

# Lessons in leadership team project google and yahoo marketing essay



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Yahoo! began as a student hobby and evolved into a global brand. The two founders of Yahoo!, David Filo and Jerry Yang, Ph. D. candidates in Electrical Engineering at Stanford University started their guide in a campus trailer in February 1994 as a way to keep track of their personal interests on the Internet. As they began spending more time on their homemade lists of favorite links the lists became too long and unwieldy, and they broke them out into categories. When the categories became too full, they developed subcategories ... and the core concept behind Yahoo! was born.

The Web site started out as " Jerry and David's Guide to the World Wide Web" but eventually received a new name with the help of a dictionary. The name Yahoo! is an acronym for " Yet another Hierarchical Officious Oracle," but Filo and Yang contend they chose the name because they liked the definition of a yahoo: " rude, unsophisticated, and uncouth." Yahoo! itself first resided on Yang's student workstation, " Akebono," while the software was lodged on Filo's computer, " Konishiki" - both named after legendary sumo wrestlers. Before long, hundreds of people were accessing their guide from well beyond the Stanford trailer. Word spread from friends and quickly became a significant, loyal audience throughout the closely-knit Internet community. Yahoo! celebrated its first million-hit day in the fall of 1994, translating to almost 100 thousand visitors. Due to the overwhelming enthusiastic reception Yahoo! was receiving, the founders knew they had a potential business on their hands. In March 1995, the pair incorporated the business and met with dozens of Silicon Valley venture capitalists. They came across Sequoia Capital, the well-regarded firm who's most successful investments included Apple Computer, Atari, Oracle, and Cisco Systems.

They agreed to fund Yahoo! with an initial investment of nearly \$2 million in April of 1995. Jerry and David began shopping for a management team when they realized how quickly their new venture could grow. They hired Tim Koogle, a veteran of Motorola and an alumnus of the Stanford engineering department, as chief executive officer and Jeffrey Mallett, founder of Novell's WordPerfect consumer division, as chief operating officer. They secured a second round of funding in fall 1995 from investors Reuters Ltd. and Softbank. Yahoo! launched a highly-successful IPO in April 1996 with a total of 49 employees.

Google began in 1996, when co-founders Sergey Brin and Larry Page were graduate computer science students working on a research project supported by the Stanford Digital Library Technologies Project. The two originally met in the summer of 1995 when Brin had volunteered to show a group of potential new students around campus. The SDLP's goals for Brin and Larry were "to develop the enabling technologies for a single, integrated and universal digital library", and was funded, among other agencies, through the National Science Foundation federal. Their goal was to make digital libraries work, and their big idea was as follows: in a future world in which vast collections of books are digitized, people would use a "web crawler" to index the books' content and analyze the connections between them, determining any given book's relevance and usefulness by tracking the number and quality of citations from other books. The crawler they wound up building was called BackRub, and it was a modern twist on traditional citation analysis that inspired Google's PageRank algorithms - the core search technology that makes Google. PageRank converted the backlink

data that it gathered together and measured the importance for a given web page and analyzed the relationships between the websites. The research project was nicknamed BackRub because it analyzed output-which consisted of a list of backlinks ranked by importance. It occurred to Page and Brin that a search engine based on PageRank would produce better results than techniques that were currently being used. By early 1997 they tested their thesis as a part of their studies and laid down the foundation. But with careful consideration they renamed “ backrub” to Google. The name “ Google” originated from a misspelling of googol, which refers to the number represented by a 1 followed by one-hundred zeros. Page and Brin originally used the search engine on the Stanford website with the domain google.stanford.edu. The domain google.com was registered on September 15, 1997. They formally incorporated their company, Google Inc., on September 4, 1998 at a friend’s garage in Menlo Park, California.

The first funding for Google was from Andy Bechtolsheim, co-founder of Sun microsystems, on August 1998 for \$100, 000 given before Google was even incorporated. On June 7, 1999, a \$25 million round of funding was given by major investors like the venture capital firms Kleiner Perkins Caufield & Byers and Sequoia Capital. Google’s initial public offering took place five years later on August 19, 2004. The company offered 19, 605, 052 shares at a price of \$85 per share. Shares were sold in a unique online auction format using a system built by underwriters for the deal, Morgan Stanley and Credit Suisse. The sale of \$1. 67 billion gave Google a market capitalization of more than \$23 billion. The vast majority of the 271 million shares remained under the control of Google, and many Google employees became instant paper

millionaires. Yahoo!, a competitor of Google, also benefited because it owned 8.4 million shares of Google before the IPO took place. The company is now listed on the NASDAQ stock exchange under the ticker symbol GOOG and under the Frankfurt Stock Exchange under the ticker symbol GGQ1.

