

Google Company Report In Management Concepts

Submitted to

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Introduction

Google is headquartered in Mountain View, California, with a large campus called “The Googleplex”. Google is a global company that provides products and services to a multitude of industries, primarily in the technological field. The technology and information industry harbors constant innovation and growth. In fact, most companies operating in this time must sustain a forward thinking strategy for innovation in order to retain their competitive advantage. Google has mastered the task of innovation through their organizational strategy.

Almost everyone is exposed to Google in one way or another. Google has grown to be a huge company that works on many different innovative projects, but their mission has always been “to organize the world’s information and make it universally accessible and useful.” Most people think of Google as a search engine, and nothing more. “Google” has become an interchangeable term for “search” in many cases. Often, one may hear someone say, “I need to Google that information.” Google’s brand has formed a relationship with millions of people all over the world, but they have expanded far past a search engine. Later on, I will go into depth about Google’s organization strategies and the products they offer.

My Interest

My personal relationship with Google surfaced through a desire for innovation. As someone with an entrepreneurial mind-set, I initially had no interest in working for another company. I wanted to create my own. But, I ended up doing some research on Google for a class paper, and found just how innovative the company is. I learned that Google has offices all over the world, and some incubators for business start-ups. They fund new ventures and purchase many successful or promising companies that usually have some sort of technological innovation as their foundation. Google acquires these companies and allows them to operate in a similar way as they did before, sometimes even retaining their brand if it was well-established, except following the acquisition, the company has access to Google’s company resources, allowing them to grow and prosper more securely and effectively. In addition to this approach to innovation, Google allows many employees regular work time to grow their own creative projects.

My goal in entrepreneurship is to be able to make a direct impact in society. Not only would Google allow this, but also they promote, encourage, and support it while providing job security and great benefits that would not be possible as an independent entrepreneur. For these reasons, I have a goal of working for Google in the future, so I am always seeking more information on the company.

Research

In order to find this information, I researched multiple sources. One of the best primary sources is the Google web site itself, providing surface information on most aspects of the company. For in-depth analysis of certain topics in social responsibility and organizational strategy, I used the EBSCO Host Database through the University of North Texas online library. Some of the main searches are for Google’s management and strategy. The other sources I will use actually come from “Gogglings” things like “Google Company Statistics”, “The Wall Street Journal on Google Organization”, and

more. Google scholar provides some reliable sources, though there are many more full sources to use through the UNT library databases.

Company History

Google holds one of the most recognizable brands in the world. How did they get to where they are today? Larry Page and Sergey Brin who met at Stanford University founded Google in 1998. They had initially created a search engine they called “BackRub” which used links to assign the importance of webpages. Later, they named the search engine “Google” as a play on the word “googol,” which is a mathematical term identifying a 1 followed by 100 zeros.

Google made their auction-based initial public offering through NASDAQ in .2004. Wall Street had a field day with Google’s 19,605,052 shares of Class A common stock. Google’s IPO put the company on a path that continues to reshape its business and in turn, much of the world. When they filed their IPO paperwork, Page and Brin included an manual that asserted Google’s objective to remain an unconventional company that makes risky gambles on long-term projects, pays little attention to the unwritten Wall Street rules, and makes a high priority to pamper employees. The IPO raised \$1.2 billion, which empowered the company with stock that attracted more people and allowed Google to buy promising companies like YouTube. According to Dallas Morning News, Google has acquired more than 250 companies in the last 10 years.

Today, Google has more than 70 offices in over 40 countries around the world. No two offices are the same, but visitors can expect to find Googlers sharing cubes, video games, pool tables, pianos, cafes, microkitchens, whiteboards, and decorations that express the location’s local culture.

Since Google’s beginning in 1998, the company has grown to over 52,000 employees across the globe. The management team is comprised of some of the most experienced technology professionals in the industry.

Google’s business model has grown with the Internet from the focus of a delivery platform. See the appendix for an info-graphic of facts and figures that outlines the growth of the company up to 2010.

