

CASE STUDY

Interview: Carlo D'Asaro Biondo, Google's Europe Strategy Chief in Charm Offensive

RICHARD WATERS - LONDON FT.COM APRIL 28, 2015

The group has woken up to the fact that the way it operates in the continent must change.

Google needs more friends in Europe. That message was brought home with a vengeance earlier this month when the European Commission lodged an antitrust complaint against the internet search company and started a second investigation into the Android mobile operating system.

But Google privately woke up to the fact that it needed to change the way it was operating in Europe last summer, according to Carlo D'Asaro Biondo, the French-Italian executive leading the group's new charm offensive.

"We realised in the last years we had a problem," he says.

In Mr. D'Asaro Biondo's analysis, Google should have offered a helping hand to all kinds of European industries as the digital world put increasing pressure on their business models. That did not happen.

"In Europe we were not organized to value [partnerships]," he says. "We were more organised to sell advertising."

That neglect has had a high price. A series of running battles with the media and entertainment industries over copyright issues has expanded into wider competition complaints, resulting in this month's action in Brussels.

Now, with the digital world encroaching far beyond media and communications, anxiety about Google's influence - whether it is friend or foe of industries from healthcare to cars - is rising.

"Maybe we didn't make enough effort to understand our partners... in developing relationships," says Mr. D'Asaro Biondo, speaking in his first extended interview since he was handed the job of managing European strategic relationships in February.

He has the task of convincing companies in other industries that Google is a reliable ally rather than the leader of a digital invasion from Silicon Valley bent on wiping them out.

Mr. D'Asaro Biondo says he plans to start by telling other industries why they have nothing to fear as Google expands into new markets.

For instance, carmakers should not be worried that the internet company is building its own prototype driverless vehicle, he maintains.

"We can't develop things alone to replace them. I don't believe in that. Developing a car requires skills and know-how that we don't have."

Google would not want to become a carmaker in its own right, for instance, he says.

"It would stop innovation, because instead of focusing on what we do, we would have to try to learn things we don't know."

His comments at times sound as though they run counter to the large ambition emanating from the company's headquarters in Mountain View, California, as it eyes new markets far beyond internet search.

But in the version of Google Mr. D'Asaro Biondo is bringing to would-be partners in Europe, the company's horizons sound far more limited. He says he will become a champion for ideas developed with partners in Europe, taking them back to Mountain View to help shape the group's global product development.

Mr. D'Asaro Biondo's unenviable first task will be to persuade Europe's news publishers, have long been counted among the company's strongest critics, that it has their interests at heart. The challenge extends beyond news publishers to other old media companies trying to make money online.

TV executives like Bertelsmann's Thomas Rabe, for instance, grumble that the economics of platforms like Google's YouTube simply don't generate enough money for broadcasters.

"I think the model is going to work for everybody over time because the internet grows and YouTube grows," counters Mr. D'Asaro Biondo.

One of his overtures involves Android, the smartphone operating system. Linking a system that is on 85 per cent of smartphones with new devices like watches, glasses, cars and TVs creates opportunities for various industries to develop stronger links with customers.

"Making those machines speak together is an incredible development of services," he says. "There's huge value for the ecosystem."

The focus on Android comes in the shadow of an antitrust probe into the operating system in Brussels. Mr. D'Asaro Biondo claims, though, that the regulatory challenge would not slow the company's Android ambitions.

His message to Google detractors is straightforward. "I can make the cake bigger for everybody. If we can look each other in the eye with respect, I think we can do incredible things in Europe."

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Case Questions

- 11-14. What is the history of Google's clashes with European authorities and people? Give some examples. What cultural factors have been involved in these clashes?
- 11-15. What is Biondo's overall strategy when he says, "I can make the cake bigger for everybody"?
- 11-16. What has happened since the writing of this case? How is Biondo doing?