When Google’s CEO Eric Schmidt and co-founders Larry Page and Sergey Brin hired Shona Brown in 2003, they handed her a daunting task: bring some sanity and her strategy of “structured chaos” to the business operations of the world’s largest search engine—which was moving so fast it could hardly keep track of itself.

Google would issue its Dutch auction-style initial public offering within a year, yet the Silicon Valley start-up’s sizzling growth had sent it careening dangerously close to the brink of chaos.

Schmidt, Page and Brin all knew it—like its catalog of Web pages, Google was growing exponentially and problems were looming. Their search for an answer netted Brown, whose job has been described as “Chief Chaos Officer.”

When Brown arrived at Google’s Mountain View, Calif., campus there were fewer than 1,000 employees. One of her first questions was exactly how many people worked there. The answer: “They didn’t know.”

“I suggested that we flip the fire alarms, have everyone go out in the parking lot and then count,” Brown recalls saying, only half-kidding. She said Page told her, “We need someone to manage us better.”

Brown found the company ripe with world-class engineers and sales people but lacking business acumen and missing core business functions entirely. During her first week she drew a line down the middle of a white board and wrote the biggest business dilemmas on the left and the most pressing people-related issues on the right.

“That showed the incredible nature of the problem…these were some of the early, basic processes we had to work on to create a global, scalable company.” Brown told a capacity audience during her campus visit in January as a Dean’s Distinguished Speaker at the Graduate School of Management.

Silicon Valley Flashback

Like Page and Brin, who launched the early iteration of Google from Page’s Stanford University dorm room, Shona Brown and Kimberly Elsbach met at the Palo Alto campus.
In the early 1990s Brown and Elsbach were both working on their Ph.D.s in Stanford’s Department of Industrial Engineering and Engineering Management. They shared an office, became friends and have kept in touch ever since.

From Stanford, Brown went on to become a partner at McKinsey, where she consulted for clients in high-tech for nearly a decade before landing at Google, where she has made her mark. Fortune magazine has named her one of “four women to watch,” and she was featured in the magazine’s October 2, 2006, cover story, which reported on Google’s chaotic yet successful management style and culture.

Elsbach, now a professor of organizational behavior at the Graduate School of Management, invited Brown to UC Davis and led the informal conversation with her at the Buehler Alumni and Visitors Center.

“Strategy as Structured Chaos”

As senior vice president of business operations, Brown oversees Google’s “people operations” and heads a team of strategic consultants she can deploy on projects throughout the company.

Brown draws on her extensive consulting work in the tech industry, but even more so from her best-selling 1998 book, *Competing on the Edge: Strategy as Structured Chaos*. The book introduced a new strategic model for competing in volatile markets—a framework Brown is putting to the test in real-time at Google.

Google’s play on the mathematical term for a 1 followed by 100 zeros reflects the company’s mission to organize the ever-increasing information available on the Web. Combine this charge with the opportunities it presents, and the result is an explosive rocket fuel that has powered Google’s astronomical growth, popularity and profitability.

Today Google has more than 12,000 employees worldwide, nearly $12 billion in cash and securities on hand, and posted revenues of $3.7 billion for the first quarter of this year. Its stock recently shot over the $500 mark again; its market capitalization has reached more than $150 billion. That’s a lot of zeros.

Doubling in size every year—and absorbing acquisitions like the $1.6 billion purchase of video-sharing Web site YouTube—brings continued growing pains. And not long after Brown’s visit to UC Davis, Google announced its biggest acquisition ever: a $3.1 billion deal to buy online ad supplier DoubleClick, Inc.

continued on next page
“We don’t want managers to get in the way of smart people we hire…”
— SHONA BROWN

"We can no longer call ourselves a start-up," declared Brown, who has helped steer Google through its hypergrowth spurt, going public and opening itself to the scrutiny of Wall Street and shareholders. "I used to know everyone in the company. Now employees can’t tell Larry from Sergey."

The blazing transformation to global corporate powerhouse has Brown focusing on three areas. The first is tackling business strategy problems like pricing and product-related issues.

Second on Brown’s to-do list is developing “scalable processes”—standardized yet elastic routines—to help the company grow smartly. One of her team’s early solutions was a "new-office-in-a-box" that allows Googlers to hit the ground running anywhere they set up shop. Google now has more than 40 offices in the Americas, Europe and Asia.

Google is aggressively tapping booming Internet markets outside the U.S such as China and Latin America, where the company often has to navigate different media laws regulating ownership and censorship of Web content. "It’s a race," Brown said. "We’re trying to get as many feet on the ground internationally as we can."

Brown’s third priority is “organizational effectiveness”—for example, figuring out how Google can best run a virtual research and development organization. She is collaborating with Google’s far-flung engineers to devise a solution.

Google’s Glue

Brown’s role has morphed into “the glue holding everything together.”

“I'm focused on organization and the business and commercial side of what we do,” she explained. “One of my colleagues likes to say, 'If it's a problem, I'm working on (solving) it’.”

Google’s academic atmosphere, broad mission statement and mandate that developers spend 20 percent of their time on self-directed projects adds up to a chaotic culture by traditional business standards. But Brown said there is a method to the madness.

“We don’t want managers to get in the way of smart people we hire,” she said, hedging that Google’s public-serving philosophy and 20-percent policy can be a "blessing and a bane when trying to tell people what to work on."

Brown believes that Google attracts top computer scientists and engineers because of the quality of the peers they can work with and the fascinating large-scale problems still to be solved with the core business of ad-supported search. And there’s freedom to create innovative products that aren’t constrained by a classic business plan.

“We generally don’t worry about how to make money off of (new product ideas),” Brown explained, stressing that Google’s 20-year strategic horizon allows it to rollout services and products like Google News and Gmail that do not promise immediate profits.

“We’re not fiscally irresponsible,” Brown said. “Certain services we offer have margins so high that we can make a lot of investments in nascent-stage ideas.”

Ten Things Google Has Found to be True…

1. Focus on the user and all else will follow.
2. It’s best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the Web works.
5. You don’t need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There’s always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn’t good enough.


Ten Things Google Has Found to Be True…

1. Focus on the user and all else will follow.
2. It's best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the Web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There’s always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn’t good enough.