Do No Evil
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GOOGLE’S philanthropy, dubbed DotOrg, launched in 2004 with bold ambitions and almost $1 billion in seed funding. But the corporate culture built by engineers proved challenging for the development experts brought in to run DotOrg. Six years later, the philanthropy’s leadership has been replaced and its ambitions have shrunk.

By Suzie Boss

Before the dust settled from the 7.0 magnitude earthquake that hit Haiti in January, the search was on for accurate information. Which buildings were still standing? Where should responders look for trapped victims? How could displaced family members hope to find each other in all the chaos?

While humanitarian agencies airlifted crews and supplies to the devastated island, engineers launched programming marathons. Within days, Google released a new online gadget to assist on-the-ground efforts. Embedded on high-traffic Web sites, including the U.S. Department of State home page, Google’s Person Finder allowed anyone to submit information or search an online database for details about the missing. Other Google tools were harnessed to help. Google Map Maker helped aid workers in Haiti’s capital, Port-au-Prince, navigate ruined streets. The company created a new Google Crisis Response Web page for Haiti to steer the public toward charitable giving opportunities, seeding the pot with a more than $1 million donation of its own.

Google was not the only technology company that rallied to help Haiti. But by marshaling the brains, tools, and cash at its disposal, the Internet giant was demonstrating its special brand of corporate philanthropy. Google isn’t just interested in helping out the world; it aims to “engineer” for social benefit. “We want people to look at what we’re doing and say, ‘Wow, only Google could have done something like that,’” says Jacquelline Fuller, advocacy director for Google.org (or DotOrg), the company’s philanthropic initiative.

When Google went public in 2004, founders Larry Page and Sergey Brin promised to unleash a Google-sized approach to doing good. In their letter to potential investors, they pledged “to contribute significant resources to the [Google] foundation, including employee time and approximately 1 percent of Google’s equity and profits in some form.”

Giving away 1 percent of profits put the company “in line with the national average for corporate charitable donations,” says Lewis Solomon, a professor at George Washington University Law School and author of Tech Billionaires: Reshaping Philanthropy in a Quest for a Better World. Another 1 percent from equity brought the size of DotOrg to about $1 billion in 2005, with the potential to grow with the stock price—healthy seed funding for a philanthropy. As a final component of the strategy, the company committed an undefined amount of employee time to help solve global challenges.

Google’s three-part approach is similar to the integrated philanthropy model developed a decade ago by Internet software company Salesforce.com Inc. Salesforce.com Foundation applies a formula to social change, with 1 percent of staff time, 1 percent of equity, and 1 percent of profits going to advance the mission of qualified nonprofits.

Page predicted that Google’s philanthropy could someday “eclipse Google itself in terms of overall world impact.” This tantalizing forecast has yet to materialize. The corporation, which now has a market value of $160 billion and annual profits of $6.5 billion, has made only $100 million in philanthropic grants and investments through Google.org since 2005, according to the Google.org blog. Other metrics are harder to come by. Google can’t put a number on staff time devoted to DotOrg projects, but it’s likely less than 1 percent. Complicating the picture, Google and its employees engage in charitable giving and volunteerism outside the DotOrg initiative. In 2009, charitable giving, in-kind donations, and Google Grants (in-kind advertising to charities) totaled $70 million, according to Fuller, “which meets our 1 percent, 1 percent goal.”

DotOrg is still an upstart compared to foundations that have been working for decades on “some of the hardest-to-move-the-needle-on social problems,” points out Phil Buchanan, president of the Center for Effective Philanthropy. But hopes for DotOrg were unreasonable from the start.

Company founders, newcomers to philanthropy, hyped expectations by overpromising how much Google.org could do and how quickly it could achieve its goals. The corporate culture built by engineers proved challenging for development experts brought in to ramp up DotOrg. As non-engineers and Google outsiders, they were ill prepared for the impatience of a “fail fast” culture. The initial version of DotOrg failed to play to the company’s strengths and identity as an engineering powerhouse.

