

CIO – Corporate innovation online Innovation management best practices

Google/Alphabet innovation management characteristics

Google manages its innovation through a combination of management practices, some new and some old, but updated by technology and a nod toward openness and transparency the likes of which the corporate world has not experienced.

Google's style of managing innovation¹ brings to light a changing approach to management addressing the dynamics of today's corporations.



Four major characteristics.

The importance of transparency internally and externally

- Extreme openness and transparency where closely-held information and communication were more the norm decades ago
- Physical office arrangements to encourage *crowding* and the exchange of ideas and information in general
- Plan dissemination to all of Google's employees – with some obvious exceptions
- Optimal use of technology to facilitate the sharing of information and the communication of ideas and 'correspondence'.
- A clear statement about the need for a focus on short term financial performance versus long term. The company was not about 'maximizing the short-term value and marketability of their stock'

The need to create a sense of urgency

- Instilling a bias for action as opposed to incurring long periods for review. The notion is that 'smart creative' types will resolve problems once the project is underway
- Frequent meetings to instill a sense of momentum and urgency
- Quarterly reviews for presentation to the Board followed by wide distribution of content

¹ See paper, 30 pages, December 2014 on Googles management. Available on the web site.

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A clear focus on edginess – the heart of innovation

- The notion of operating as a university rather than a corporate bureaucracy is at the heart of Google's intent with the focus on research and managing a diversity of ideas
- Board presentations which draw on the persons responsible for the idea rather than a 'management type'
- A question posed front and centre to any review; What is the technical insight upon which features will be built?
- Projections based on 'faith' and less so on financial data
- The focus of efforts based on Pasteur's model²
- Investment allocations are 70% for core products, 20% for emerging products, and 10% for the 'unknown'.
- Little emphasis on the need for market research nor channel strategies.
- Data, and its use, not by 'management types' but by those who know the product/service intimately.

Flexibility in organizational design

- Applying the rule of seven to avoid micro management
- Emphasizing a functional organization to avoid the creation of silos
- A focus on relationships and not on hierarchy
- Hiring excellence as one might wish for in a university setting – the need for bright minds dominates hiring practices
- A flat organization facilitated by the use of technology
- Strategy presentations, at all levels including with the Board, are made by those who have a full knowledge of the inner workings of products and services – not some '*management type*'
- Use of OKR's – management by objectives under a different guise.
- Platforms, not products or services, are the focus of strategic planning
- Strategic plans are used to reinforce organizational alignment

Google works because of a combination of strategy, culture³ and hiring excellence.

² See full report for a discussion of Pasteur's model

³ Defined by Google as the 'rails' of the organization and its 'basis for everything'