Products, Services, and Markets

CEO, Larry Page, identified Google’s objectives towards three different groups: Consumers, Businesses, and the Web. He asserts that Google’s goal is to give ease for users to find information and achieve objectives by way of a faster and smarter search engine that can understand what the user is looking for. For businesses, Google provides a multitude of tools to assist companies on and off the web. These are the programs that make up the backbone of Google’s business. In addition, they enable entrepreneurs to grow their own innovations. Google helps publishers make money off of their content, helps businesses find customers, and provides cloud computing that helps organizations save money and be more productive. For the web, Google builds products aiming to make the web experience better. Part of this is a commitment to open web and involvement in projects that seek to make it easier for developers to contribute to and move the web forward.

In 2000, Google introduced AdWords. AdWords is a self-service program that allows users to create online ad campaigns. Google's advertising solutions include simple text ads, mobile and video ads, and display ads, which assist thousands of growing businesses.

They launched Gmail on April 1st, 2004. The approach to internet mailing included some special features such as threaded messages and a large amount of storage.

Also in 2004, Google acquired a company called Keyhole. Keyhole provided digital mapping, which led to the launch of Google Maps and Google Earth in 2005. Today, Maps provides features such as transit directions, street-level imagery, and live traffic, while Earth allows you to explore exquisite places such as the ocean or the moon.

In 2006, a popular video sharing site called YouTube joined the Google force. Every minute, over 60 hours of video are uploaded to the website.

A year later in 2007, Google released an open platform for mobile devices we now know as Android.

Keeping the consistency of their yearly innovative releases, Google launched Google Chrome in 2008, which is now the most compatible and widely used freeware web browser in the world with a 45% worldwide usage share. The Chrome effort has helped Google compete against key competitors like Apple Inc. and Microsoft Corporation.

The company's mission in organizing and sharing information has been met and has expanded past a focus on information to a focus on innovation with products outside of online-based business. Though, most of the products created through Google still have some sort of Internet connection capability and/or an advanced technological aspect that incorporates shared information for practical use. To see a glimpse of what services Google offers, see the icons in the appendix at the end of this paper.

The Boston Consulting Group Matrix

Google's products can be categorized into The Boston Consulting Group Matrix to provide a current snapshot of the strength of the company's product portfolio. Google has far too many products to conduct a full study, but I will categorize some of their primary projects to get an assessment from their main focuses.

Google+, a social networking platform, would be categorized as a "Problem Child" with a low share of the market, but existing in a high growth market. Google+ has not gained the traction expected, or even close to some of the leading brands in social networking. Not all projects launched can be winners right away. Many of Google's top products that have been around for a while can be categorized as "Cash Cows". Products such as the Google search engine, maps, Gmail, and more have a high share of the market, but low growth due to the already high number of people who already participate in the market. These products don't need as much support as they did when they were launched, as they now have a loyal customer backing, which has discouraged competitors. Google retains significant revenue with these products, but without the high cost to maintain. Lastly, most of Google's newest acquisitions and innovations can be categorized as "Stars". These products grow rapidly and tend to dominate the market share, usually because they are radical innovations so they are

first movers without competition, but with the resources to effectively market the product. Usually these products would require a large amount of investment to grow and maintain a lead on competitors, but Google is such a vast, recognized, and resourceful company that they are able to efficiently implement these products to the market.

With a high mix of stars and cash cows, Google has an ideal position for their products in the market.

Organizational Strategy

Google has a high level of sustainable competitive advantage, being one of the most recognized and well-liked companies in the world. No competitor can match Google's broad reach to consumers in various industries in such a successful way from the standpoint of the consumer, the employee, and the shareholder. One thing that allows this competitive advantage to thrive is the company's set of values and their foundation for operation.

