How Google Works

Eric Schmidt and
Jonathan Rosenberg

with Alan Eagle

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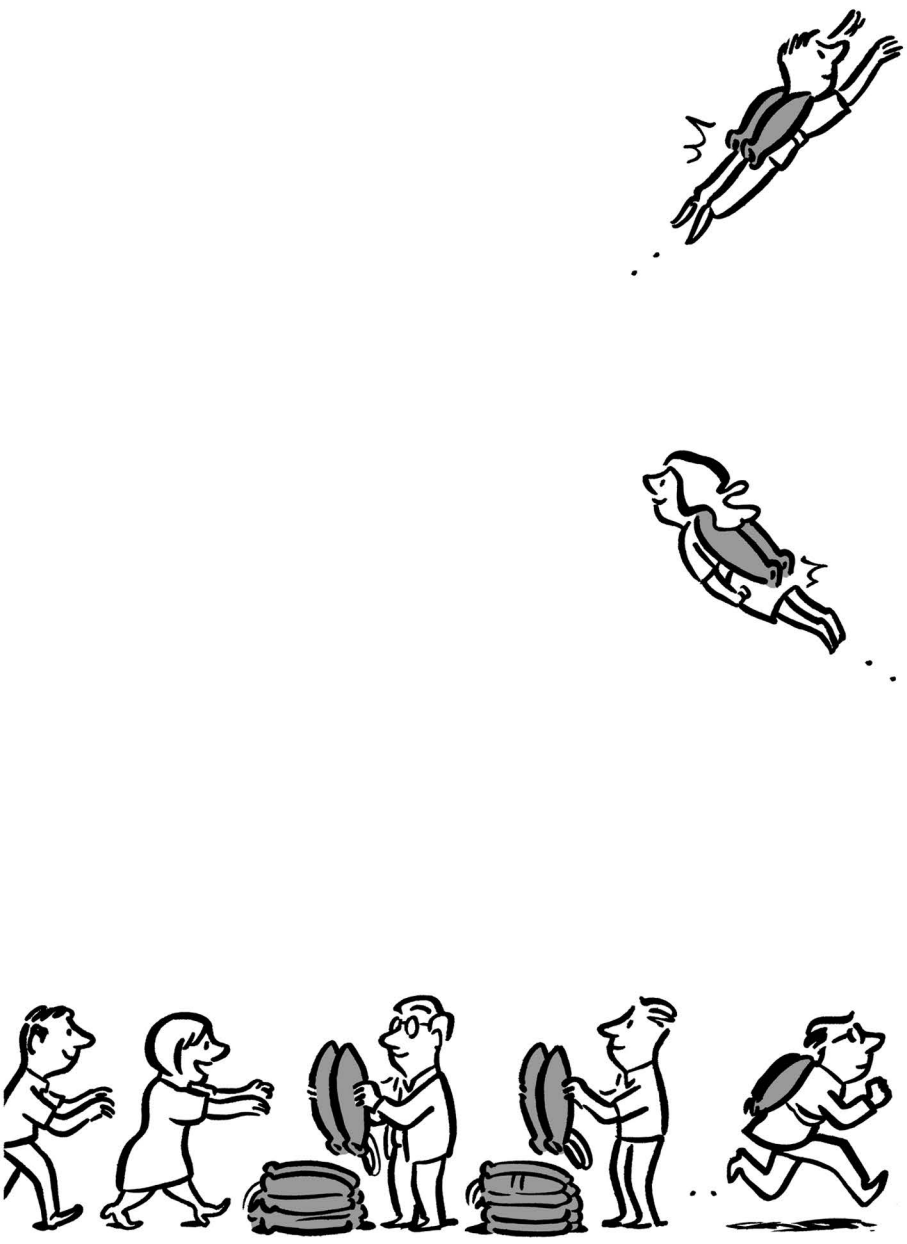
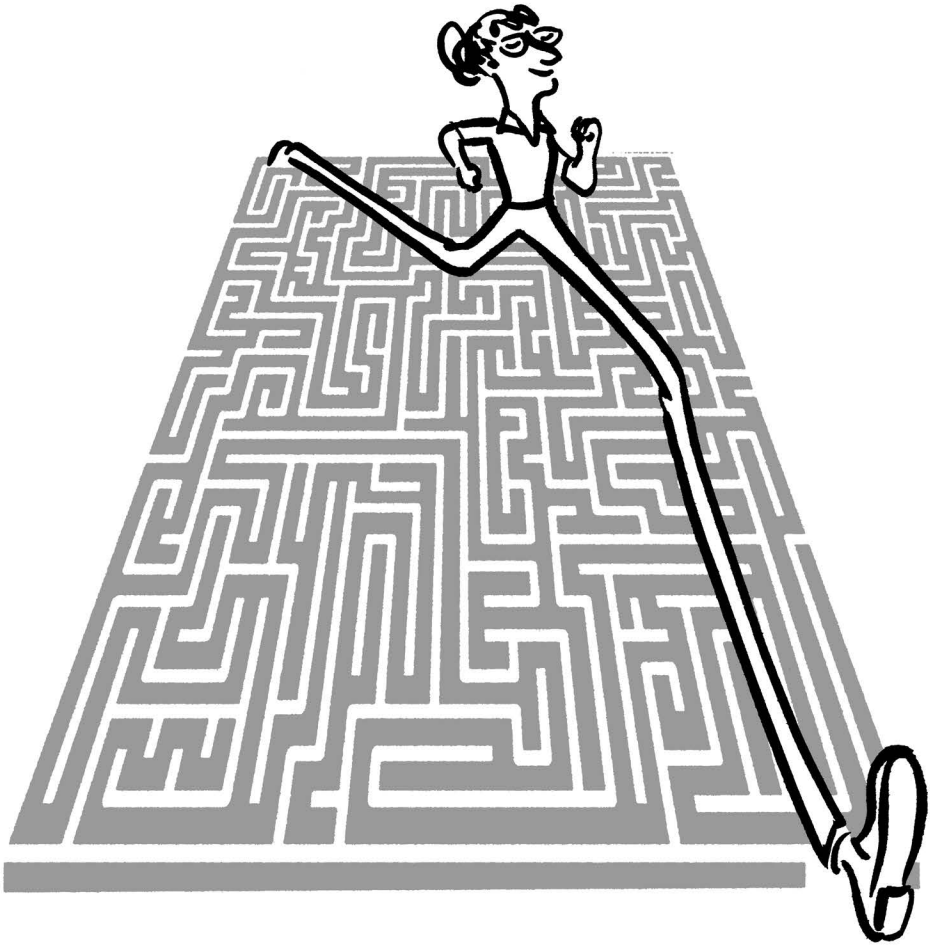
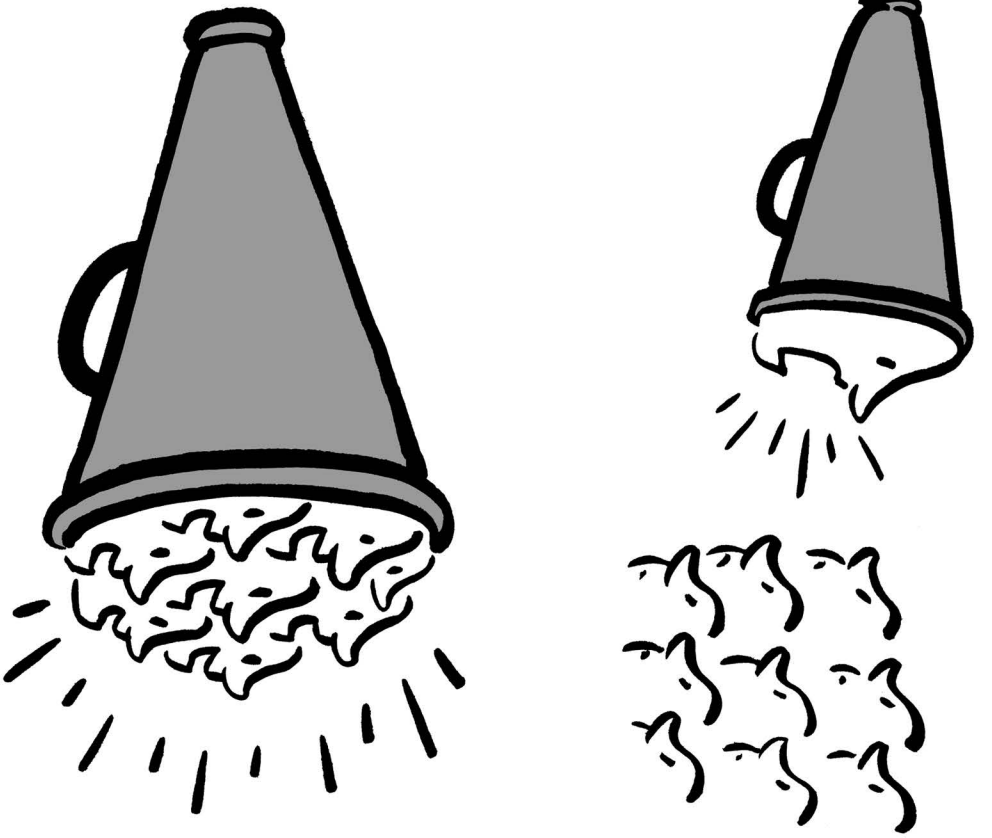