## **Section 2: Leadership Approaches**

Google and Yahoo! transformed the world with the search engines developed by which Larry Page, Sergey Brin, Jerry Yang, and David Filo. Within the first ten years of each company's conception, the internet searches and communication applications have revolutionized the business world. The creators of Google and Yahoo! have exceptional computer skills, which have allowed the men to develop two of the most useful internet research services.

Larry Page was originally the Google's Chief Executive Officer (CEO); however, Eric Schmidt became the Chief Executive Officer for Google in 2001. Larry and Sergey had to rely on Schmidt's leadership and management skills. Initially, the relationship with Eric Schmidt was dysfunctional, but with the addition of a management coach named Bill Campbell, the founders and Eric eventually become leadership partners. Eric Schmidt, CEO of Google has been a transformational leader. During his time at Google, Eric has focused on building a corporate infrastructure based on the traditional company hierarchy. Although the company has more of a democratic structure, it has an autocratic style of leadership because Schmidt thinks the best way to manage engineers is to let them self-organize outside of the hierarchy. The leader's view that everyone should have access to information seems like more of a relationship behavioral leader style.

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In the early years of Yahoo!'s formation, Jerry Yang assumed the role of CEO at the Board's request and he led Yahoo! through a strategic repositioning and transformation of its platform. Recently, Jerry Yang has relinquished his position of CEO back to his former role as Chief Yahoo!. Carol Bartz joined Yahoo! in 2009 as the Chief Executive Officer (CEO). Carol displays an autocratic leadership style and her behavioral style is more of a task related approach. She has had to be more of a transformational leader. She has begun to restructure the organization to streamline the senior leadership team. She wants decision making to happen faster, accountability to be clearer, and a more intent focus on customer concentration. A recent organization memo statement reflects her decision about the direction of Yahoo! " Our goal as a company is simple: to consistently deliver awesome consumer and advertising experiences everywhere in the world we do business. So we're creating an organization to enable improvements in our product quality and operational efficiency, as well as clear decision making and accountability. Also, Yahoo! leaders want to make a difference by empowering its users and employees through programs, products and services that inspire people to make a positive impact on society.

Both companies represent a true team management approach on the leadership grid. The business environments are both places where management values employees and employees trust the leaders. Everyone who works at these companies has a common stake, goal and purpose. " Intellectual capital", the employees, are the most valuable product at Google and Yahoo!, and work at their respective jobs because they genuinely enjoy them. Leaders at Google have identified their core beliefs as lending a

helping hand, life is beautiful, appreciation is the best motivation, work and play are not mutually exclusive, we love our employees and we want them to know it, innovation is our bloodline, good company is everywhere you look, uniting the world one user at a time, boldly go where no one has gone before, and there is a thing as a free lunch after all. These beliefs are what define the relationship and expectations between the company and its employees. Management and employees create teams as a way to invent new products, which displays a participative leadership style. The CEO roles represent more of a servant and transformational leader type while the founders, Chief Googler and Chief Yahoo! roles are the stewardship and transformation types. All the leaders exhibit behaviors of initiation and consideration. Both places have become ideal companies to work for and the leaders are very influential people in the business world.

### **Section 3: Vision**

As more and more users began accessing the Internet it quickly became apparent that anything could happen in this new world of technology. No one really knew what the Internet would eventually become, but those that had vision realized that they could shape the way in which users approached the Internet by providing them with new, innovative ideas for sorting out the information they wanted from everything else. At that time, everyone just “surfing the web”. There was no way to just type in the information you were looking for and have an almost instant list of pages to choose from. There was no Yahoo! or Google, no indexing or search engines. The founders of both of these companies were visionaries in that they saw a need in an untapped market. The core-concept behind both companies is different in

terms of the end service they intended to produce, and yet both are similar in their visions of what they could accomplish.

When Jerry Yang and David Filo began working on Yahoo!, they never envisioned that it would be a search engine. Once they realized that other people were interested in their system of indexing websites and information, they knew they had a potential business on their hands. They realized that they could turn a hobby into a profitable way to help other users navigate Internet content. In the beginning of the company's history, Yang and Filo stood out due to their youth and innovative ideas, characteristics common to many dot comers of the time. They stood out in contrast to Microsoft, always seen as the serious powerhouse in computer technologies. Their charismatic nature is evident in their original name for Yahoo! as well as the meaning behind the acronym for the word Yahoo.