Five years after launching DotOrg, Google overhauled the philanthropy’s leadership and announced a major strategic shift. What happened is a cautionary tale about the challenge of realizing good intentions, even at one of the world’s most successful companies.
AN OPTIMISTIC LAUNCH
In late 2004, a handful of Silicon Valley entrepreneurs convened at the home of venture capitalist John Doerr for a private tutorial on global poverty. While Muhammad Yunus explained microfinance—an antidote to extreme poverty that he'd spent years developing—Alex Counts, president of the Grameen Foundation, noticed that two rather young men “were in attentive listening mode.”

Page and Brin had good reason to listen. Both became billionaires after Google went public in August of that year. Instead of seeking to improve the world with their personal wealth, like Bill Gates or Andrew Carnegie, they envisioned greater results by using corporate resources and engineering smarts to solve world problems. “They were exposing themselves to a lot of ideas,” Counts says, “hoping to have the same sort of breakthrough impact on big, global social problems as they’d had in the business world through Google.”

Given the founders’ early and outsized business success, “it would have been surprising if their vision had been something other than bold, bordering on grandiose,” says Counts. “People applauded it, but also realized that they were taking on some of the most intractable problems that others have been banging their heads up against for decades.”

The company’s first philanthropic innovation was its structure. Google established Google.org as a unit within the corporation, allowing it to invest in for-profit as well as nonprofit ventures. Under the DotOrg umbrella sat the smaller Google Foundation, a more traditional 501(c)(3) organization. This hybrid structure, unusual for corporate philanthropy, has a parallel in private giving. Omidyar Network, established in 2004 by eBay founder Pierre Omidyar and his wife, Pam, invests in both nonprofits and for-profit enterprises that offer social benefits.

To fund its good work, Google pledged 3 million shares, equal to 1 percent of the outstanding shares from the initial public offering, and established a 20-year timeline for committing these resources to social benefit. “The dollar value of this commitment will rise and fall with our stock price,” explained Sheryl Sandberg, then-vice president for global online sales and operations, in a 2005 Google.org post.

Another 1 percent of profit was to be allocated to the DotOrg budget each year. From these funds, the corporation made a one-time gift of $90 million to endow the Google Foundation in 2005, and it funded broader DotOrg activities with a three-year budget of $175 million.

The hybrid structure and pipeline of cash gave DotOrg enormous latitude. It could make grants to nonprofits through the foundation, subject to the rules and public reporting requirements that govern tax-exempt organizations. From the corporate side, DotOrg could invest in for-profit companies and funnel any profits back into the initiative. DotOrg could also develop new


Action Case Study

When Larry Brilliant was hired as the first executive director of Google.org in early 2006, opportunities seemed endless. A physician and epidemiologist, Brilliant was best known for his leadership on the World Health Organization campaign to eradicate smallpox. He brought nonprofit experience as cofounder of the Seva Foundation, which provides eye care to combat blindness in the developing world. He was also an evangelist for just the sort of big ideas Google was seeking, such as developing an early warning system for pandemics.

Greg Miller, a lawyer and Silicon Valley entrepreneur, recalls getting a phone call from Brilliant that began, “How would you like to help me change the world?” When Miller settled into his role as managing director of DotOrg, the vibe was “nothing but optimism.” Within Google’s top leadership, Sandberg was DotOrg’s champion. She brought experience in global development from her previous work with the World Bank and U.S. Department of the Treasury. Sandberg helped set up the hybrid structure for the philanthropy, led the search that resulted in the hiring of Brilliant, and sat on the board of the Google Foundation. She also had the ear of Brin, Page, and CEO Eric Schmidt.

Initially, DotOrg focused on three broad issues, reflecting the passions of top executives. Not surprisingly, Brilliant was most interested in public health. Sandberg advocated for global development, such as support for emerging-market entrepreneurs. Page and Brin were eager to bring technical solutions to the challenge of climate change, which could improve the health of the planet and also ensure a clean energy supply for Google’s data centers. They were especially interested in solutions at the intersection of those three issues. As Sandberg told Fortune, “We wanted ideas where we could say, ‘If we get this right, it will change the world.’”

