

Case Title: Alphabet's Google

Unique ID: MHE-FTR-055-1259927628

REV: September 27, 2017

Abstract

The case is written from the perspectives of Larry Page, CEO of Alphabet and Sundar Pichai, CEO of Google. The case focuses on opportunities and challenges faced by Alphabet's largest business unit, Google. Competition in Google's advertising space has intensified, mostly by the way of Facebook. This poses a threat because Google still secures more than 90 percent of Alphabet's profits and revenues. The case also highlights challenges of managing a multi-business conglomerate pursuing an unrelated diversification strategy. As Alphabet continues to implement an M-form structure to administer unrelated diversified, the adjacent business units will have a significant impact on Google. Most notably, the Waymo subsidiary has the potential to enter a multibillion-dollar market. The uncertainty of this venture along with Google's core competencies present new opportunities and challenges to the firm. There is also the question if Alphabet can manage this new structure while securing future growth and profitability.

Concepts: Business Model, Competitive Strategy, Platform Strategy, Innovation and Technology Strategy, Corporate Strategy, Unrelated Diversification, Profit Pools, and Organizational Structure

Context:

- Ticker Symbol: GOOGL
- Protagonists: Larry Page, CEO Alphabet; and Sundar Pichai, CEO Google
- Country: USA (worldwide reach online)
- Sector: Diversified conglomerate, including online search and advertising
- Company Employee Count: 76,000
- Company Revenue: \$100 billion (2017)
- Market Cap: \$650 billion (Sept. 2017)
- Event Year: 2017

Teaching Note: Available