Google isn’t even close as a tool for proper due diligence. Why not?

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Because that’s not what it was designed for. Whilst the Google search engine has been one of the most empowering tools of the Internet era, when it comes to something as specific, technical and serious as due diligence there are some obvious shortcomings in using it.

Think of it this way – if you are using the same tool a 15-year old uses for their high school assignment when performing due diligence on a £ multimillion business deal, you might want to rethink your process.

When talking about enhanced or investigative due diligence you have to realize that the information you are looking for is by nature hard to unearth. Entities who are corrupted in any way, shape or form will go to great lengths in burying any evidence tied to them. What that means is that the chances of them appearing on the first (or even last) page of a Google search are seriously low.

But let’s cut right to the chase and explore the reasons behind Google’s limitations as a due diligence tool.
Right to be forgotten

As of May 13, 2014 the European Court of Justice ruled that an individual has the “right to be forgotten” from Google’s search engine on the grounds that results may “appear to be inadequate, irrelevant or no longer relevant or excessive in the light of the time that had elapsed.” What that essentially means is that information that might have been public at one point in time, may no longer be available online, erasing the eternal digital footprint.

Search Engine Optimisation

The moment you type something in Google, your search is affected by a number of factors other than the keywords you enter. Location, previous searches, paid-per-click advertisements and SEO rankings directly affect your discovery journey, leading to an inconsistent end-product. There are a ton of ‘reputation management’ techniques and black hat SEO strategies that influence what you will see in the top pages. The same thing you searched for today may yield different results tomorrow and even though this is great news if you’re after the latest Hollywood gossip, it might not be the case for enhanced due diligence.

Sensitive markets

In this context, the term sensitive refers to emerging markets and markets where the government and media deliberately influence the quantity and quality of the data available. In these cases, the third-party involvement creates a very long and disconnected search trail showcasing how Google’s one-dimensional search is not able to integrate such unique variables. This example shows the different layers and true depth of a rigorous due diligence process.

Deep web

If the world wide web is an iceberg, Google is the top part, the one everyone can see, whilst the deep web is everything below sea-level. Deep web is defined as the part of the Internet where conventional search engines (in this case Google), don’t have access because of password protection, paywalls, encryptions and dynamic pages. Like in the case of an iceberg, the mass of what you can’t see is impressively bigger than that which you can. Imagine you are looking for a legal document stored in North Dakota’s Court records. What you will find is that attempting to retrieve this information through Google won’t get you anywhere since search engines don’t use search boxes, they just use links. On-site search is a common practice amongst government databases and libraries that contain huge amounts of deep web data. Using Google as your primary due diligence tool means that you’re only touching the tip of the iceberg.

Inefficient process
Due diligence is a process, and sourcing the necessary and relevant information is merely one step of that process. What about filtering your results? Presenting them? What about linking the stages you went through to reach your conclusions? These are steps one must be mindful of when conducting a robust due diligence search. Randomly googling stuff and opening countless tabs on a browser is a messy, amateur approach that can’t be streamlined or tracked on a sustainable basis within an organization. Both internal managers and external auditors will have a hard time tracing reports built out of Google searches. And then what about the analysts? Asking someone to turn the world wide web upside down in order to source, filter and analyze specific information sounds like a task as time-consuming and tedious as looking for a needle in a haystack.