Yahoo!'s vision has always been " To be the center of people's online lives". They knew how important it was to their success to empower both their employees and their users because these were the people that would determine the future of the Internet. They were very successful at first, but perhaps their first big mistake was passing on the opportunity to purchase Google early in its development. Yang and Filo lacked the vision to understand the concept behind search engines and just how powerful an adversary Google would become.

Google had experienced humble beginnings after receiving financing for their business venture. Their first office was set up in a friend's garage. As the company expanded, the founders always placed emphasis on treating



employees of all rankings and positions as equals, and have always encouraged creativity in their employees. Google has become famous for its approach to employee empowerment, as evident in almost every aspect of its business operations.

Page and Brin always wanted to maintain that “small business” culture that they had in the beginning and they’ve been very successful in doing that. At Google’s headquarters, all employees share a common lunch room. There are open and shared work spaces rather than private offices. No one is too important or too small. Creativity is always encouraged, and employees are encouraged to decorate their work spaces, bring their dogs to work with them, and take part in the many classes and activities that the company provides for them.

The founders of Google have stayed true to their vision of what the company should be, even as it has evolved into a global business. Their home page describes the vision of the company as follows: Recognizing that search is a problem that will never be solved; we continue to push the limits of existing technology to provide a fast, accurate, and easy to use service that anyone seeking information can access. At Google, all decisions are made based on whether or not they will lead the company toward achieving their vision. They are always looking ahead for new opportunities and threats, while always remembering where they came from and how vital their employees are in the success of the company.

## **Part 4 recognizable leaders**

### **Yahoo's recognizable leaders**

Yahoo started as a student hobby David Filo and Jerry Yang and evolved into a global brand. It changed the way people communicate, find information, and shop on the internet. The two founders David Filo and Jerry Yang started their guide in a campus trailer at Stanford in February 1994 as a way to keep track of their personal interests on the internet. Eventually their list of interest became too long, and they broke them down into categories and then subcategories. This is how the core concept of Yahoo! was born.

Shortly, buyout offers came from executives at AOL, Netscape, and other Internet companies, but Yang and Filo turned them down. Instead, they agreed to take a leave of absence from their studies to co-found Yahoo! Inc.

Yahoo! went public in 1996, and Yang and Filo became millionaires. As Yahoo's stock prices rose in the late 1990s, they eventually became billionaires.

Jerry and David found out that they weren't the only ones wanting a single place to find useful Web sites. Hundreds of people were accessing their guide. Yahoo! celebrated its first million-hit day in the fall of 1994. Due to torrent of traffic and enthusiastic reception Yahoo! was receiving, the founders knew that they had a potential business on their hands.

David Filo was born in 1966 in Wisconsin, but moved to Moss Bluff, Louisiana with his family when he was six years old. He has a B. S. degree in computer engineering from Tulane University and a M. S. degree in electrical engineering from Stanford University. Filo serves as a key technologist, and

directs technical operations behind the company's global network of Web properties.

Jerry Yang was born on November 6, 1968 in Taipei, Taiwan. His father died when he was just two years old. Soon after, Yang moved to San Jose, California along with his mother and brother. He received his B. S. and M. S. in electrical engineering from Stanford University. Yang achieved his first job experience by cataloging information with a job at the university's library, where he sorted books.

As the head of technology, David Filo is mostly in charge for creating several of the Yahoo's innovations. Yahoo generates most of its revenue from advertising, specially the ad bars and button ads which are shown on web pages. Yahoo's innovative technology let them watch and observe users' online activity, and the company is able to show advertising which are directly related to user's interests. This knowledge allows Yahoo track of how many users are interested about the advertisements shown on the web page. This gives their marketing department important information about how many users they are attracting to their site each day. Some of the other technology that generates excellent revenue for Yahoo are: Web sites for their corporate clients and e-stores for retailers.

Jerry Yang was more outgoing of the two, and he focused on turning Yahoo! into a popular brand name. Yang is credited mostly for developing a site that draws more visitors than others. Yahoo stands different from most other internet-based ventures because it turns a profit. According to an April 2000 Advertising Age article, Yang created a " destination where Web surfers

could get whatever they wanted from the site's personalized content, e-commerce offerings, special promotions, and other interactive data." Yang helped make alliances with companies in order to offer their new services, products, and technology to users. In 1999, they formed an alliance with Motorola Inc. which allowed Yahoo to step into wireless internet service. Yang also worked to develop and expand Yahoo's services which include items such as web site construction and e-store management.