Almost immediately, world-changing ideas began to pour into the Mountain View, Calif., campus. Nonprofit leaders, academic experts, and clean technology entrepreneurs were summoned. Al Gore paid a visit to give his famous slideshow on climate change.

The money started to flow. Early grants included $5 million to Acumen Fund to support entrepreneurs in the developing world; $5 million to help establish InSTEDD (Innovative Support to Emergencies Diseases and Disasters), a nonprofit focused on developing information systems to improve early detection and disaster response; and $1.45 million to the Carter Center to support guinea worm eradication.

In addition to funding, some recipients also received hands-on assistance. Google engineers worked alongside Acumen staff, for instance, to develop systems for tracking investments. Miller predicted this combination of “grants, philanthropic investments, plus Google technical expertise would speed innovation,” helping partners to “accelerate their excellence.”

Meanwhile, the hunt continued for a more “Googley” project—something that would go beyond grantmaking and harness the corporation’s smarts directly to achieve massive impact. An opportunity came along when clean-tech entrepreneur Felix Kramer visited the Google campus to demonstrate his plug-in hybrid CalCars. Plug-in hybrids grabbed Google’s imagination because of their potential to reduce CO2 emissions, cut oil use, and stabilize the electrical grid. It didn’t hurt that Google co-founders are electric car enthusiasts. (Both Brin and Page were early investors in Tesla Motors.)

What plug-ins needed to gain a foothold in the marketplace “was exactly what Google could bring,” says Aimée Christensen, a lawyer with extensive background in climate change who was one of DotOrg’s first team members. That included “attention for what was still viewed by many as a garage technology, new investment dollars to spur competition, and credibility—data as well as media attention.”

In a project that became known as RechargeIT, DotOrg set out to demonstrate the potential of plug-in cars and accelerate their adoption. Jason Shellen, who had led the development of products like Google Reader for the commercial side of the company, now lent his expertise to DotOrg’s RechargeIT. The project team interviewed major automobile manufacturers, oil companies, battery manufacturers, and other players to understand which metrics needed to be tracked to make the case for plug-ins.

To gather the data, Google bought a small fleet of Toyota Prius cars and retrofitted them to operate as plug-ins. Google employees (“Googlers”) were free to drive the cars as part of the company’s car-share program—and thus to generate data on battery use and mileage (averaging better than 93 mpg in a controlled experiment).

DotOrg made investments to support the development of plug-in technologies, including $2.75 million to Aptera Motors and ActaCell. The foundation made grants to underwrite conferences, fund university research, and raise public awareness of plug-in options.

Since RechargeIT launched in 2007, the market for plug-ins has indeed expanded, with nearly every major car manufacturer getting in the game. Google doesn’t take credit, Fuller said, acknowledging that “we’re just one of many voices. But we’re pleased to see that mainstream manufacturers have picked up the challenge.”

Slow Climb Up a Steep Curve

Many of DotOrg’s early efforts failed to attract the same engagement across the company as did RechargeIT. Strategic investments in companies like eSolar ($10 million for solar thermal power research) and Makani Power ($15 million for research and development of high-altitude wind energy) were intended to spark innovation in alternative energy and, eventually, return profits to DotOrg. These were “data-driven, outcome-based investments,” Miller says, reflecting the parent company’s insistence on metrics. But the cre-
ative thinking was largely outsourced, leaving little room for Google employees to get directly involved.

Beyond the Googleplex, organizations eager for DotOrg funding were growing frustrated with the program’s slow pace and shifting objectives. One nonprofit executive, who asked to remain anonymous, flew cross-country to make what she thought was going to be a pitch. “Instead, it was like we were giving them a seminar,” she says. “We invested time and shared our intellectual property, and got nothing out of it.”