Google believes in ten things according to their company philosophy: Focus on the user and all else will follow, It's best to do one thing really well, Fast is better than slow, Democracy on the web works, You don't need to be at your desk to need an answer, You can make money without doing evil, There's always more information out there, The need for information crosses all borders, You can be serious without a suit, and Great just isn't good enough. These points are expanded on in the company web site, but are good to keep in mind as a foundation of Google's company structure.

Google implements genius strategies on the corporate, industry, and firm levels. They implement intelligent positioning in the market, adaptation to the industry, while maintaining an impressive product and company acquisition portfolio. In the firm, they promote an incredibly high level of intrapreneurship as shown through their efforts to enhance employees' creativity and give them time and resources to innovate within the company. The foundation of all of these successful strategies is the people that Google hires.

Google emphasizes that the people are what make Google the company it is. They hire those who are determined, intelligent, and have a high level of capability. These employees are called "Googlers". There is great diversity within the company, working towards a common goal. Google likes to maintain an open culture associated with new ventures where everyone is a contributor who shares opinions and ideas. The leadership practices both strategic and visionary methods. The management implements a normative decision style of quality and acceptance with weekly "TGIF" meetings where Googlers ask questions directly to the CEOs and other executives about any perceived company problems. The cafes and offices are designed to ignite conversation and encourage interactions between Googlers across teams. Much of the leadership within these teams exhibits qualities of the supportive, participative, and achievement-oriented leadership styles.

The Googleplex in Mountain View employ the largest number of Googlers, and work on nearly every Google product. The Googleplex has grown over the years, and caters to employees' creativity and innovative spirit. There are unique places around the campus, flexible workspace environments, childcare options, fitness programs, onsite gyms and many more. Google recognizes that their success is dependent on the people who move them forward by thinking big.

Ethics and Social Responsibility

Google operates by the stakeholder model, as described by Williams in *Management*, as a model that asserts that management's most important responsibility, long-term survival, is achieved by satisfying the interests of multiple corporate stakeholders.

The stakeholders that Google seems to focus on foremost are their employees. They then turn to customers and local communities. Actual shareholders hold a lower priority, because, by taking care of these first priorities, the company should be successful and in turn, take care of the shareholders.

Through examples explained below, Google fulfills all four of the social responsibilities outlined in the *Management* text. They are economically, legally, and ethically responsible as a company by default of their operation. Google also is discretionarily responsible by making great strides to help the environment and local communities past any necessary economic, legal, or ethical obligations.

Energy and Sustainability

The web has evolved greatly since Google was created, but their belief in the infinite possibilities of the Internet has not changed. Google works to transform the web into a web that is more sustainable for the environment through supporting renewable power and using resources efficiently.

Other contributions in the "Google Green" campaign include carbon neutrality for over 6 years, using 50% less energy for data centers, and funding \$1.5 billion in renewable energy projects. According to Google Green, they also help the environment through some products. For example, a business that uses Gmail decreases its environmental impact by up to 98%. For the energy that a single small business uses to host its email locally, about 80 businesses could be hosted in the cloud.

Google recycles 100% of the electronic equipment that leaves their data centers. Google holds certified high standards and collaborates frequently to progress the industry forward.

In campus operations, Google installs solar panels on roofs, implements a bike-to-work program and promotes green commuting by building a transportation system that includes biodiesel shuttles and the largest corporate electric vehicle charging system in the country. Google provides an on-campus car-sharing program that utilizes the next generation of plug-in vehicles. Google even rewards their self-powered commuters by donating to their favorite charities based on how often they walk or bike to work.

Google is also committed to providing healthy food to employees on all of their campuses. Environmental and social responsibilities are incorporated in all parts of their food program including partnerships developed with farmers and suppliers as well as efforts to minimize waste.

Google works to create buildings that optimize access to clean air and daylight. Three of their key initiatives include designing energy-efficient buildings, measuring and improving upon how buildings are operated, and eliminating dangerous substances.

