



Tech Talk

Google's Alphabet ©

by Max Farrington

One of the biggest and most famous tech brands has changed its name! Google has now become Alphabet. The reason behind this change of name is to simplify Google's tentacular expansion into sectors other than the internet, such as Google Capital, Nest and Calico amongst others. Let's look back at what makes Google the second highest capitalized company after Apple.

On the 10th August 2015 Google Inc became Alphabet Inc and in doing so, restructured the whole company. Larry Page and Sergey Brin will be the CEOs of Alphabet while Google will now be placed under the responsibility of Sundar Pichai.

Google as a company still exists but it is now just a simple subsidiary that will be in charge of Android, the search engine, Ads, Google Maps and the apps. Alphabet has 6 other subsidiaries: Calico, a biolab company. Google Ventures, the corporate venture capital investment arm of Alphabet. Google Capital, the late stage growth venture capital fund. Nest, a home automation producer. Google X, a semi secret facility that does research on advanced technology. And Fiber, a broadband internet and cable television service in the United States.

This new naming is crucial as it reestablishes the company and gives more independence to all the subsidiaries. The company can continue to innovate and expand very audacious ideas while hiding the potential failures such as Google + or Google Glasses. The projects that die won't hurt the brand anymore because it won't be directly related to the parent company.

The new Alphabet will of course be based... in Delaware, a small state on the eastern coast known for its fiscal dumping policy! Google Inc. has also been based in Delaware since 2003, just before it actually went public. Once again Larry Page and Sergey Brin's company is using fiscal optimization; this is also another reason why Google has changed its name. The company is being sued in many countries, particularly in Europe for not paying its taxes. By changing its name it avoids all the bad publicity of trials that can no longer be avoided.

Of course this name change has its consequences on other companies, notably BMW. The German car manufacturer is furious because the word "Alphabet" is a subsidiary of its company which specializes in car rental. Even worse for the giant internet company, BMW has no intention of selling the name of the domain "Alphabet.com" and for this reason the website address for Alphabet is currently abc.xyz.

With all of these branches we can see that Google sees itself as an essential player in the future of technologies. Larry Page himself said "Google is focused on everything"! Google or Alphabet as it is now called is set to become the most powerful company on earth, being even more influential and stronger than some countries.