to-day running of the company.

One of the keys to Atlassian's success has been an industry-recognised ability to innovate from within. As Farquhar explains, it allows the organisation to ensure products are ahead of technology trends — and the competition.

"It can be very hard in your current projects to try out new technologies, but if you give staff the freedom and desire to do it then you can stay ahead," he says. "We need to give people the right time to innovate and the right environment."

Time to be innovative

The company runs several programs to encourage new ideas and products. It began with 'FedEx days', where staff have the opportunity to build and ship something in one day. The program has been tweaked over the years; staff must now deliver a working demo within 24 hours, after which colleagues gather to eat pizza and share results and insights.

The program is relatively inexpensive to administer, although staff must complete a shipment order and spec prior to the day.

"We find that innovation still needs to be focused; if you just turn up with a blank page on a Thursday afternoon, you're probably not going to get much done," Farquhar says.

Some people innovate in great leaps. Others are more incremental.

New products

FedEx days generate great ideas. The next step was to formally provide time to turn the ideas into customer value. Enter 20 per cent time. The concept is hardly new — think 3M and Google

— but it provides the opportunity to experiment through to a prototype. "Obviously, it's a much larger investment in time," Farquhar says. "But we didn't want to make the program something that was management owned or something people had to justify to their boss."


Instead, staff must gain peer approval after five days — one day a week — of working on something. Days cannot be accumulated and the program has led to direct feature improvements, such as the spelling suggestion function in, Atlassian's collaboration tool, and the ability to drag and drop attachments onto a page.

Leaps and bounds

Realising innovation programs must themselves stay fresh, the company recently formed a dedicated team. Three developers work full-time on new ways of doing things.

Their mandate: If successful, their projects must generate an order of magnitude improvement.

"The only way they could fail was if they didn't aim high enough," Farquhar says. "We kept saying 'think bigger' and we've had incredible results."

Results such as multi-tenanting products to reduce hosting costs by 90 per cent. The team has a specific focus that fits into an overall culture of innovation. And that has to come from the top. "I think you have to have that push from the top down to have that culture," Farquhar says. "We run a very open culture. And we think that providing people with full product plans and ideas of where we are going provides an environment where they feel they can be innovative and be rewarded for it." 



Atlassian co-founders and co-CEOs, Mike Cannon-Brookes and Scott Farquhar.