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Reuters Market Light: Strategic innovation at the bottom of the pyramid

It was May 2008 and Amit Mehra, Managing Director of Reuters Market Light (RML) at Thomson Reuters, was preparing to board a plane that would take him from London to India, where his two-year old venture would be relocated. Mehra, a London Business School MBA (2001) graduate, had launched the RML start-up in early 2006 within Reuters, the financial information company bought by Thomson Corporation in 2008 and now known as Thomson Reuters, and had run the venture from London since then. As the business was growing too large to be run remotely, Mehra was eagerly anticipating his relocation to India, where RML – a telecommunications service that provided rural farmers with customised, localised and personalised weather forecasts, crop prices and local agricultural news via SMS (short message service) text messages on their mobile telephones – had been officially launched in October 2007. Mehra's vision for RML was that, by 2012, it would create billions of dollars in additional wealth for farmers and hence revenues for RML by providing information that would help farmers make "informed" decisions about the planting, harvesting and sale of their crops – decisions that could significantly improve their economic circumstances.¹

Mehra glanced up at the flight board and sighed; the flight would be late. He pulled a notepad from his briefcase and began to write notes. There were three issues facing him as he prepared to take RML from a fledgling start-up to a self-sufficient business. First was how to scale up the business from 28,000 customers to 150,000 within a year – an ambitious goal that required him to resolve the second challenge as well: selecting an appropriate business model. RML had been operating on a subscription-based model, but Mehra wondered whether an advertising-based model or hybrid might offer better scalability. He knew that he must decide when to move from one to another or to try to execute more than one simultaneously. His third major challenge was to manage the internal organisational issues inherent in launching an entrepreneurial venture inside an established organisation. Although RML had enjoyed high visibility within Reuters for much of its early history, Reuters had merged with the Thompson Corporation in April 2008 and the resulting restructuring had cast uncertainty upon RML's future within the now £6 billion corporation.

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