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 innovation[1] 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] How Google Works by Eric Schmidt and Jonathan Rosenberg and co-authored with Alan Eagle. From 2001-2011, Eric served as Google's chief executive officer, overseeing the company's technical and business strategy alongside founders Sergey Brin and Larry Page. Under his leadership, Google dramatically scaled its infrastructure and diversified its product offerings while maintaining a strong culture of innovation.

Building, sustaining and articulating innovation management best practices

CIO – Corporate innovation online
Innovation management best practices

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 model[2]
- 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

One cannot help but be impressed with the range and specificity of the practices and policies which have worked out at Google and, presumably, have contributed greatly to their success. Not all of these practices are transportable to other organizations, but the fundamentals of the ideas are able to contribute to the advancement of the management of innovation if one is prepared to alter notions regarding intra-corporate communications and particularly trust.

 Google works because of a combination of strategy, culture[3] 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'

Building, sustaining and articulating innovation management best practices