

TRAILBLAZERS TALK

Ravi Kumar S.,
President, Infosys,
in conversation with
Judson Althoff, EVP, Worldwide
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Link to conversation: <http://bit.ly/2ZdX9KI>

Ravi Kumar S. (RK): Welcome to the next chapter of Trailblazers in the city of Las Vegas. On the sidelines of Microsoft Inspire, I have a very distinguished guest, an old friend of mine - Judson Althoff. Judson actually runs the worldwide commercial organization of Microsoft. Judson has been instrumental in this wonderful journey at Microsoft for the last six years or so. He's been the president of North America before the current role and has been one of the key players in the transformation of Microsoft in the last few years. Thank you, Judson, for taking time out and talking to us. Wonderful to have you and every time I meet you, I always get inspired by your big idea thinking and your ability to execute with relentless focus.

Judson Althoff (JA): That's very kind of you. it's my honor and frankly a pleasure to be here with you again, Ravi.

RK: Let me tee up the first question for you. The re-emergence of Microsoft in the last few years as one of the pioneering digital transformational partners for enterprises, amongst everything else I've heard in terms of what Microsoft has done, the single biggest thing I hear from your teams is the cultural renewal inside the firm. Tell us a little bit about it and how that has made that change, that significant change for Microsoft.

JA: Well first of all, thanks for everything you said, all the kind words. You're right to point out that culture is sort of the cornerstone or foundation of really all of our work. I think actually one of the most important things that Satya did after becoming CEO was to reframe our culture and to speak deeply and frankly from the heart about what growth mindset means to him. Because I would sort of jokingly say to him hey listen we can't just print out the t-shirts and the coffee mugs and say, culture delivered. We actually have to live it, right, and so this 'learn it all' mentality is really this notion that if you take a pool of human beings and you take a group of folks who may have institutional acumen over a given topic versus those that have unlimited curiosity and a passion for really aggressive learning and an acute focus on learning that whilst day one, those that of course had the experience will likely outpace the learners, that in the fullness of time the learners will far outpace any institutional knowledge because in our industry innovation is actually what is appreciated far more than tradition and so that is sort of like the premise or the theory behind it all.

The investments have actually become far more practical though in terms of how we show up. We've changed entirely how we run meetings at Microsoft. You know when I first started at the company I had exposure to you know quite frankly a lot of the legacy in the past but at that time if you had a little red dot next to your name, it's probably going to be a long day in the review cycle. We've turned that on its head entirely. You know now if there's a little green dot on the scorecard next to your name, you're far more likely to be asked to speak about it because we want the people who have actually mastered the skill and somehow figured out how to be cutting-edge in their delivery to teach the others. So there's one practical example. But this notion of having a growth mindset, coupled with really the impact statement of wanting to make a difference, you know we really do believe that our differentiation in the market is to be the great empowering company. We're not as proud of talking about our own achievements, our own technology gains or financial gains as much as we are talking about the outcomes and the impact that we have for customers and so whilst growth mindset is the overarching anchor to our culture, making a difference is the real goal and then again so sort of to guide everyone in the company and even our partner ecosystem on pillars that they could really grasp and some meaning behind this notion of having a growth mindset, we devised three pillars. One that we would always obsess over our customers. Satya would always say if you want to be cool, Microsoft is not the place for you to come and work, if you want to make other people cool and help them reach their potential, come work for us.

The second thing is to operate as one. You know I think historically, Microsoft had almost a franchise model. Now in fact our greatest strength is actually coming together and putting forth our portfolio of intellectual property and putting that to work for our customers.

And then the final pillar which has deep meaning for me is our investments in diversity and inclusion and we have invested greatly and recruiting early and career diverse talent to come to Microsoft because we believe that none of us is as smart as all of us and if you can and capture the ideas of many, incorporate them into your overall strategy, you're going to be far better off. And then the investments in inclusion as a part of it right because it's one thing to, you know, work hard numerically on diverse representation, but you have to create the environment where people feel like they can learn, grow and thrive and be happy in the work that they do and also then do the hard work of not just making sure that that environment exists at Microsoft but also the communities around them where their

families have to live. And so that sort of frames the journey that we're on and I would just emphasize that we're journeying because we do believe this is worth it it's never done. We're reasonably pleased with our progress of course but a lot more to do.

RK: How do you do this at scale for such a large enterprise as Microsoft, federated and in some ways, distributed across the world? And how do you make sure that every new hire who comes on board inculcates that culture?

