

Buec. 263
 Google Audit Points

	TEAM 1	TEAM 2
<i>Strengths</i>	<ul style="list-style-type: none"> ▪ Google offers a broad range of services and products branching into many markets. ▪ Many services still remain free to new users. ▪ Google’s massive advertising capabilities produce high revenues. ▪ User base has continued to grow almost entirely by word of mouth. ▪ Unique 70-20-10 programs allow employees increased freedom and seem to yield high productivity and innovation. ▪ Attracting best employees (top graduates and employees from competitors). ▪ Fifth most popular website. ▪ Highly trusted and recognized brand name. ▪ Strong expansion policy. ▪ Internationally oriented (language oriented as well as worldwide corporate offices). ▪ Originally attracted large corporations such as AOL. ▪ Does not require Microsoft operating system. 	<ul style="list-style-type: none"> ▪ Size ▪ Reputation ▪ Advertising possibility ▪ Potential for revenue through web services, stock
<i>Weaknesses</i>	<ul style="list-style-type: none"> ▪ Approximately 80% of the company is owned by insiders, which makes it easy for biased or bad decisions to be made. ▪ Relying on word of mouth advertising may become difficult as google expands and encounters greater competition. ▪ Founders are still very involved with operations, which could lead to micromanaging. ▪ Sales are all generated by Ad-Words (50%) and Ad-Sense (49%). ▪ Revenues are small compared to closest 	<ul style="list-style-type: none"> ▪ Dual class stock ownership, ▪ Lack of a vision statement

	<p>competitor (MSFT).</p> <ul style="list-style-type: none"> ▪ 50% of google.com is generated within the US. ▪ Non-traditional governance style. ▪ Compared to competitors spend much less on R&D--Google - 7.05% of Revenue devote to R&D--Microsoft- 21.11%--Yahoo-10.34%. ▪ Depending on a few key accounts (AOL). 	
Opportunities	<ul style="list-style-type: none"> • The future suggests an increase in the demand for google's services, and a continuing increase in the amount of online users. • Google is taped into the global market with 50% of its traffic coming from outside the United States. • Expand other web services such as Froogle, which could someday compete with Ebay. • Growing market for advertising business. • Acquire small competitors to expand. • Attracting attention to the Google Mobile program in order to expand its market share. 	<ul style="list-style-type: none"> ▪ Paypal pay system ▪ Search engine to media ▪ Flexibility ▪ Advertising
Threats	<ul style="list-style-type: none"> ▪ External fraud, such as click fraud, is ever-present and can reflect poorly on the reliability of google. ▪ Google seems to rely heavily of single accounts (such as the AOL Ad Sense account). ▪ As google expands and diversifies it encounters heavy competition form established companies such as Microsoft and Yahoo. ▪ Competitor innovation, for example Yahoo adopted a program similar to Ad Sense. ▪ Competitors can easily reengineer most "unique" products. ▪ Political issues hindering expansion plans (China's limitation on freedom of speech). 	<ul style="list-style-type: none"> ▪ Competitor search engines ▪ "Click" fraud monitoring ▪ Magnified media perspective