### **Google's recognizable leaders:**

Sergey Brin and Larry Page co-founded Google in 1998, and redefined the way people use the web. Brin and Page met in grad school at Stanford in the mid-'90s, and in 1996 started working on a search technology based on a new idea. In 1998, they started Google in a garage office in Menlo Park. Their idea was a breakaway success. In an era where search engines were loaded with sponsor messages and ads, Google broke the pattern with their famously friendly and simple interface. Users loved it because it was easy and user friendly. Paid links were indentified clearly, no banner ads, no pop-up windows; and the homepage had just a simple Google logo and a single search box.

When Brin and Page founded Google, they didn't expect it to reach its current heights and influence on users. Their main objective was to help users find information easily and efficiently. For past ten years Google has been helping users navigate the internet as a search engine and help find precisely what they were looking for. Google's impact on the world today is undeniable. So, how did the two founders did it all? Their idea for success is

drawn into five simple yet important ideas/lessons for turning Google into billion dollar company.

#### Lesson #1: Don't Be Evil - (Moral)

" We have a mantra: don't be evil, which is to do the best things we know how for our users, for our customers, for everyone," says Page. " So I think if we were known for that, it would be a wonderful thing." From the search technology to its advertising to its own charitable foundation, Page and Brin have made every effort to create Google with their own morals and values. The company does not place advertisements for liquor and donates 1% of its profits to charitable causes all in an effort to not be evil. Having leaders with good moral values is exceptionally essential for any company that desires to achieve success.

#### Lesson #2: Look to the Future - (Innovation)

" We are targeting innovation," says Page. " The dream as conceived 25 years ago has not been achieved. Until software becomes the ultimate tool for collaboration, productivity, and efficiency, the work is not done. And there's nothing more fun than doing that work." Google has earned its reputation by developing innovative technologies and products that continue to change the way the world runs. Thus, Google remains committed to serving needs of its users while also keeping an eye on future.

#### Lesson #3: Establish a Strong Vision - (Vision)

" Basically, our goal is to organize the world's information and to make it universally accessible and useful," says Page. " That's our mission." Google  
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has become an industry leader by being committed to a single vision of their founders and refusing to get distracted by other opportunities. It is extremely essential to have leaders in a company with great visions who help the company grow and become stronger each and every day.

#### Lesson #4: Take Care of Your Team - (Teamwork)

Google has always focused on team oriented work force and work environment. They provide a great environment for its workers to work and contribute to Google. They emphasize teamwork and reward innovation and creativity. Google attracts the brightest workers from all around the world. Thus, it has become one of the most desirable companies to work for. " Our employees, who have named themselves Googlers, are everything," Page explains to his company's investors. " Google is organized around the ability to attract and leverage the talent of exceptional technologists and business people. We have been lucky to recruit many creative, principled and hard working stars. We hope to recruit many more in the future. We will reward and treat them well."

#### Lesson #5: Focus on the User - (Priority)

Google's number one priority is to serve the user and create the worlds most efficient and precise search engine. " Serving our end users is at the heart of what we do and remains our number one priority," says Page. Despite being perhaps the only company in the world whose stated goal is to have its customers leave its website as quickly as possible, Google is committed to making those customers as satisfied as possible.

## **Section 5: Effective Execution**

It is easy for someone to call himself a leader, to make claims and goals that are seemingly reachable. However, the mark of a true leader is the ability to stand behind his words with actions. In the business world, the leader drives the company. The leaders of Yahoo! and Google have successfully driven their companies to new heights and possibilities, and have the proof to show it. The leaders of Yahoo! and Google have created effectiveness in their product as well as generated it in their employees.

The Internet provides unlimited access to almost unlimited information. Fortunately, companies such as Yahoo! and Google provide the ability to sort through the information overload. Yahoo!, which was began almost fourteen years ago, found success immediately upon its establishment. Filo and Yang saw their ability to dream big with the company and quickly established a management team that would assist in the company's operations. As effective leaders, Filo and Yang were able to forecast their company's future as well as quickly respond to the rapid growth. They were also able to focus on the public need for their product, " a single place to find useful Websites" (Yahoo). Currently Yahoo! is credited as the most visited home page on the Internet globally (Yahoo) and has expanded its purpose into much more than a search engine.