Even Counts, who had previously enjoyed access to Brin and Page, found himself “unable to get a meeting with the head of the DotOrg team. We were never able to make the case for microfinance,” he says. Grameen Foundation would eventually “find our sweet spot with Google;” Counts adds, with a $200,000 grant and technical support for a mobile phone project called AppLab that launched in Uganda in 2009. But he adds, “microfinance was a little bit ancillary to it.”

Employees inside DotOrg were also discomfited. One former DotOrg member describes “an inability to say yes, for fear of saying yes to the wrong thing.” Another recalls “ideas failing to get green-lighted for not being Googley enough.”

Still others remember that Google.org turned down promising proposals for not being sufficiently ambitious. “The words that I heard being used were ‘game-changing strategies,’” says Laurence Simon, professor at Brandeis University and a 2007 Google Fellow who brought deep experience in international development. Yet when it comes to tackling issues like global poverty, he adds, “I’m not sure we have game-changing strategies.” Social change “needs patience,” he adds. “The brilliance of the founders in having created a game-changing strategy for [Internet] search was both an inspiration to DotOrg and also a burden.”

It took until January 2008—and rounds of brainstorming, reassessing, and second-guessing—for DotOrg to announce its five core initiatives. Some were clearly intended to be game changers, such as fostering renewable energy generation at a price cheaper than coal (an initiative nicknamed RE<). Others called for more traditional development work, such as enhancing access to information in the developing world. When Brilliant announced the initiatives, he said they would provide the playbook for making grants and strategic investments “for the next five to 10 years.”

Like the founders’ initial promise, DotOrg’s initiatives were too ambitious. Taking on one or two global challenges, with projects that had the potential to achieve incremental change, would have taxed any young philanthropy. Instead, DotOrg aimed for high-impact results in five different directions, and on multiple continents. The quest for game-changing projects was at odds with the patience required to stick with a five- to 10-year plan.

**Culture Proves Critical**

Asking critical questions is part of the Google culture. Any employee who’s curious about another team’s project can track progress on an internal site. The Q&A with Brin and Page is a tradition at companywide Friday forums. Shellen recalls hearing questions about DotOrg circulating among Google colleagues. “This company is engineering-driven. When people heard hesitation from DotOrg, or if it felt like things were sort of teetering, it didn’t feel very much like Google,” he says.

It didn’t help that, as DotOrg staffed up, it was growing more isolated from the rest of the corporation. The 40-plus DotOrgers on board by mid-2008 were siloed in three teams focusing on health, economic development, and climate change. “Sometimes it felt like it was just us around a table,” one team member says.

The DotOrg team also kept its distance from the company’s more traditional charitable work. Google makes available certain products, like Google Apps productivity tools, free to schools and nonprofits. Google Grants is an in-kind donation program that awards millions in free advertising on Google’s search results to select charities. Both these efforts leverage Google products for social benefit; they also build brand loyalty. DotOrg was careful to avoid anything that hinted at marketing. “We have been told clearly by leadership that they don’t want sham philanthropy,” says Fuller.

This separation left some Googlers perplexed. An engineer who’s still at Google was frustrated that powerful tools like Google Earth were not being used for DotOrg projects. Christensen, who left in 2007, recognizes “a hunger [among Googlers] to engage with DotOrg and bring their enthusiasm, knowledge, and even products forward to help make a difference in the world.” But this enthusiasm couldn’t be harnessed unless DotOrg gave the green light—and funding—to proceed.

Brad Presner was another who saw the tension between the work of DotOrg and “the Google way of doing things,” he says. A veteran Googler, Presner moved from the business side of the corporation in 2006 to help DotOrg figure out how to measure the impact of its grants and investments. Google is famous for giving its employees latitude—20 percent of their work time—to pursue new ideas. This practice means Googlers can tinker with an interesting idea or prototype a product, “as long as you can defend your product out there and see what happens. If it has bugs, you know you can fix it eventually.” But “that’s not quite how it works in the [economic] development space,” he adds, “where people’s lives are at stake.” Presner left Google in 2008 to work for Acumen, managing a social metrics tool that he had worked on while at DotOrg but couldn’t get green-lighted to finish.