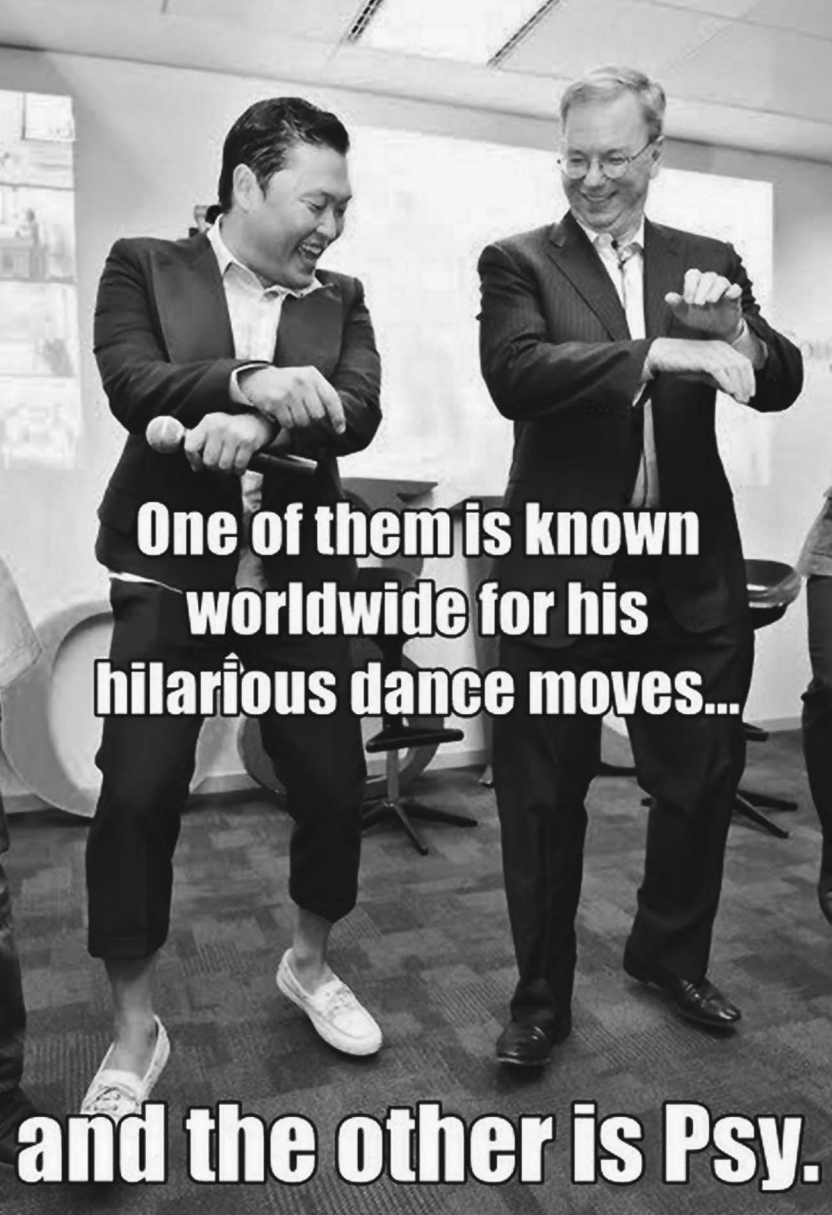


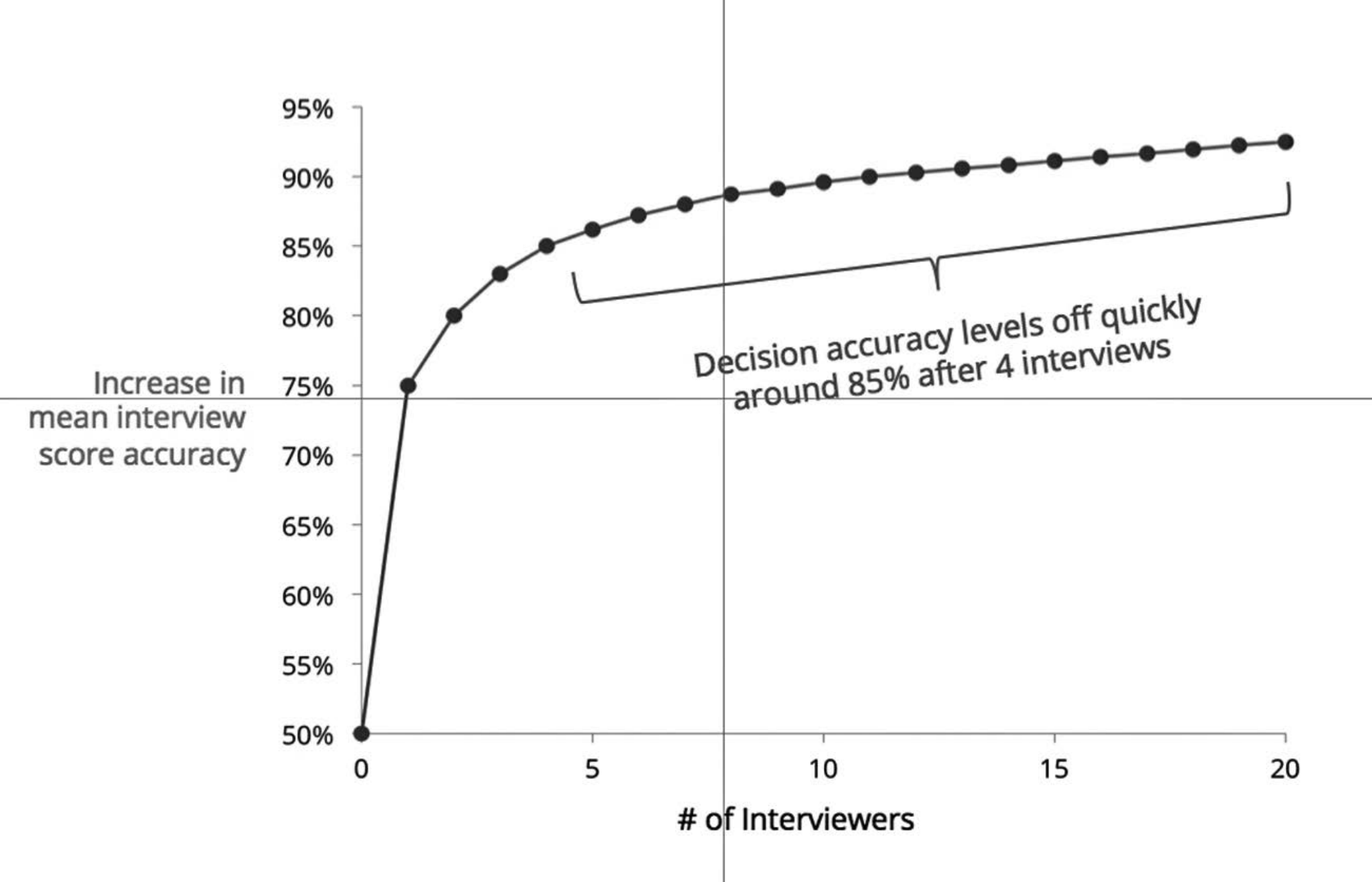
When Eric Schmidt talks
people meme

