How Google Works

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Product excellence
Power has shifted from companies to consumers, and expectations have never been higher. Companies can’t get away with having crummy products, at least not for long. For example, bad product reviews trump clever marketing. Today, great products win.
A good foundation has three main pillars:

Create superior products based on unique technical insights.
Optimize for growth, not revenue.
Know the competition, but don't follow it.
“Google’s founders believed that if they created great services, they could figure out the money stuff later. If all they did was create the world’s best search engine, they would be very successful.”
“Product development has become a faster, more flexible process, where radically better products don’t stand on the shoulders of giants, but on the shoulders of lots of iterations. The basis for success then, and for continual product excellence, is speed.”
“Create a product, ship it, see how it does, design and implement improvements, and push it back out. *Ship and iterate.* The companies that are the fastest at this process will win.”
“Ship and iterate means that marketing programs and PR pushes should be minimal at launch. If you are in the restaurant business, you call this a soft opening. When you push the babies out of the nest, don’t give them a jetpack or even a parachute, let them fly on their own.”
“Any failed project should yield valuable technical, user and market insights that can help inform the next effort. Morph ideas, don’t kill them.”
“Management’s job is not to mitigate risks or prevent failures, but to create an environment resilient enough to take on those risks and tolerate the inevitable missteps.”
“When the CEO looks around her staff meeting, a good rule of thumb is that at least 50% of the people at the table should be experts in the company’s products and services and responsible for product development. This will help ensure that the leadership team maintains focus on product excellence. Operational components like finance, sales and legal are obviously critical to a company’s success, but they should not dominate the conversation.”
“Google knows that in the Internet Century user trust is just as important as dollars, euros, pounds, yen or any other currency. Product excellence is the only way for a company to be consistently successful, so our prime directive when it comes to product strategy is to focus on the user.”
“Are decisions on new ideas based on product excellence, or profit?”
Talent
Meanwhile, within companies the *power has shifted as well*. Individuals and small teams can have a **massive impact**. They can create new ideas, experiment, fail, and try again, and get their successes to a global market.
These are the product folks who combine technical knowledge, business expertise, and creativity.

