



WHERE IT ALL BEGAN: Page and Brin in 1999 in their Menlo Park, Calif., garage office space; Google exec Susan Wojcicki's former home where the founders originally set up shop



JUST LIKE PAUL MCCARTNEY, who says he literally dreamed the melody to "Yesterday," one of the most covered songs in the history of recorded music, Larry Page recalls the night in 1996 when he was 23 years old and had vividly dreamed about downloading the entire web onto computers. "I grabbed a pen and started writing,"

says Google co-founder and CEO Page. "I spent the middle of that night scribbling out the details and convincing myself it would work."

It certainly did. For the first time ever, in the final three months of 2011, Google exceeded \$10 billion in quarterly revenue. Every day people around the world now use Google for an astounding 2.5 billion searches. But in all the gee-whiz statistics one could cite about the ubiquity of the company on the web, one statistic

is even more telling: Page, 39, and co-founder Sergey Brin, 38, have spent \$11.8 billion on research and development in the past three years.

That money fuels an innovation machine second to none, one that has moved Google well beyond its dominating lead in the search engine business. Staying innovative while scaling into a behemoth organization is often the most difficult passage for any growth company. For Page, who became CEO last year, and Brin, it comes down to what they call the 70-20-10 rule.

"About 70% try to work on the core efforts of the company," explains Brin, "about 20% goes to adjacent areas and expansion, and for the 10%, anything goes. As we have expanded our breadth of offerings, it's actually harder and harder to find the 10% out there. But I think that's important—to let people be really creative and think outside the box."

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LARRY PAGE & SERGEY BRIN

COMPANY:
Google

SALES:
\$37.9 billion

MARKET VALUE:
\$203.2 billion

EMPLOYEES:
32,500

ADVICE:
Spare no expense on innovation.