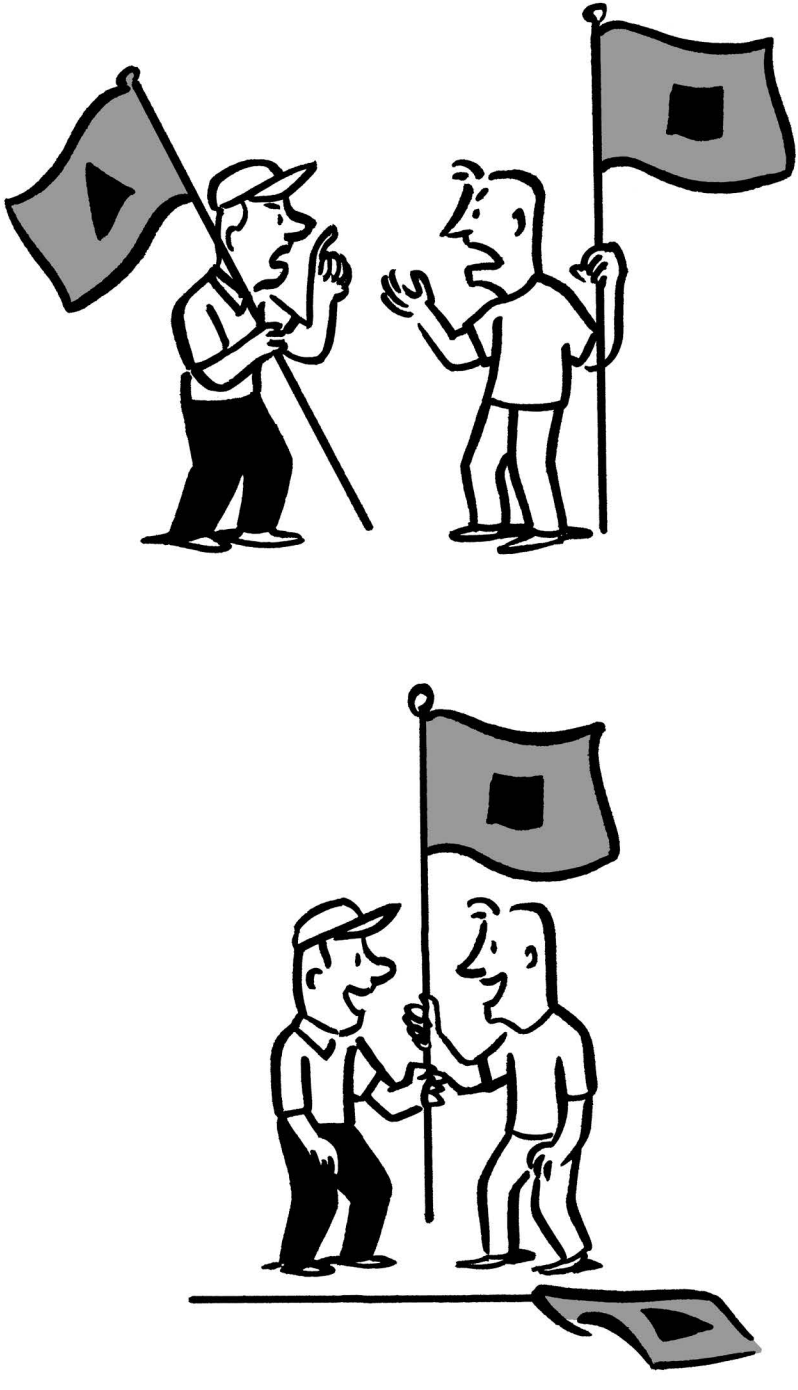
Welcome to Google
Noogler
Now get back to complaining how Google has changed since you started

