FOCAL POINT

Joachim Karlsson founded Focal Point in 1997 when he was still a doctoral candidate at Linköping University in 1997. The main business idea is to offer systems to analyze market need and decision support in product development.

The products are based on the research results from Joachim Karlsson’s dissertation, a part of a research co-operation between IDA (Department of computer and information) at Linköping University and Ericsson Radio Systems. A number of software versions are produced for clients like ABB, Telia, Siemens and Pfizer (formerly Pharmacia). The latest version of the decision support portal is web-based and gives support in the different phases of the business process: gap and competition analysis, market definition, analysis of client need, and product, release and resource planning. This decision support portal is mostly used in product management and operational development.

In 1998, Focal Point issued its first stock shares and was noted on the IM (Innovation Market), an exchange for small technology companies. In anticipation of a global marketer their product, Focal Point opened a sales office in 1999 in Stockholm.

In 2000 Focal Point moved from IM to the Stockholm Stock Exchange and in the same year was named, spin-off company of the year in Linköping. In 2001 Focal Point had 13 employees and reported revenues of 9.5 Msek.

The origin of the idea and early development

The idea that finally led to Focal Point, originated in 1993 when Joachim Karlsson completed his examination paper at the department of computer science and engineering at Linköping University and at the company Sectra. After the exam he was offered a postgraduate work in a research co-operation between IDA at Linköping University and Ericsson Radio Systems.

Joachim met Niklas Olsson and Mikael Lindwall at IDA and together they formed a creative team. Early in their collaboration they discovered an economical potential of conferences and seminars, so parallel with their postgraduate work they arranged courses and lectures in programming development and software quality. They were seen as bit out-of-the-way at IDA; they started consultant companies and the group created a strong sense of entrepreneurship.

In 1995 Joachim finished his licentiate’s degree on decision-making in product development. At Ericsson he had analyzed the client needs and created a model for prioritizing and evaluation. The model, described today by Joachim as a ‘little tricky and theoretical’, gave support in deciding which products should be developed and how. The licentiate’s degree became the foundation for Focal Point’s business idea and also the dissertation he presented in May 1998.

In autumn 1995 Joachim took a break from his thesis work and started as a consultant at SoftLab in Linköping. In consulting with other companies he identified an interest for his research field.
At the same time Joachim seriously began thinking about starting a company. He had the knowledge and the research results sought after by the companies. If SoftLab could successfully run a company, why couldn’t he?

In spring 1996 Joachim began seriously to test his ideas in his daily contacts with companies. After working a year as a consultant he talked to Stefan Oldgren, who recently had left Devenator and also had experience from running a company. Stefan critically scrutinized Joachim’s business idea and thought it looked interesting.

Stefan was prepared to join Joachim and in autumn they created a rudimentary business plan. Stefan used his experience on the commercial side of the company, while Joachim was the driving force in developing the business idea. The business plan was to develop a software product that could give support for decision processes in evaluation of the client need and product development.

Looking back Joachim recognizes a number of reasons for starting Focal Point in January 1997. He had developed a business idea from working with his thesis at Linköping University and Ericsson. He had also “a naivety when it comes business development – if others can run a company why can’t I?” The final decision was due to Stefan with his former experience and belief in the idea. An important factor was also the feedback from the companies he met during his time with SoftLab.

Another reason for starting his own company was the fact that his idea was product-based and couldn’t therefore be developed within SoftLab, which is principally a consultant company and did not develop product based ideas in-house. However, when working at SoftLab Joachim found demand for his product, and developed good contacts as well.

Focal Point started in January 1997 in the Mjärdevi Science Park with Joachim as CEO and Stefan as chairman of the board. To manage financially, Joachim took consultant work and he had also a part time salary as a doctoral candidate. That was a good solution both financially and research wise, but for the time being they kept a low profile on the product development.

In May 1997 Focal Point hired a product developer, Stefan Olsson. He was instrumental in developing the technological part of the idea and contributed much in developing and implementing Joachim’s research results to a functioning software product.

In autumn a first version of the software product was produced, where they tried to implement the model from Joachim’s licentiate’s degree. After finishing this first version Stefan wondered if he was needed any more in Focal Point; today somewhat amusing because they are still in principle developing the same idea. Joachim’s consultant work contributed with valuable input to the development process and many of the companies he worked for became clients to Focal Point, a kind of ‘focused survival consulting’. Consequently, the consultant work was important for future business contacts and afterwards Joachim regards it as ‘paid sales work’.

In May 1998 Joachim presented and defended his dissertation, in which he had further developed his model for decision support systems. The model was implemented in a second version of the software product, which became the first commercial version. The first client for Focal Point was Pharmacia, followed within a year by ABB, Telia and Siemens. The clients provided good feedback but were not especially visionary in their thoughts about the
future development. “The reaction from the clients was more of a ‘aha-experience’ of our ideas, rather than coming with suggestions to us that could be developed”, says Joachim.

When they analyzed the first version they saw a number of potentials for improvements. The product covered a limited part of the product development process, and it was also difficult to share the information because the software was used in separate units and not in teams. The ambition at Focal Point was that as many users as possible should have access to the information during the development process. So they developed a web based version that would facilitate the spreading of information within the development team and make it easier to integrate the clients in the process. In addition they created a more complete business development system by adding more services.

Parallel with the development of the new product, Focal Point was in the end of 1998 listed on the Innovation Market. The goal was to attract new investors to the company by directing new share issues. In 2000 Focal Point was listed on the Stockholm Stock Exchange.

In 1999 more additional capital were invested in Focal Point and more people were employed. But the sales and the product development ceased, due much to co-operation problem between staff members in the expansion phase. In spring 2000 the problems were solved and both sales and product development accelerated.