

A Name to Herald Its Merger: Thomson Reuters

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Years ago, when Thomson was primarily a newspaper publisher, its head office in Toronto's department store district displayed the company's low-key approach to business. Its only corporate promotion was an undistinguished brass sign beside the front door.

Little of that shyness will be found on Thursday when the Thomson Corporation, a leading provider of electronic financial, medical and legal data, officially completes its takeover of Reuters, the venerable British financial information provider and news agency.

Entire subway stations in New York, Toronto and London will be decorated with the company's new name, Thomson Reuters, and its new logo, a series of encircling dots, as will the buildings housing the leading stock exchanges in those cities. And most of the electronic displays in Times Square will be taken over by the logo for part of the day as the chief executive, Thomas H. Glocer, leads a global telecast for the combined companies' 50,000 employees.

Thomson's desire to raise its public profile as it completes the \$16.6 billion transaction is partly a reflection of an era when information has never been so accessible and the struggle to maintain profitability at the companies that provide it, particularly among incumbents, has never been more difficult.

"In the simplest terms, we see this as the opportunity to be the new power brand in the global information industry," said Gustav Carlson, Thomson Reuters' chief marketing officer. "We don't simply accumulate data. Thomson's strategic evolution has been from print to digital and now into a supplier of intelligent information."

Thomson's newspaper holdings once included The Times of London, The Globe and Mail in Toronto and an array of less distinguished smaller newspapers. But as it abandoned paper for digital publishing, Thomson became the antithesis of companies like Google that treat information as a no-cost commodity for selling advertising.

Instead, Thomson has focused on building vast databases of material that is dull to most people but of great value to professionals, and the company charges them accordingly. More recently, that data has been integrated into systems that sift through it, organize it and, in some cases, make suggestions to users about actions to take. A litigation lawyer researching a case involving asbestosis through the company's Westlaw service, for example, will be presented with information from Thomson Scientific about the disease along with legal decisions related to it.

Thomson has also invested in artificial intelligence companies to develop software that can take data and news and make trading decisions faster than humans.

"People are prepared to pay for that," said Mr. Carlson, who was chief marketing officer at Thomson and will be an executive vice president and chief marketing officer at the combined company..

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With Reuters, Thomson will become roughly the same size as Bloomberg in the financial information services business, with each company controlling about a third of the market. Reuters was a direct competitor of Thomson in some aspects of that market, and its addition will give Thomson a large news-gathering capacity to add to its databases and market statistics.

Reuters is the more widely known of the two companies. Part of that comes from longevity. Starting in 1851, Paul Julius Reuter used the telegraph to sell opening and closing prices from the stock markets in London and Paris, along with bits of general and military news, to

businessmen in those cities. (Before moving to London, Mr. Reuter was involved in European ventures that relied on pigeons and relays of horses.)

But it was the development of an international network of bureaus and a move into general news that ultimately raised Reuters' profile, if not its profitability. Since its founding, the company has undergone several restructurings. For much of the period after World War II, it was a nonprofit (and often unintentionally unprofitable) organization owned by British publishers, including Thomson-owned properties at one time.

Mr. Glocer accelerated and completed the journey of Reuters back to its origins as primarily a supplier of information and data to businesses and traders. Before the merger, the company's high-profile general news operation accounted for only about 5 to 7 percent of its revenues.

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Mr. Carlson and Andy Bateman, the chief executive of Interbrand in New York, who created the company's new identity, said that neither Thomson the company nor the family of the same name that controls it insisted that its name be part of the new corporation's title.

Mr. Carlson noted that the Thomson family had been unsentimental about its history when it has come to reorganizing the company. In addition to newspapers, Thomson has pulled out of department stores, North Sea oil, broadcasting and the travel business.

But Mr. Bateman said market research found that both company's brands were too well known in their target markets to be dropped entirely. The compromise is that many services, like Reuters general news, will maintain their traditional names as sub brands.

And to further heighten the company's profile, its operational headquarters will move from Stamford, Conn., to the Reuters building on Times Square. (While Thomson is technically based in Toronto, where the Thomson family lives, it has been run from the United States for several years.)

Although the current market conditions were not what Thomson probably hoped for when it announced the Reuters takeover nearly a year ago, David Worlock, the London-based chief research fellow of Outsell, a company that tracks electronic publishers, is positive about the plan in the long term.

Mr. Worlock, a Thomson executive for 17 years, is more skeptical about the value of building the Thomson identity into a well-known name. He recalls that Roy Thomson, who founded the company in 1934, rarely favored branding acquisitions.

He said that if David Thomson, the current leader, could ask his grandfather about the value of rebranding, "he would say: 'How many more dollars will I make adding my name to Reuters? Not a dollar more.' "

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