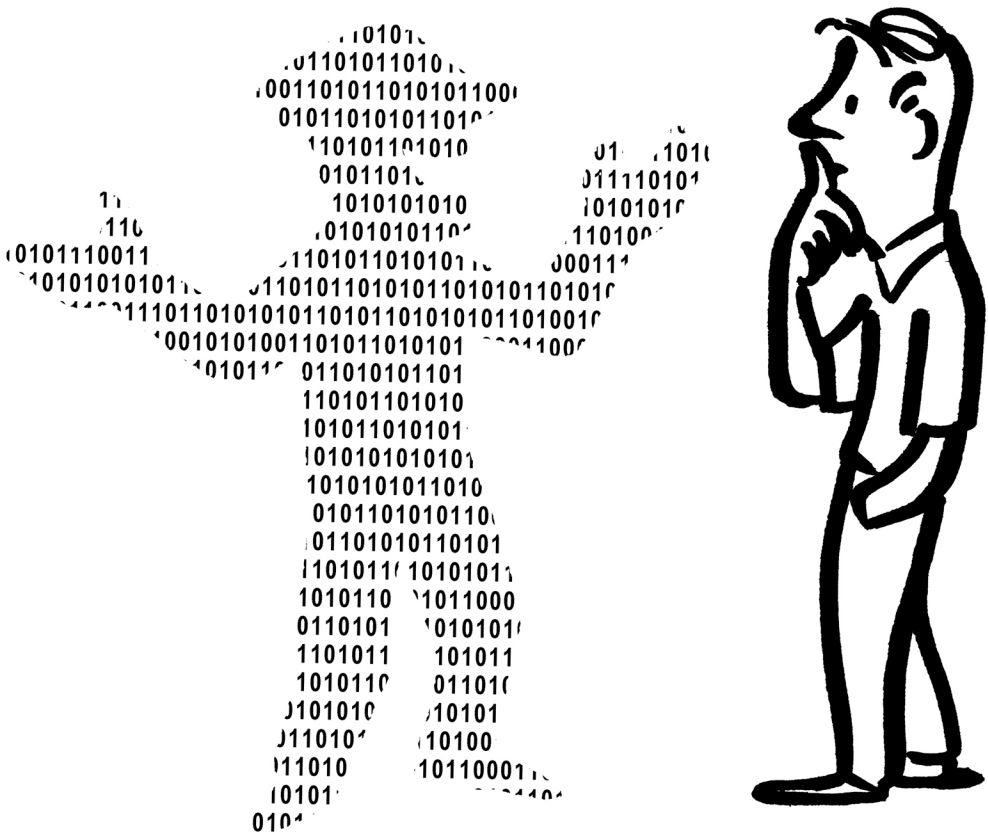
OK Glass, show me a squirrel

My OKRs are clearly no longer ambitious enough
Project Loon


One of them is known worldwide for his hilarious dance moves...
and the other is Psy.


