



## Stanford eCorner

### Innovate in Technology and Business: The Founding of Google

Larry Page, *Google*; Eric Schmidt, *Google*

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According to Larry Page, co-founder and CEO of Google, not many companies are innovators in both technology and business. In order to be successful in technical innovation, says Page, you must understand the business and marketing side of the equation.



#### Transcript

So I think in general this doesn't actually happen. People are not innovating in business. They are generally innovating in business and not technology and just because often doing the technological innovation requires broad understanding on both the business and the technology, and the marketing, and all the other things we need to do. There aren't many good examples. So, when we started Google people said, "Oh, you will build a better search engine, you know, why will that be good enough?" And we said, "Well we think people will care and they'll use our site and so on. And you know, a lot of people after this and the few who were nice enough to fund us, right?" But there weren't that many examples of companies that are really founded on innovation and not just on pure business techniques or something like that. Also, companies generally don't innovate that much. And I guess as Google's gotten bigger, we're almost 400 people now, you start to notice that as you get more and more people working on one thing, it's harder and harder for them to be innovating just because of the communications cost and the inertia and all those kinds of things. And most companies end up being marketing or sales driven and not engineering driven. Let me just give another example quickly.

There's this thing they call the technology trend bandwagon and technology company specifically get all really excited about various standards like, you know, XML or .NET or Core or any of the things I have listed here. And in fact, they're kind of like plumbing. If you had, for example do you really care if you have copper filming in your house or a plastic filming or maybe he wants a little bit quieter, a little bit cheaper and so on. Maybe the latter changes better with copper. Although there's pretty minor differences. In much of the things that the technology industry really gets excited about don't actually affect users very much. And in fact, you can ask does this really affect programmers very much? Does anyone really care? People generally get excited about things that don't matter. I'll give you one other quick example. If you got a prize and you buy a flatbed scanner, you know, every month you get a prize. It'll have like twice the resolution and they're up to about 2400 dots prints and you never play with one of these.

You can actually image every dot of ink on your paper. And you can see that the dots of ink are round and things like that. And you can see every grain and fiber on the paper. That's not tremendously useful. And it turns out, as a result, the scanners are really, really slow. And in fact if I would challenge you to go out and find any scanner that says how long it takes to scan something and the reason is if it's said on the box, less people would buy it, right? Cause it'll say like 3 minutes to scan a page. And in fact what people probably care about is to scan, you know, with reasonable quality quickly and actually no one's built a

product like that. There's probably a good market for a product like marketed correctly. So I think a lot of things end up being, you know, you end up focused on one very specific thing and not looking at what readers want.