Google has been recognized for their green efforts with a "Green Power Leadership Award" from EPA in 2011 and "Top Rank Cool IT Leaderboard" from

Greenpeace in 2012 and 2013. Google also co-founded the Climate Savers Computing Initiative in 2007 and joined The Green Grid, dedicated to higher sustainability and efficiency standards.

Google has made environmental protection and renewable energy part of its operations and its corporate identity in a unique way. Google's commitment to renewable energy has set the bar for the industry.

Community

Google is also committed to contributing to the communities in which they operate. They do this through providing grants and forming local initiatives that aim to help schools, nonprofits, and businesses thrive.

An example of Google's role in the community is their place in The Dalles, Oregon. Google has invested \$1.2 billion in The Dalles data center facility, and has given \$8.6 million to nonprofits and schools in Oregon since 2008. They invested \$100 million in the Shepherds Flat Wind Farm in Oregon, which now produces enough energy to power more than 235,000 homes. Google holds summits and community events that promote STEM education and some that help small businesses get online. Some of these partnerships and events include: Gorge Gravity Games, Gorge Robotics Initiatives, Oregon Google Summit, Oregon Get Your Business Online, and GoogleServe. More information on these initiatives can be found on the inside look of Google data centers.

Conclusion

From Google's apparent success in all areas of analysis, concern for ethics and sustainability, and consideration for employees, it is clear why Google is such a popular and well-received company.

The management strategies and leadership styles have proven to be successful. The work-place environment is unparalleled. Employee and customer satisfaction are very high. Google is at the top of the chart when it comes to implementing innovation both within and outside of the company. They hold so many intelligent and diverse individuals, and are so open to and encouraging of new ideas, that there isn't anything I can think of that they don't already do.

Google has effectively won over the hearts of the people, the checkbooks of their customers, and the loyalty of the employees that have brought them to where they are today.

Appendix

-Growth Info-graphic (from Pingdom)

-Glimpse of Products Offered - Icons

-Energy and Sustainability from Google Green

Google Figures

Founded by Sergey Brin and Larry Page

Mission: To organize the world's information and make it universally accessible and useful.

Timeline

Selected moments from Google's history

- 1997: Google.com domain went online
- 1998: Eric Schmidt named CEO
- 1998: Google was incorporated
- 2000: 30 million pages indexed
- 2000: 1 billion pages indexed
- 2003: AdSense launched
- 2003: Acquired Blogger
- 2004: 8 billion pages indexed
- 2004: Google IPO
- 2004: Acquired YouTube
- 2008: Chrome launched
- 2008: 1 billion pages indexed
- 2009: Android announced

Search

- 1.8 million Google shares given to Stanford University for an exclusive license of the PageRank patent (owned by the university). They were sold in 2005 for \$330 million.
- 7.2 billion daily page views for Google.com
- 87.8 billion Monthly worldwide searches on Google sites
- 85.78% Global search marketshare
- 620 million Daily visitors to Google.com
- 1 Google.com's global website ranking
- 20 PB The amount of data processed daily by Google

Money

Google Search support for fictional languages: Klingon, Pig Latin, Elmer Fudd and Bork, bork, bork!

\$2,718,281,828

The target for Google's IPO on April 29, 2004. This is somewhat strange number as the equivalent of the mathematical constant e in billions (e = 2.718281828).

Year	Revenue
2000	\$119,108,000
2001	\$49,499,000
2002	\$424,504,000
2003	\$1,485,334,000
2004	\$3,119,223,000
2005	\$6,138,560,000
2006	\$10,604,820,000
2007	\$18,360,990,000
2008	\$27,182,818,280
2009	\$22,650,560,000

Year	Profit
2000	\$18,100,000
2001	\$6,865,000
2002	\$99,468,000
2003	\$195,448,000
2004	\$1,191,000,000
2005	\$1,445,397,000
2006	\$3,077,450,000
2007	\$4,703,720,000
2008	\$4,226,400,000
2009	\$6,520,450,000

97% Percent of revenue from advertising

Year	Revenue
2002	\$410,815,000
2003	\$1,480,883,000
2004	\$3,143,248,000
2005	\$6,265,902,000
2006	\$11,092,628,000
2007	\$14,412,843,000
2008	\$21,128,514,000
2009	\$22,880,804,000

Region	Percentage
USA	47%
UK	13%
Rest of world	40%

\$40.5 billion Budget (Dec 31, 2009)

People

Noogler

A new Googler. Rule of thumb: When you've been around longer than 1% of the staff, you cease being a Noogler.