95%
90%
85%
80%
75%
70%
65%
60%
55%
50%
Increase in mean interview score accuracy
Decision accuracy levels off quickly around 85% after 4 interviews
0
5
10
15
20
# of Interviewers





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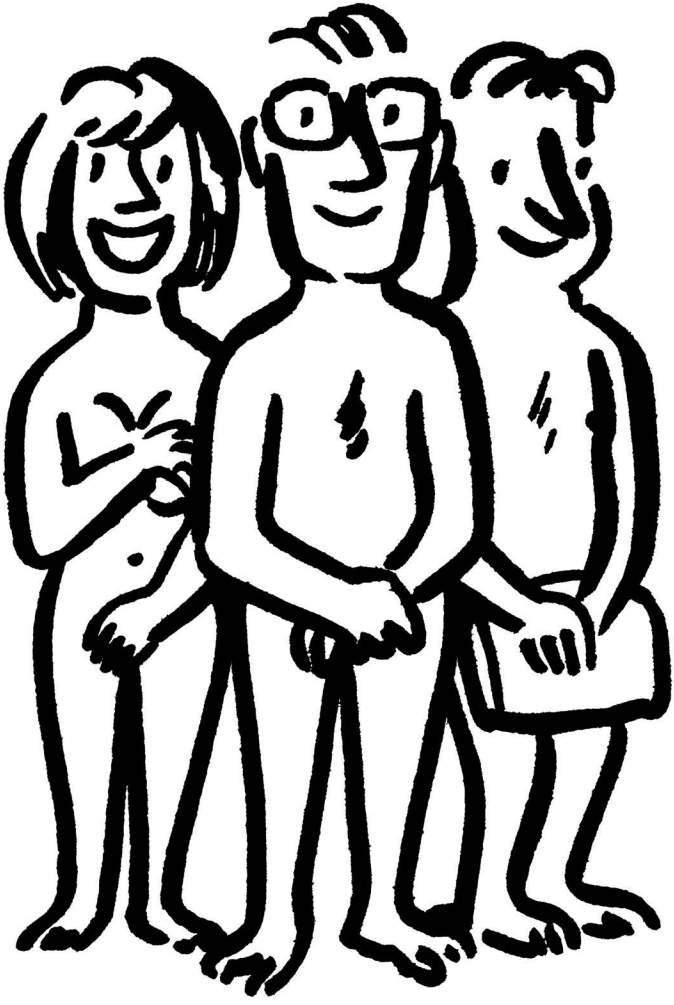