JA: It's a great question and you're right to point out the importance of it all. And so for us at Microsoft the mechanisms that we choose to use, our first to sort of understand that look, cultures what people will do when unsupervised and so you have to actually almost create this human flywheel that sort of builds upon itself, rewarding people for learning activities, rewarding people for taking on tasks that are frankly more difficult...

RK: ...Was there a deliberate role modeling as well?

JA: Yes absolutely, from the leader level all the way down to the individual contributor level. You know taking people and lifting them up for taking on a risky project, failing fast and learning faster is, it's a big part of it. But to answer your scale question, we actually have put technology to work in a way that makes sense for our culture. We have this sort of manager framework around modeling, we're leading by example, coaching and caring for our employees, and we actually used artificial intelligence to actually help in the coaching process. So in our many centers around the world, where we're both taking inbound calls for customer support as well as making outbound calls for sales, we use speech to text translation services and cognitive reasoning capability to understand the sentiment analysis of the conversations that all of our people are having with customers. And then we can actually play that back in a way that it can be used in a coaching dialogue. But the AI tech itself serves up a way in which you can look at scale conversations and say wow our customers are least comfortable dealing with us or most comfortable dealing with us in these scenarios and so let us help our people through the more challenging dialogues. Even simple things like saying the amount of time spent in a conversation listening versus talking and explaining to someone that the richness of understanding comes first from listening rather than projecting is super helpful to us. So many investments across many many different categories at Microsoft but it's a continual effort right, it can't just be a one and done kind of thing. It has to be a part of how you run the business and how you live the business.

RK: So Judson, just switching gear, I wanted to talk about a very exciting topic. Very early on, Microsoft invest set out on a cloud journey for all your products and solutions, (**JA:** yes) invested into startups, you've invested heavily into research and development and 'Azure' it's actually a blockbuster offering in the market. I just love it so much. Tell us a little bit about what's in store and how has this journey evolved over the years.

JA: One of the concepts I unveiled this week at this conference at Inspire was this notion of democratizing digital. This notion of democratizing digital means that frankly we're not done until everyone is empowered to have a digital experience and that we've enabled everyone to participate in the digital economy. And that has both depth and breadth connotations. You take a large Fortune 500 company and it's easy to take on an artificial intelligence project around optimizing a business process, you know putting sensors on machinery, building out a big data lake, optimizing a process and saving money and I don't mean to trivialize it, that's great work. In fact it's very cutting edge work, but it's not done until you achieve this connectedness even with the frontline workers and the way in which they actually run the business. And so taking the time to equip people with modern skills to enrich the work that people do to connect the CEO to the front lines or the front lines to the boardroom and then to actually even from the development standpoint, because we see every company becoming a software company or a technology company and developers will change the shape of how all companies run this notion of empowering the elite devs of the world to then turn around and enable the citizen devs to sort of unlock or spark this tech intensity from within any company. Doing that at depth so that everyone within a large company benefits from the experience and then turning around and doing it breadths so that the few can empower the many, that's really the journey that we're on here and it's why frankly the partnership that we have is so important because you know Microsoft can't do this on its own.

RK: Going on your point on democratization in some ways the impact is going to be in every function and the organization and decision making is very democratized. How did you make that switch to a buyer who's very different from the buyer of the past?

JA: It's a great point and it's truthfully less of a 'switch' and more of an 'and'. I try to coach my people that customers are not monoliths, there's not one single thing they're trying to get done. There are complex ambitions, there are a multitude of aspirations and so selling to a customer is like selling to multiple rooms within a house. You know there may be an artificial intelligence room in the house or a data room in the house or a security room in the house, well on the upper floor of that house exists a business aspiration (**RK:** Absolutely absolutely), I want to optimize my supply chain I want to do a better job at engaging my customers on an anonymous to advocacy journey and then the top floor, the penthouse if you will, is this sort of board level aspiration you know of finding long-term systemic growth and differentiation for that company. And so if you find a way to thread a strategy across all rooms in the house and make sure that the strategy of devising actually creates the impact across every room, that's when you know you have something that's lasting and it's connecting vision and strategy and culture to the unique potential of the company (**RK:** absolutely) and then investing in the technical abilities that make it come to life. That to me is the...

RK: ...In fact never before this has technology played such an important role in large enterprises. So the analogy was so apt. So Judson you know I want to switch gear into a very different topic - you invested in GitHub which kind of is in some sense, a reflection of Microsoft's strategy of openness, embracing developer community's innovation, democratization in some ways. It has - I'm told it has around 25 billion developers, 86 million repositories. How is Microsoft going to leverage this huge asset?

