

## 11. Swimming in Troubled Waters -surviving the recession 6

### Reversing the recession-15 lessons from Google CEO

1. Very knowledgeable employees
2. Innovation is Daring to fail
  - a. Sony's Akio Morita took away the fear factor and that is how Sony innovated
3. Incredible focus on the business model
  - a. Like Dell
4. Build-it-yourself culture
  - a. Google has developed a patented **portable data centre** (inside a freight container) complete with A/C and electrical –copies of which they can ship to any of their world wide traffic hubs to augment capacity.
5. Biggest cost is opportunity cost
  - a. Business is all about opportunities-missed and utilised!
6. Iterative decision making
7. Going against the wind
8. Shorter/ larger meetings
9. Meetings with dissidence and deadlines
10. CEO sets agenda for meetings and sends it before hand
11. Rephrase challenges
  - a. Googlers were uncomfortable with 'Earnings call'; as they were used to 'product launch', this was rephrased as 'earnings **launch**'! That set the ball rolling!
12. Take risks
  - a. AOL was forcing on Google a shrewd partnership plan in which they stood to gain whether they failed or succeeded; Dr.Schmidt saw thru that and warned Larry and Sergey; Larry and Sergey **refused to see the failure possibility** and gunned for it; VC's backed it! The deal went so well for Google that they became one of the largest shareholders of AOL; **You need to believe in yourself and take big bets.**
13. Setting the mission
  - a. The unique mission statement of Google was born because Dr.Schmidt after waiting for a long time, decided to make it work; whipped out a crude mission statement and showed it to Sergey and taking one look at it Sergey lost control and went to

dinner. Dr.Schmidt then made Larry provide the nitty gritty of the business. The mission statement which came out of this and which became a legend is “**Google’s mission is to organise the world’s information and make it universally accessible and useful. For this we choose to work on problems that affect a large group of people and problems that matter.**”

14. Superior strategy

- a. When Larry and Sergey needed \$1 mio when Google did not even have a bank a/c they decided on a strategy –if they can get just **one high profile investor** to invest \$100k , their job was done; They went to Andy who had cofounded Sun Mircro; Andy said “This is the single best idea i have heard in years” and wrote a cheque for \$100k-his approval was more powerful than Larry and Sergey had imagined!-many angel investors were anxious to back a project Andy had backed!

15. **70/20/10 rule**- Let employees experiment freely

- a. **Googlers spend 70% time on core task; 20% on projects related to core task; 10% dedicated to projects unrelated to core business!** Krishna Bhat used his 20% time to create an automated news aggregation technology called Storyrank, which we now know as Google News. Two years later a Turkish software engineer used his 20% to come up with another world changing technology –his name Orkut Buyukkokten! **This ITO (Innovation time off) is voluntary and not mandatory; employees need not even declare what their 10% or 20% project is going to be!**

*Source: Seasonal 4 May 09*