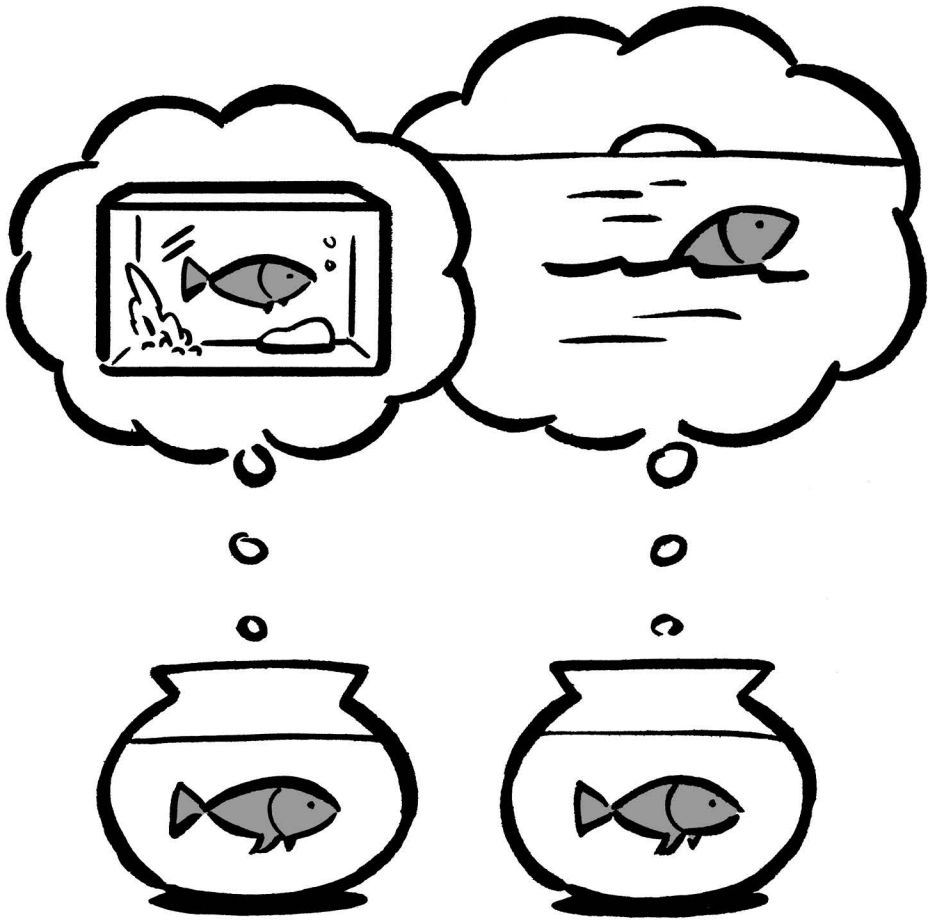

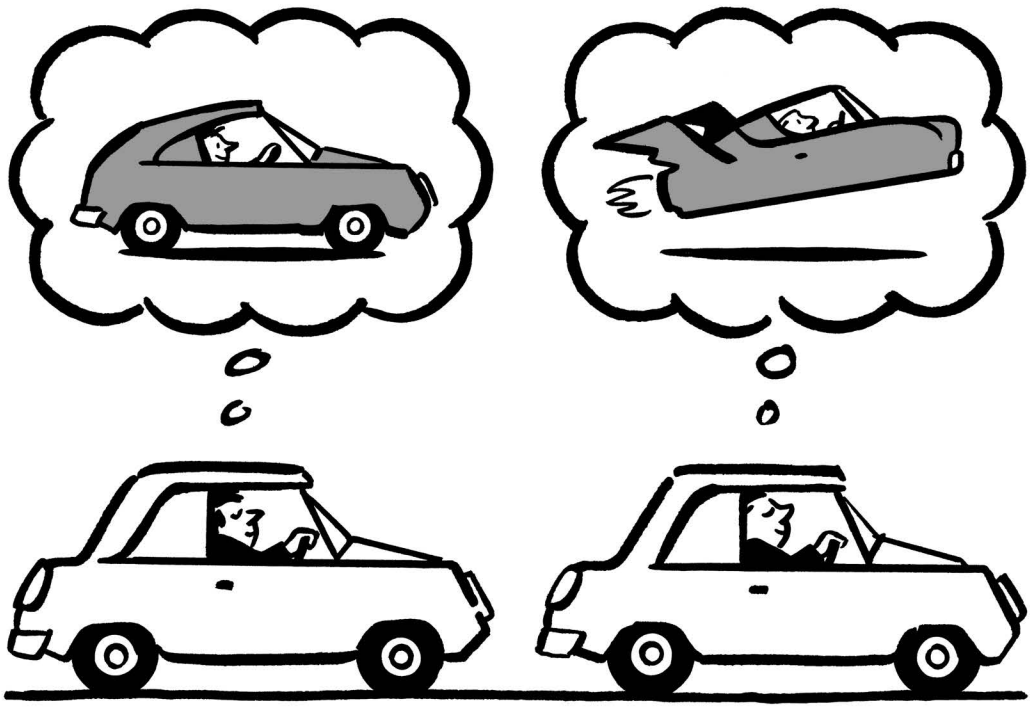

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Hal Varian, who makes economics entertaining. That's saying something too.[215]

Alan Eustace, who personifies Googley so much that he, with Jonathan's help, wrote the first Googler handbook.

Shona Brown and David Drummond, who for years were the

214. It isn't.

215. It is.

other two members of the management hiring review committee with Jonathan.

Cathay Bi and Chadé Severin, who calmly supported Jonathan in his role running products for Google and have been thoughtful critics from the outset of this project.

Jeff Huber, who worked with Jonathan at Excite@Home and showed up at Google to build a robust ad and revenue engine so that Jonathan could focus on managing smart creatives.

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The many other current and former Googlers, who helped us get our stories straight while continuing to teach us some of the finer points of managing smart creatives: Krishna Bharat, Jeff Dean, Ben

Gomes, Georges Harik, William Farris, Vic Gundotra, George Salah, and Martha Josephson (not technically a Googler, but as true a partner as can be found).

Jonathan's family—wife Beryl, son Joshua, and daughter Hannah—who always remind him that he needs to walk that management talk about empowering others and staying out of their way at home as well as in the office. This helps keep Jonathan humble, and for that everyone who knows Jonathan should thank them.

Jonathan's mother, Rina Rosenberg, who was a strong advocate for women and headed the Commision on the Status of Women for Santa Clara County. It is in deference to her that we start out describing our smart creative as a she. Jonathan's father, Professor Nathan Rosenberg, who is formally and accurately footnoted in the text as a leading scholar on technological innovation. What greater acknowledgment can a son offer than to show his father that through all the years, he really was listening?

Karen, Gordon, and David Rosenberg, Jonathan's siblings, from whom he learned a great deal about decision-making. The four of them continually fail to reach consensus on who owns the family title of smartest creative. Frankly, kids, it's time for Mom and Dad to ring the bell.