- 19,835 employees
- 20% Percent of time Google employees can spend working on ideas and projects that interest them
- 17 Googleplex cafeterias with free gourmet meals
- 50% Percent of Google's products that originated from the 20% time

Function	Percentage
General and administrative	14.8%
Sales and marketing	37%
Research and development	37.5%
Operations	10.7%

Year	Count
2004	3,021
2005	5,480
2006	10,474
2007	16,805
2008	26,227
2009	19,835

Not just search

- 45% Percent of Google's products that are in beta
- 20,000 Number of Android apps
- \$1.65 billion Revenue earned when buying YouTube in 2006
- 60,000 New Android phones shipped each day
- 20 Hours of video uploaded every minute
- 270,000 Words per minute written on Blogger
- 39.4% YouTube online video market share (USA)
- 66.7% Blogger traffic from outside of the US
- 81.9% Share of embedded videos on blogs
- 146 million Monthly Gmail users
- 5.22% Google Chrome web browser market share
- 80-100 million Number of G+ users
- 57% Google Analytics usage on top 10,000 websites

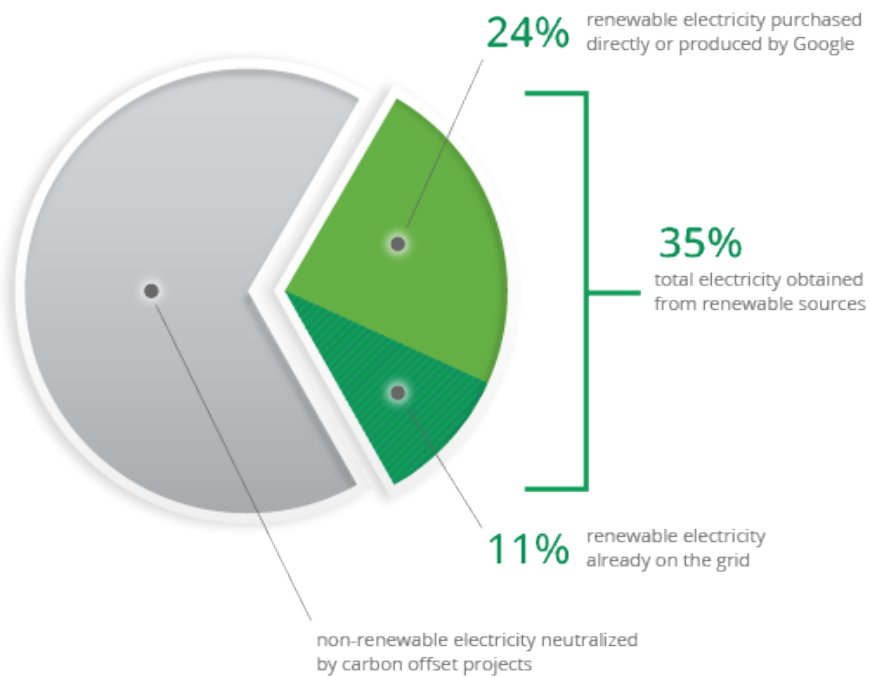
Other Google products: YouTube, Apps, Calendar, Checkout, Docs & Spreadsheets, Groups, Picasa, Reader, Talk, Translate, Webmaster Tools, Finance, Maps, Earth, Toolbar, Chrome OS, Buzz



1 Month = 1 Mile

SEE MORE NUMBERS

Google uses 35% renewable energy (2013)



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