In fall 2008, DotOrg came up for strategic review, with leaders from several disciplines across Google weighing in on the initiative. After the review, and with little warning to nonprofits that saw Google as a promising source of future support, DotOrg began shifting gears. Support for entrepreneurs in the developing world, one of the five core initiatives, was now off the table (except for existing grant commitments).

Why was the plan that was supposed to guide DotOrg for a decade unraveling within the first year? Politics played some role. Sandberg had decamped to become chief operating officer (COO) of Facebook earlier that year, leaving DotOrg without an executive cheerleader. More critically, DotOrg wasn’t tapping into the company’s expertise. Opportunities for Googlers to engage on DotOrg projects were limited. Processes that drive in-house innovation—from how products are developed to how teams collaborate—weren’t translating to the social benefit work.
In February 2009, only months after the strategic review, Brilliant announced he was stepping aside to make way for a new leader and change in direction for DotOrg. As he explained on the Google.org blog, “While we have been able to support some remarkable nonprofit organizations over the past three years, our greatest impact has come when we’ve attacked problems in ways that make the most of Google’s strengths in technology and information.” One example he cited: Google Flu Trends. By aggregating data generated by people searching the Internet for information about common flu symptoms, the tool promises to reduce the time required to identify flu outbreaks and identify hot spots.

Megan Smith, a longtime Googler, engineer by training, and vice president of new business development, took the helm of DotOrg without giving up her other responsibilities. She gained a well-placed sounding board in Urs Hölzle, senior vice president for Google operations, to whom she reports on DotOrg matters. Smith brings a different style and skill set to the job. “She’s analytical, tending to underpromise and overdeliver,” said a colleague.

Although Smith knows Google inside and out, she is less visible to the outside world than her charismatic predecessor.

Brilliant briefly shifted to a new role as chief philanthropy evangelist for Google, but soon left to lead a global threats initiative for the Skoll Foundation. Brilliant declined an interview request, and Google executives would not comment on his departure.

DotOrg’s new marching orders: Put more energy and resources into developing products and less into grants. “It’s a remix,” Smith said. “We will look for things that could have global scale, are philanthropic in nature, and leverage what we’re particularly good at. We have almost 10,000 engineers now,” she adds. “If we give grants that don’t leverage any of their talents, they can’t play.”

Some DotOrg personnel had drifted away before the shake-up, but 2009 brought a sea change. Most of the original leadership and many mid-level staffers headed out the door. Sonal Shah left DotOrg’s global development team in early 2009 to lead the new White House Office of Social Innovation and Civic Participation. Linda Segre, COO for DotOrg, left to become senior vice president for corporate strategy and communications for Diamond Foods. Miller departed in August 2009, to serve as acting dean of the Presidio Graduate School MBA program.

Except for a handful of people focusing on issues like advocacy and communications, DotOrgers are now embedded across the company in functional units. “Engineers report to engineering; product managers report to product; partnership people report to the partnership team,” Smith says. A DotOrg project team might draw expertise from each of those units. This reflects how Google is organized and how Smith incubates commercial products. She sees other benefits to embedding the DotOrg staff of 80. “Just sitting next to somebody, you can grab their thinking,” says Smith. “That’s a big change.”

Smith is confident she can manage DotOrg and its $50 million 2010 budget along with her other VP responsibilities. For starters, she does not personally oversee each project. That falls to the appropriate team leader. Bill Weihl, for instance, Google’s “green czar,” oversees initiatives aimed at reducing the company’s carbon footprint and fostering development of clean energy. Within his portfolio are several DotOrg projects. Nor is Smith devoting as much time as her predecessor to searching for worthy partners. New investments in for-profit social ventures are on hold. On the charitable giving side, Smith serves on the board of the Google Foundation—which awarded just $1.3 million in 2009—and takes part in Google’s charitable giving council.