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Professor Jeff Ullman, who took a scraggly Princeton teenager named Eric Schmidt and turned him into a computer scientist, almost before there was such a thing.

Bill Joy, Sue Graham, and Bob Fabry, who at Berkeley trusted Eric as a computer scientist enough that they built a team around him.

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Jim Levine, our agent, who helped us understand the publishing world, and our editor John Brodie, who guided us wisely from rough manuscript to finished work, from Microsoft opening to Downton Abbey conclusion. And we guided John to see the awesomeness of working with Google Docs.

Sometime in the mid-'70s, a couple of kids met while pumping quarters into the world's first coin-operated video game, *Galaxy Game*, which resided in the Coffee House café at Stanford's Tresidder student union. Jonathan regularly vanquished Alan Eagle at *Galaxy*, but the two were more evenly matched in their classes at Gunn High. While they were battling for space supremacy and tackling chemistry and math, they could not have possibly predicted that thirty years later they would start working together at a company called Google. Or that nearly forty years later they would collaborate on a book about business and management. Yet that's exactly what happened. Imagine the unimaginable, indeed. Thank you to our coauthor, Alan Eagle.

Glossary

AdSense
The ads product that places ads on a large network of publisher sites.

AdWords
Google's flagship ads product, this engine generates most of the company's revenue.

ah'cha'rye
English rendering of the Hebrew for "Follow me," the rallying cry in the Israeli army.

Android
Google's open-source mobile operating system.

API
Application Programming Interface, which enables other applications to interact with it.

APM
Associate Product Manager; APMs usually do two twelve-month rotations before they become full-fledged product managers.

cloud computing
Technology that enables Internet users to access files and run applications that reside on computers in another location. These remote computers, which are sometimes called servers, are usually clustered in large data centers that feature thousands of individual computers.

Coase's law
The principle, expressed by Nobel Prize–winning economist Ronald Coase, explaining that large firms emerged because, when you take transaction costs into account, it's often more efficient to get things done within a firm rather than contracting out on the open market. Because the Internet has lowered transaction costs, Coase's law implies

that these days it's often more efficient to outsource work rather than doing it internally.

Dory
A Google internal system for posting questions for executives and voting others' questions up or down.

Excite@Home
A former employer of Jonathan's that was formed when Excite, a pioneer in web portals, merged with @Home, which helped to popularize Internet access via cable modems.

Googlegeist
Google's annual employee feedback survey.

Google[x]
A team working on some of Google's most ambitious projects, including self-driving cars, Google Glass, Project Loon, and smart contact lenses.

HiPPO (or simply "hippo")
Highest-Paid Person's Opinion.

learning animals
People who have the smarts to handle massive change and the character to love it: They so enjoy learning that they aren't afraid of asking dumb questions or getting wrong answers.

market capitalization (or "market cap")
The total market value of the issued shares of a publicly traded company.

Memegen
A Google internal site that lets Googlers create memes in the form of pithy captions attached to images, this is a fun way for employees to comment on the state of the company.

Moma
Google's intranet, used for sharing all kinds of company information among Googlers.

Moore's Law
The prediction, made by Intel cofounder Gordon Moore, that the number of transistors on a chip—and hence computing power—would double every two years. Moore initially predicted, in 1965, that the doubling would occur annually, but he revised his prediction to every two years in 1975.

multisided market
A place where different user groups can connect and provide each other with beneficial services.

Noogler
: New + Googler (new Google employee).

obligation to dissent
: The expectation that if someone thinks there is something wrong with an idea, they must raise that concern.

OKR
: Objectives and Key Results, a performance management system used effectively at Google and other companies.

open
: Sharing intellectual property such as software code or research results, adhering to open standards rather than creating your own, and giving customers the freedom to easily exit your platform.

open-source operating system
: An operating system, like Linux and Android, in which the code is available at no charge to the public for use and modification. The opposite is a closed operating system, whose code is tightly controlled by the company that owns it.

payback period
: The length of time needed to recover the cost of an investment.

platform
: A base of technologies or infrastructure on which additional technologies, processes, or services can be built.

ROI
: Return on investment.

scale
: To grow something very quickly and globally (verb) or quick, global growth (noun).

smart creative
: A person who combines deep technical knowledge of his or her trade with intelligence, business savvy, and a host of creative qualities.

tenurocracies
: Companies in which power derives from tenure, not merit.

TGIF
: Google's company-wide meeting, initially held every Friday afternoon, now held on Thursdays so that Googlers in the Asia Pacific offices can participate.

user interface
: The part of a product with which the user interacts.

Wave

Google Wave was a system that let groups of users communicate and collaborate in real time. Google stopped working on Wave in 2010, and open sourced the code.

Web 2.0

The set of technologies that make the web what it is today (an upgrade of Web 1.0 of the 1990s).