When you put today’s technology tools in their hands and give them lots of freedom they can do amazing things, amazingly fast.
“Their plan for creating that great search engine, and all the other great services was equally simple: Hire as many talented software engineers as possible, and give them freedom.”
“Most knowledge workers in traditional environments develop deep technical expertise but little breadth, or broad management expertise but no technical depth.”
“Our ideal candidates are the ones who prefer roller coasters, the ones who keep learning. These ‘learning animals’ have the smarts to handle massive change and the character to love it.”
“A **specialist** brings an inherent bias to solving problems that spawns from the very expertise that is his putative advantage, and may be threatened by a new type of solution that requires new expertise. A smart **generalist** doesn’t have bias, so is free to survey the wide range of solutions and gravitate to the best one.”
“Passion is crucial in a potential hire, as is intelligence and a learning-animal mindset. Another crucial quality is character. We mean not only someone who treats others well and can be trusted, but who is also well-rounded and engaged with the world. Someone who is interesting.”
“Test yourself: Are there members of your team whom, if they told they were leaving, you would not fight hard to keep? If there are employees you would let go, then perhaps you should.”
Hiring process
Now let's get those smart creatives into the company. Never forget that *hiring* is the *most important* thing you do.
“If you could trade the bottom 10% of your team for new hires, would your organization improve? If so, then you need to look at the hiring process that yielded those low performers and see how you can improve it.”
“Our interview feedback form contains fields for: general cognitive ability, role-related knowledge, and leadership experience, ambition and drive, team orientation, service orientation, listening & communication skills, bias to action, effectiveness, interpersonal skills, creativity and integrity.”
“Leadership: We’ll want to know how someone has flexed different muscles in various situations in order to mobilize a team. This can include asserting a leadership role at work or with an organization, or even helping a team succeed when they weren’t officially appointed as the leader.”
“General cognitive ability: We’re less concerned about grades and transcripts and more interested in how a candidate thinks. We’re likely to ask a candidate some role-related questions that provide insight into how they solve problems.”
“Googleyness: We want to get a feel for what makes a candidate unique. We also want to make sure this is a place they’ll thrive, so we look for signs around their comfort with ambiguity, bias to action and collaborative nature.”
“Establishing a successful hiring culture that delivers a steady stream of outstanding people starts with understanding the role of recruiters in sourcing candidates. Hint: It isn’t their exclusive realm. The job of finding people belongs to everyone, and this fact needs to be woven into the fabric of the company. Recruiters can manage the process, but everyone should be recruited into recruiting.”
Interview question: “If I were to look at the web history section of your browser, what would I learn about you that isn’t on your résumé?”
“Most interviews will result in a no-hire decision, so you want to invest less time in them, and most good interviewers can make that negative call in half an hour. If you like the candidate and want to keep talking, you can always schedule another interview or choose to make time in your calendar right then and there. The shorter interview time forces a conversation that’s more protein and less fat; there’s no time for small talk or meaningless questions.”
Culture
First you have to attract your smart creatives. They aren't easily fooled.
This starts with culture. Smart creatives need to care about the place they work.
But remember, the CEO needs to be the CIO (Chief Innovation Officer). Innovation can’t be owned or ordained, it needs to be allowed. You can’t tell innovative people to be innovative, but you can let them.
“Once established, company culture is very difficult to change, because early on in a company’s life a self-selection tendency sets in. People who believe in the same things the company does will be drawn to work there, while people who don’t won’t.”
“Culture stems from founders, but it is best reflected in the trusted team the founders form to launch their venture. So ask that team: What do we care about? What do we believe? Who do we want to be? How do we want our company to act and make decisions? Then write down their responses.”
“Practicing what we preach in this book in the effort to change a culture takes a lot moor time than expected.”
Office space
It’s best to work in SMALL TEAMS, keep them crowded, and foster *serendipitous* connections.
“When you can reach out and tap someone on the shoulder, there is nothing to get in the way of communications and the flow of ideas. The traditional office layout, with individual cubicles and offices, is designed so that the steady state is quiet. Most interactions between groups of people are either planned (a meeting) or serendipitous (coffee machine/hallway). This is exactly backward; the steady state should be highly interactive, with boisterous, crowded offices brimming with hectic energy.”
“Working from home during normal working hours, which to many represents the height of enlightened culture, is a problem that can spread throughout a company and suck the life out of its workplace.” “Make your offices crowded and load them with amenities, then expect people to use them.”
“Are you in the right place to attract the best talent? When it comes to smart creatives, physical location matters more than ever.”
Organisation
Organize the company around the people whose impact is the greatest.
“Once you identify the people who have the biggest impact, give them more to do. When you pile more responsibility on your best people, trust that they will keep taking it on or tell you when enough is enough. As the old saying goes: if you want something done, give it a busy person.”
“Most management processes in place at companies today are designed with something else in mind. They were devised over a century ago, at a time when mistakes were expensive and only the top executives had comprehensive information, and their primary objectives are lowering risk and ensuring that decisions are made only by the few executives with lots of information. In this traditional command-and-control structure, data flows up to executives from all over the organization, and decisions subsequently flow down. This approach is designed to slow things down, and accomplishes the task very well.”
Listen to the lab coats not the suits, and get the lab coats to produce prototypes, not slideware.
“Don’t listen to the HiPPOs. Hippos are dangerous in companies where they take the form of the Highest-Paid Person’s Opinion.”
Disruption/innovation
Technology is transforming virtually every business sector.

All the world’s information and media is online.

Mobile devices mean anyone can reach anyone, anywhere, anytime.

