

URL: <https://stvp.stanford.edu/blog/videos/getting-acquired-by-google>

Analytics company Urchin was acquired by Google because of the professional look of their trade show booth - and because their product was quality, says Google Analytics' Group Product Marketing Manager Brett Crosby. Here, he recalls the nine-month process of the deal, and how a leak to the press nearly lost it all.



Transcript

I should point out, the reason I have this slide about the trade show booth is this was actually how we got acquired by Google.. We were at Search Engines Strategies in San Jose in '04.. This guy walked up to the booth with this other guy whose age was very hard to pinpoint.. It turns out the guy was 24 years old at the time.. They walked up to the booth and they said, "We're from Google.. We're interested in what you guys are doing.. Can you show us some of the stuff?" I happened to be working at the booth at the time.. So I said, "Sure.. Let me show you this stuff.. By the way, I know Google has a competing service called AdWords conversion tracking..

You guys are working on that, right?" "No, we don't work on that." It turns out this guy was the PM for that product.. The other guy was a corp dev guy and they were like, "No, we were just doing some business development.. We are just interested in what you're doing." So I told them exactly what we were doing and gave them all kinds of secrets which had I known what they were really doing, I wouldn't have told them anything, but that wouldn't have worked out so well either.. So what ended up happening was that we went to Google later that afternoon right before I called the Google dance which is this party that we host every year at Search Engines Strategies, which I had attended a couple of years before and was trying to tell people, "You guys should acquire us." It turns out this guy came along, Wesley Chan, and he actually had the vision and the foresight that Google should be in the web analytics business.. So we went to Google for this meeting.. I had been presenting in meetings for several years.. We have been doing this for, up at this point, up until about eight or nine years have been doing this type of thing.. I got in that meeting.. I couldn't say a word.. I was just so nervous because of the possibility of what this could turn into..

This, for us, was like grand slam home run.. We had family investment in the company.. We had almost done a full VC round which we ended up just doing angel and friends and family rounds.. The company for a while was teetering on bankruptcy at the time of this deal, the acquisition coming along.. We had a million dollars banked, and no one does that anymore, but within two or three years, we completely turned the company around, and we had within three days into every month, we were covering the bottom line of the business.. It was a very profitable business.. So we were thrilled about it, but at the same time, we were running the business fairly conservatively.. I would also suggest maybe on hindsight probably not be that conservative for your capital, but it's easy to say now.. We're in another fairly optimistic time, at least in the Valley.. It seemed very wise at the time, and we've been through it..

We had seen a lot of companies go under, and we didn't want to suffer that same fate.. If you've ever done layoffs which no one even knows what that is although I probably shouldn't mention that one, but anyway, some people do.. We didn't want to have to do that again.. You never want to go through laying people off, probably worse laying people off than being laid off.. So try and avoid that one.. So the deal was finally getting done.. This was August '04.. We thought, "Sure.. By Christmas time, this deal would be inked." This deal dragged out, just like all our hosting deals, until April of 2005.. Meanwhile, I was getting married April 16..

Part of the deal was we weren't allowed to tell anyone.. The part of the deal with Google was, "If the deal gets out that we're trying to acquire you, if people know about it, we're going to walk." About 10 days before the deal was inked or supposed to be inked, John Battelle calls me on my cell phone and sends me an email.. I happen to be in the shower unfortunately.. So I was listening to the voice mail and checking my email before I was going to work, and at the same time,

hearing and seeing, "We understand you're getting acquired by Google.. I'm going to write about it today, wondering if you want to comment." So I said, "This is not good." So I called up some people at Google that we've been working with and I said, "The deal is going to leak, so it's do or die time." They circled up.. Several people said, "It's die time, don't do the deal." Fortunately, guys like Wesley prevailed and got the deal done, and the deal actually closed on April 20, 2005.. April 16, I told you I'd get back to this, I was getting married.. So that's why I was at my wedding four days before inking the thing.. The interesting thing about it though is that four days before that was the first time we could tell anyone, "By the way, we're getting acquired by Google.. It's going to be a fun wedding..

I'm going on my honeymoon and as soon as I get back, I'm out of here moving to San Francisco.. By the way, so is the entire company." That was a surprise to many people...