JA: Well I think you pegged it first Ravi, and saying that the most important thing is to serve the developer and that's our real commitment here. We've of course made big investments in our own existing tool sets - Visual Studio, VS code for example, has taken off tremendously, even our competitors use it in their own development environments. But GitHub to us represented the ultimate in heterogeneous developer productivity, and so investing in that community and making sure that GitHub remains pure, that GitHub remains heterogeneous if you want to use GitHub and deploy to AWS or deploy to GCP that's fine. We of course are going to do a lot to make the GitHub experience with Azure great but we're well...

RK: ...But you want to keep it agnostic?

JA: You bet, you bet because again job number one is to serve the developer, because we believe it falls back to this directive of democratizing digital as I said earlier.

RK: This is actually one axis of democratization.

JA: That's right there's a huge skills deficit in the world absolutely, you know better than most (**RK:** Absolutely absolutely) that this idea that we just go higher, more elite devs. Whoa, newsflash: there aren't any more you know. And so you have to give academic (**RK:** You have to create them) yes, you have to enable them to empower others through great scale and so we will be working very very diligently to connect GitHub to our own citizen developer capabilities in our power platform and other low code no code you know the (**RK:** GitHub ecosystem is gonna benefit significantly as well, Microsoft ecosystem) we're really happy about it and we think the GitHub folks are doing great work.

RK: You know one other area which we're hearing a lot about Microsoft is gaming, yeah I get a sense that the vision of Microsoft you know, for lack of the right word, they want to be a Netflix for gaming. Is that an area Microsoft is...

JA: I'm glad you asked. You know running the commercial business, people have come out to me and say we don't get the gaming thing, why are you so invested in gaming? But gaming is strategic to Microsoft for a number of different reasons. One because it actually does ring true to our mission of empowering every person and every organization on the planet to achieve more because it does it enriches people's lives. And in fact if you think about it gaming is most likely the first time as a human that you were ever exposed to technology, you know as a child (**RK:** Yeah, even as a one-year-old) that's right that's right. And so making that experience more ubiquitous you know some of the things that we have done with Xbox Live and the ability to engage more and more people on the planet in enriching gaming scenarios, having that even feed in an educational experience with Minecraft so that students really enjoy and are inspired by the work that they do and they actually don't even think that it's schoolwork per se. It just seems fun to them, it teaches us even about our own cloud platform so we made an announcement earlier this year on xCloud.

RK: And do you want to use gamification for new technologies as well?

JA: Of course but we also want to make the cloud platform itself even better and so Satya speaks often about the intelligent edge and the intelligent cloud as the compute paradigm of the future. xCloud actually brings that to life if you think about it. What we want to do is have streaming capabilities that ignite a world of billions of gamers to have a rich experience but at the same time it hardens Azure because some of the most demanding customers we have for Azure are gaming studios. You know we talk about now Five nines in the enterprise world, well if you have a millisecond blip in a large-scale game with thousands of people in some world (**RK:** Virtually connected) right, you know you perhaps may have lost a customer for life. So it teaches us a lot about the resiliency of a platform as well as helps us fulfil our mission to and to enrich the way people live their lives and experience learning.

RK: Awesome I just want to squeeze in one last question for you. With the advent of AI, automation and machine learning algorithms underneath continued enterprise software, hyper productivity is the next big thing for large enterprises. But most CXOs don't know how to get about it. Tell us one or two things which you believe they should know which are very important to create an embrace on this new age machine learning AI tools.

JA: It's great, it's great. I think the most important thing to remember is that it's about people and technology. So many of the artificial intelligence pursuits that I see are sort of this maniacal pursuit of optimization and efficiency gains and it leaves people behind in the richness of the work that they do as an opportunity for fueling growth. Let me give you an example. If you take you know one of our more complicated offerings in Azure, our Azure machine learning offering has the ability to reason over tremendous amount of data and create all of these optimized processes. Where we've really seen it come to life is if you embed the outcomes in it, into Teams, into our collaborative environment, such that people on the front lines that have never had any access to technology are suddenly getting exposed to the optimizations that are being proposed by the machine learning model, and the humans teach the model, the model teaches the humans, the business itself learns in real-time through the people that are actually achieving the business outcomes itself. The opportunity there to me is the massive unlock that often gets overlooked and that's why I would just counsel, always remember that it's about people and technology.

RK: In fact, you know, you are bang on, so spot on in many ways amplifying technology to people and the virtue of applying these technologies is a much bigger thing than the technology itself. That's right and the people aspect is the most important one, reskilling people to the new jobs of the future is probably what the future is going to look like for large enterprises. thank you so much Judson for your conversation, always a pleasure to talk to you, thank you.

JA: Ravi thank you, my pleasure. Thank you.

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