Cloud computing puts a supercomputer in your pocket.
As a result, barriers to entry that have stood for decades are melting away. Every incumbent business is vulnerable to competition and disruption.
“Don’t look for empty space and then be lonely; it is much better to use an innovative approach to become a player in a space that is or will be large. This may seem counterintuitive, since many entrepreneurs dream of entering ‘greenfield’ markets that are brand new and have no competition. But usually there’s a reason the market is empty: It’s not big enough to sustain a growing venture.”
“Another element to consider is technology: How do you think the technology in the space will evolve? What is different now, and what further change do you expect? Do you have the talent to create sustainable differentiation within that evolving world?”
“Optimism is an essential ingredient for innovation. How else can the individual welcome change over security, adventure over staying in a safe place?”
“Forgo conventional wisdom, crank up that imagination and ask yourself what could happen in your industry in the next five years. What could change most quickly, and what will not change at all?”
“How would a very smart, well-capitalized competitor attack the company’s core business? How could it take advantage of digital platforms to exploit weaknesses or skim off the most profitable customer segments? What is the company doing to disrupt its own business? Is cannibalization or revenue loss a frequent reason to kill off potential innovation? Is there an opportunity to build a platform that can offer increasing returns and value as usage grows?”
“Do company leaders use your products regularly? Do they love them? Would they give them to a spouse as a gift? Do your customers love your products? Or are they locked in by other factors that might evaporate in the future? If they weren’t locked in at all, what would happen? When you go through your pipeline of upcoming new major products and features, what percentage of them are built on unique technical insights?”
“At the corporate level, most innovative new things look like small opportunities to a large company. They are hardly worth the time and effort, especially since their success is far from certain. And at an individual level, people within big companies aren’t rewarded for taking risks, but are penalized for failure. The individual payoff is asymmetrical, so the rational person opts for safety.”
Leadership
“Some of our best leaders have taken unusual steps to facilitate. One manager wrote and published a ‘user manual’... about himself. Anyone on his team can read the manual and understand the best way to approach him, and how to fix him if he breaks.”
“At least once per year, write a review of your own performance, then read it and see if you would work for you. And then, share it with the people who do in fact work for you. This will elicit greater insights than the standard 360-degree review process, because when you are initiating criticism of yourself it gives others the freedom to be more honest.”
Alignment
Communication is as important as decision making, and like decision-making it is something that most leaders think they are good at.

They are mostly wrong.
“Does the communication reinforce core themes that you want everyone to get? To get this right, you first need to know that the core themes are. When we say repetition doesn’t spoil the prayer, *these* are the payers we are talking about. They are the things you want everyone to grasp; they should be sacred; and there should be only a few of them, all related to your mission, values, strategy and industry.”
“If you repeat something twenty times and people don’t get it, then the problem is with the theme, not the communications. If you stand up at your company’s all-hands meeting every week and reiterate your strategy and plan, and people still don’t understand or believe in it, then it’s the plan that’s flawed, not the method of delivering it.”
Set unattainable goals, and then fail well.
“A good OKR marries the big-picture objective with a highly measurable key result. A good OKR should be a stretch to achieve, and hitting 100% on all OKRs should be practically unnattainable. If your OKRs are all green, you aren’t setting them high enough. The best OKRs are aggressive, but realistic. Under this strange arithmetic, a score of 70% on a well-constructed OKR is often better than 100% on a lesser one. OKRs are not comprehensive; they are reserved for areas that need special focus and objectives that won’t be reached without some extra oomph. Business-as-usual stuff doesn’t need OKRs.”
Other
“Burnout isn’t caused by working too hard, but by resentment at having to give up what really matters to you.”
Outsourcing: “It often makes sense for firms to do things internally rather than externally, because the transaction costs of finding vendors, negotiating contracts, and making sure the work gets done right are high.”
Carreer development plan: “Think about your ideal job, not today but five years from now. Where do you want to be? What do you want to do? How much do you want to make? Write down the job description: If you saw this job on a website, what would the posting look like? Now fast forward four or five years and assume you are in that job. What does your five-years- from now résumé look like? What’s the path you took from now to then to get to your best place? Keep thinking about that ideal job, and assess your strengths and weaknesses in light of it. What do you need to improve to get there? How will you get there? What training do you need? What work experience?”