In addition to staffing changes, Smith has introduced a rigorous process for proposing DotOrg projects. With questions that drill down into technical details and head count requirements, it will feel familiar to anyone who works at the company, with one key difference: “They have to be able to justify it—not commercially, but in terms of [social benefit] impact it would have,” Smith says.

Geo team engineer Rebecca Moore was the first to propose a project under DotOrg 2.0. The idea for Earth Engine came about through collaboration with leading forestry scientists working in the tropics. They needed a better way to monitor rain forest destruction quantitatively. Using Google’s computational power, Moore reasoned, they could analyze enormous quantities of data from existing satellite imagery. During the review process, Moore was asked: “Why is this something only Google could do? Why is it important? How will you measure success?” Smith saw a lot to like. “It’s very Google-like, very scaled,” she says. Moore got the go-ahead to start prototyping with a small team and unveiled Earth Engine at the COP15 International Climate Change Conference in December 2009.

It remains to be seen whether Smith can give DotOrg enough attention to rebuild momentum lost during the reorganization. Although she insists DotOrg remains as important as ever to Google, her part-time leadership raises questions about the company’s commitment. One sign to watch for will be whether Googlers increase their engagement with DotOrg projects through their 20 percent time.

The bigger unknown is whether DotOrg’s new approach will generate unique contributions. Smith and team are tight-lipped about what’s on the horizon. But one recently released product, Google PowerMeter, is draw-
ing comparisons to Microsoft Hohm. Although different in the
details, both products encourage conservation by providing con-
sumers with detailed, real-time information about their energy
consumption.

FAST FORWARD
A company of Google’s size was bound to make waves when it
stepped into the social change sector. Starting with the founders’
bold promise, there was nothing modest about DotOrg’s goals. Nor
was there a guidebook for how to operate a hybrid for-profit, non-
profit philanthropy.

Is Google living up to its original pledge? Google says yes, point-
ing to $170 million in grants and in-kind donations made last year.
But only a fraction of that came through DotOrg (and only $1.3 mil-
lion from the Google Foundation), which was initially portrayed as
the centerpiece of Google’s philanthropy. The rest came through
more traditional channels, such as academic scholarships and
grants, holiday giving ($22 million to charities), and employee char-
itable gift matching fund (up to $6,000 per Googler, plus $50 for
every five hours of employee volunteer time). Surprisingly for a
company whose mission is to organize the world’s information,
Google claims not to have a tally of its charitable giving from previ-
ous years. This lack of transparency makes it hard to know whether
Google is achieving its ambitious goals for giving.

“There’s a saying at Google—that you should fail early,” says
Shellen, who left the company in 2007 to cofound a social media
start-up called Thing Labs. This “fail fast” thinking drives the com-
pany’s product innovation cycle: Start with a promising idea, test,
built on what works, and toss the rest. Now, Google has applied the
same approach to improving its philanthropic efforts.

If developing new tools is indeed the best way for Google to
make a difference, then DotOrg 2.0 addresses many of the struc-
tural issues that impeded progress the first time around. Embed-
ding DotOrg personnel in cross-functional teams should yield more
 collaboration. The new plan also subjects DotOrg projects to the
same rigorous review that helps Googlers develop and refine com-
mercial products.

The current focus on tools introduces a new challenge. Not
every global problem can be solved with a technical solution. By
favoring high-tech, high-impact projects, DotOrg will likely over-
look low-tech, high-impact solutions. The focus on projects “only
Google could do” gives the initiative a sharper focus, but may
smack of hubris or narrow vision to those who have been working
on solutions for decades and depend on funders to reach scale.

DotOrg has lost many of the development experts from the origi-
nal team who provided context to frame problems. To fill this gap,
DotOrg will need input from partners who understand the issues.
Potential partners will likely want assurance that Google will be
with them for the long haul and not just for a rapid development
cycle. The challenge ahead isn’t whether Googlers can come up
with interesting new products. It’s whether these clever gadgets
will make a world of difference. ■