Google had very similar beginnings and a rapid launch to success as did Yahoo!. Page and Brin, the company's founders, quickly saw the usefulness of their search engine project and began to pour all of their resources into the Google idea. They began with nothing more than college degrees and incredible computer skills, but were able to effectively use investment  
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money to create and establish their company. Only four months after its official start, Google was credited by PC Magazine as a Top 100 Web Site (Google). The company soon became a global network, translated into over ten languages. Much like Yahoo!, Google has become more than a single use website, but a page that provides access and organization to all parts of the Internet and email. Both the leaders of Yahoo! and Google accomplished levels of effectiveness in their products rarely seen in modern day companies. The leaders of these companies used their resources wisely and in such a way as to benefit the company.

Along with very useful products, Yahoo! and Google have deeply instilled effectiveness in the workplace and in employees. For Yahoo!, Filo and Yang established a work environment that focuses on fun just as much as work. The leaders at Yahoo! understand that employees that enjoy working will produce better quality work. The company even has an official sport, which goes to show that the work place does not always have to be about work. Filo and Yang realized that a successful company cannot only be run by effective leaders, but effective employees as well. The founders of the company have been more than effective in developing a work environment that makes every employee feel valued and important part of Yahoo!.

Google is another company that is well known for its benefits and relaxed work environment. It is not uncommon to see employees riding bikes and scooters between meetings within the Google corporate office. By allowing employees to feel at home within the workplace, the leaders of Google helped employees feel as an important part of the company and its services.

Google is a company that is always striving for a bigger and better future, <https://assignbuster.com/lessons-in-leadership-team-project-google-and-yahoo-marketing-essay/>



and effective leaders making effective employees makes this dream possible.

Effective execution is difficult, especially in today's business world. The leaders of Yahoo! and Google however, have successfully reached levels of execution that have taken their companies to the top. The leaders of Google and Yahoo! were able to see that a company is not just about a product but also about the people that make that product, the employees. Yahoo! and Google have continually grown since their beginnings, a true sign of effective execution on the part of a few good leaders.

## **Section 7: Leadership Strengths and Weaknesses**

Today, Yahoo! Inc. is a leading global Internet communications, commerce, and media company that offers a dozen different branded networks of services to more than 350 million individuals each month worldwide. Yahoo! provides online business and enterprise services designed to enhance the productivity and Web presence of Yahoo!'s clients. These services include Corporate Yahoo!, a popular customized enterprise portal solution, audio and video streaming, store hosting and management, and Web site tools and services. The company' global Web network includes 25 World properties. Headquartered in Sunnyvale, California, Yahoo! has offices in Europe, Asia, Latin America, Australia, Canada, and the United States.

While Yahoo! has grown into a hugely successful company, it has faced hard times as well. In 2008, Yahoo! co-founder David Filo faced harsh criticism of his leadership abilities. The criticism was at its worst after Filo rejected a takeover offer from Microsoft worth \$33 a share.

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In 2009, Carol Bartz replaced Jerry Yang as CEO of Yahoo!. Bartz has been included in Fortune Magazine's "50 Most Powerful Women" and been successful in improving leadership at Yahoo!. At the end of her first year with the company, Bartz gave herself the grade of "B-" for the job done in 2009 saying, "It was a little tougher internally than I think I had anticipated. I did move fast, but this is a big job". Overall, the reception of Bartz as President and CEO has been favorable.

Other strengths of Yahoo! include their co-sponsoring a "Seeds for Success" program to help grow small businesses through Internet and Website support. In 2009, the company launched A Good Purple Acts of Kindness program which encourages the global community to do random acts of kindness.

Google has proven to be extremely successful in large part due to the leadership of Brin and Page. Google is noted as being one of the most unique companies to work for and was ranked #102 by Fortune Magazine in 2010 as one of the best big companies to work for. It's hard to image a company as large as Google, with over 20,000 employees, being able to maintain such a "small-business" feel. The corporate culture of Google is one of teamwork and togetherness in an informal environment. The lobby of the Googleplex, the company's headquarters, is decorated with a piano, lava lamps, and search queries on the wall. All engineers at Google are not only allowed, but actually encouraged, to spend up to 20% of their work time on projects than interest them. The company hosts "green" initiatives by committing to build a clean energy future. In addition, google.org uses Google's strengths in

information and technology to build products and advocate for policies that address global issues.

Although Google and Yahoo! will most likely always be in competition with one another, both are strong companies built on the values of their leaders. Leadership has always been a critical aspect of both, in good times and in bad, and will continue to be in the future. We cannot know what lies ahead for Google or Yahoo! but both will have to continue to improve and adapt as the world of internet technology changes. The final determinate of success for each could boil down to who stays ahead of the curve, and who has the vision to create the future.