Culture of Innovation-Google Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_a

Business Management

# Creating a Culture of Innovation: Eight ideas that work at Google

The story of innovation has not changed. It has always been a small team of people who have a new idea, typically not understood by people around them and their executives.

*—Eric Schmidt, Chairman, Google*

Some of the most frequent questions we get from CEOs and leaders of other companies are: How does Google innovate? Can innovation be planned? Can it be taught? We think that company culture and innovation can’t be separated. “You have to have the culture,” says Google Chairman Eric Schmidt, “and you need to get it right.”

So how do you create a culture of innovation? Google doesn’t have a secret formula, but we have distilled our thinking into a set of basic principles—ideas we believe can be adapted and applied at pretty much any organization, regardless of size or industry. You will find here eight principles of innovation and how we apply them inside Google.

1. Think 10x

The notion of “10x thinking” is at the heart of how we innovate at Google. To put the idea simply: true innovation happens when you try to improve something by 10 times rather than by 10%.

This is the guiding inspiration for engineers at Google[x]—the division of Google that focuses on producing major technological advances, from glucose-monitoring contact lenses, balloons that deliver Internet access to remote areas of the world, to self-driving cars. As an example, ever since we started the self-driving car project, we’ve been working toward the goal of vehicles that can shoulder the entire burden of driving. It was inspiring to start with a blank sheet of paper and ask: What if it could be easier and safer for everyone to get around? To start, we’re building a prototype vehicle that's designed to take you where you want to go at the push of a button—no driving required. We’ve now self-driven over 1 million miles and are currently out on the streets of Mountain View, California. A 10x goal forces you to rethink an idea entirely. It pushes you beyond existing models and forces you to totally reimagine how to approach it.

2. Launch, then keep listening

The restaurant business has a smart idea called the “soft opening.” Instead of hoping everything is perfect and inviting the entire public to arrive all at once, a new cafe will have a few days or weeks where they invite people in, learn what works, discover what customers love, and slowly grow (they hope) into a successful business that everyone is talking about.

We do something a little bit like that at Google. Early in Google’s history we released some of our products as “beta launches” then made rapid iterations as users told us what they wanted more (and less) of. Today we continue to listen carefully to user feedback after each launch and revise products based on what we hear.

The beauty of this approach is that you get real-world user feedback and never get too far from what the market wants. Perhaps they want the features you were planning to add next ... or maybe something completely different.

Android, Google’s mobile operating system, is an example of this approach. Launched in 2008, Android has been improved continuously, and there are more than 1 billion active Android users in the world. Another 1.5 million new Android devices are activated each day.

The beauty of this approach is that you get real-world user feedback and never get too far from what the market wants.

3. Share everything you can

At Google we believe that collaboration is essential to innovation and that it happens best when you share information openly. So as a company, we share as much as possible with employees and strive for transparency.

One practice that captures this idea well is our weekly TGIF meeting. It’s an hour-long all hands that Googlers can attend in person in Mountain View or watch on livestream from offices around the globe. Our founders, Larry and Sergey, still host the meeting as they always have. They talk about the week’s Google news, industry changes or new acquisitions. Engineering teams present their upcoming products. Leaders from across the company—from areas like People Operations, Marketing, Legal and Finance—give updates on key topics. TGIF is a blend of business and fun—there’s always food, drinks and music beforehand—and the spirit is much like a startup team coming together for a weekly wind down. Except that now it’s for thousands of people.

4. Hire the right people

Google has grown at a rapid rate: from 2,000 Googlers a decade ago to more than 55,000 now. Ever since our very first hires, Google has worked hard to attract people who want to tackle big problems that matter. To keep attracting those talents, we do not rely on the judgment of one or two people but structure the hiring process to tap the “wisdom of the crowd” in several ways.

First, we encourage Google employees to refer other qualified people they know and we reward them when those people get hired. We get 2 million new resumes every year, but referrals from current employees have proven to be a great way to bring talented new people into our company.

Second, we’ve set up a robust screening process. We look for people who are great at lots of things, love big challenges and welcome change. And when we identify a promising applicant, we engage them in a series of detailed interviews. The interview panel typically has four people, with not just the hiring manager, but three others who are asked to focus specifically on one or two areas during the interview.

These interviews assess the candidate in four different areas:

* Role-related knowledge (their ability to do this specific job)
* Leadership (and the ability to know when to follow, too)
* General cognitive ability (how they think and solve problems)
* Personality (a feel for what makes each candidate tick)

As a third step, the interviewers’ notes, scores and recommendations are included in a complete packet of information which goes to a hiring committee for review. Following a discussion of all the available data, the hiring committee makes the final decision.

