

# As Google matures, startups keep it young

March 6 2011, by Glenn Chapman

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Google CEO Eric Schmidt, seen here during the annual Clinton Global Initiative (CGI) in New York, in 2010. According to recent media reports, Schmidt is to step down as Google's CEO in April and be replaced by co-founder Larry Page.

Google co-founder Larry Page is taking charge of the maturing Internet giant in a move seen as recapturing youthful roots in the face of competition from hip upstart startups like Facebook.

The California firm isn't waiting for Page to formally take the chief executive chair being emptied by [Eric Schmidt](#) in April, it is tapping into the energy of nimble entrepreneurs bought with Google's ample war chest.

"Any engagement that [Google](#) can have with the [startup](#) community, with entrepreneurs, we learn and we are inspired," said David Krane of Google Ventures, an arm of the firm that invests in new ideas and young

companies.

"We need to be close to the people who are moving quickly and chasing big dreams at the early stage, he said in a Friday interview with AFP.

"Because that can influence and shape the way that we run as we try to fight off some of the natural side effects that come as a company gets larger."

Google has grown to a global powerhouse with 25,000 employees in far-flung locations since it was started by fellow Stanford University students [Sergey Brin](#) and Page in 1998.

Acquisitions of startups have brought technology and talent to Google, with entrepreneurs helping keep in-house engineers in tune with front line innovations.

"I feel it is more that we are having an impact on Google versus Google changing us," said Jonathan Sposato, the founder of two startups bought by the ruler of the [Internet search](#) market.

"That is a good strategy for bigger companies to stay on the edge and inoculate the organization with fresh thinking and different perspectives."

Sposato became head of photo products at Google after it bought his online picture editing startup Picnik in 2010.

The first company he sold to Google became "gadgets" tools that let people make mini-programs for Web pages.

"You see this really respectful way Google treats the incoming companies," Sposato said. "Things don't get broken apart."

Sposato works at Google offices in the Washington State city of Seattle where Picnik began, occasionally commuting to the headquarters in Mountain View, California.

"Google is learning a lot from the team and at the same time we are learning a lot," Sposato said. "There is benefit to bringing in the acquired company's culture."

Early last year, Google bought DocVerse for a price pegged at \$25 million or more and put founder Shan Sinha to work on a Cloud Connect service that lets people to collaborate online on Microsoft Office documents.

"There is definitely merit to the idea that entrepreneurs can bring unique perspectives," said Sinha, who worked at US technology titan Microsoft before starting DocVerse.

"You bring risk-taking personalities in to rethink the way markets and products should be working."

Sinha's team sells Web-based Gmail to businesses and it is one of Google's fastest growing products.

While Google has grown to the point that its gaze is naturally drawn to bigger markets, entrepreneurs are often keenly tuned into smaller markets that could explode into big trends, Sinha observed.

"Google firmly believes it should have a startup culture," said Danny Sullivan of search news website Search Engine Land.

"That core foundation is what Larry and Sergey remember," he continued. "They like to have those kinds of people around Google."

Acquisitions are not a sign that Google can't create innovations in-house, but rather an indication the firm is smart enough to find emerging talent, according to Sullivan.

Schmidt, the chief executive over the past decade, will step aside in April for Page.

Brin, who along with Page and Schmidt has led the "triumvirate" at Google's helm, will be responsible for strategic projects and new products.

Schmidt, 55, a former chief executive of Novell, is to remain with Google as executive chairman, focusing on deals, partnerships, customers and government outreach.

He will also act as an adviser to Page, who turns 38 this month, who served as CEO previously, from 1998 to 2001, and 37-year-old Brin.

The shakeup comes as Google is under increasing pressure from social networking rivals such as Facebook and Twitter.

In a blog post, Schmidt said: "Larry, Sergey and I have been talking for a long time about how best to simplify our management structure and speed up decision making."

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