We hire for capability and learning ability before we hire for expertise.

*—Laszlo Bock, Senior Vice President, People Operations*

5. Use the 70/20/10 model

We’re firm believers in a concept first introduced in the early days of Google: the 70/20/10 model. Simply put, it means that:

* 70% of our projects are dedicated to our core business
* 20% of our projects are related to our core business
* 10% of our projects are unrelated to our core business

We have a few goals in mind here. One is that this model is a helpful way to allocate resources as we think about the big picture of our business each year. It keeps the focus on core needs while also encouraging a healthy stretch into new and related areas.

Just as importantly, the 70/20/10 model supports a culture of “yes” rather than “no.” It promotes “what-if,” out-of-the-box thinking. This positive framework feeds our core business while also encouraging new ideas and big dreams that can become huge wins for the company—those 10x moonshots we were talking about earlier. In the long run, a few of those unrelated 10% ideas will turn into core businesses that become part of the 70%. And that’s good for business and the bottom line.

6. Look for ideas everywhere

We believe great ideas can be found anywhere and we look for them everywhere.

For instance, we crowdsource innovation to improve the quality of Google Maps. The idea emerged when one of our engineering teams in India realized that a lack of online map data would limit the usefulness of Google Maps in India. So they thought, why not create a platform where users could provide the missing data? That led to Google Map Maker, a tool that lets anyone make changes to Google Maps. Today, thousands of citizen cartographers around the world are literally putting their communities on the map. Today, thousands of citizen cartographers around the world are literally putting their communities on the map with Google Maps for Work.

7. Use data, not opinions

Data usually beats opinions. So at Google, data is a big part of every choice we make. We test and measure almost everything we do so that we have a continuous data stream to inform our decisions.

We also take this data-driven approach with what we call “People Operations,” our human resources department. Relying on data helps us understand the specific dynamics of our own human interactions and management practices and allows us to make smarter choices.

Googlegeist is a perfect example of this approach. Googlegeist is an anonymous survey that goes out every year to all of our global employees. The response rate is very high: around 90% of Googlers worldwide. The survey asks employees for their views on a broad range of issues—their own well-being, the company culture, their managers, compensation, work-life balance, diversity and career opportunities.

The People Ops Analytics team slices this data in all sorts of ways—by department, by manager, by tenure, by region—and shares it with everyone. Managers at every level get the survey results for their area and are urged to consider this data carefully and act on it.

8. Focus on users, not the competition

We believe that if we focus on users, everything else will follow. If you can build a robust and loyal base of people who love what you do, you’ll have something rare and valuable. For us, that always starts with the desire to improve the lives of users.

When we introduced Gmail back in 2004, lots of people thought it was a mistake. There were plenty of well-established email products on the market. Did the world need another one? Was Google getting distracted from search?

But we had a different idea of what cloud-based email should be. We thought the existing products weren’t intuitive enough and had too many limitations. We thought 2-4 megabytes of storage wasn’t enough, so we offered a full gigabyte. (Some of you may not remember the days when you had to clear out room every few hundred emails.) We believed we could provide a better experience for users, and so we gave it our very best shot. Ten years later, Gmail is the world’s #1 web-based email service, with more than 900 million active users.

We take that success as a humbling sign that any product can be improved if you simply focus on how you can make life even better for users.

Looking ahead

Those are eight ideas that have helped us create a culture of innovation at Google. The list is by no means complete, every company’s situation is unique. We’ll continue to study the data and learn from our own experience and the experiences of others.

Of course, no one knows for certain what the next great innovations will be or where they’ll come from. But one thing we do know for certain is that innovation and disruption are happening faster and faster as we move further into the new digital age. For any company that wants to keep innovating, the first step is to get the culture right.

**Questions:**

1. What is 10 X Thinking?
2. What is a “soft opening”? What makes it effective?
3. What is Google’s equivalent to a “soft opening”?
4. What kind of research is important to do with new products? Why is Google customer oriented?
5. How does innovation evolve “organically” in Google? What do they do to encourage innovative thinking?
6. Describe Google’s corporate culture.
7. What is a TGIF meeting?
8. Describe the growth in Google over the past decade.
9. What is the best method for finding new employees?
10. Explain Google’s screening process.
11. What are the 4 key areas that interviews assess?
12. Describe the 70/20/10 model.

1. How does Google use crowdsourcing?
2. How does Google use data?
3. What is Googlegeist?