

Transcript of Keynote Address and Q&A

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BRAD SMITH: Thank you. It's a real pleasure to be here. This is such a terrific organization and I know the planning committee has been working for months on this event. There's a great a board of directors that leads this organization.

I always enjoy coming to these kinds of meetings. It creates the opportunity to learn new things, and I sometimes worry about the things that might go wrong. I just want to say that, as you heard before, I wish I had been turned away before I went into the men's room that for today has been turned into a women's room. (Laughter.) I want you to know that I have never been in and out of a restroom so quickly in my life. (Laughter.)

There are so many good things about this organization and one of them is the women who head GCI. But even more than that, before talking about where we are today and where we are headed in the future, I think it's worth taking a moment to reflect on the remarkable past that has brought all of you and all of us together.

It's remarkable to think that it was 115 years ago, in 1899, that the Women Lawyers' Club, as it was then called, had its first meeting. It's remarkable to think that a century ago when that group met here, there were 170 members – far fewer people than are here for lunch today. But I think the most remarkable thing to reflect upon is the leaders of that time. There was Olive Stott Gabriel, the President of the Women Lawyers Club, who 100 years ago when this group was getting together had the vision to ask what they should do next. And what she urged and what this group did was come together in 1915 and decide to take on the cause of women's suffrage in the United States. And in part because that group of people dedicated itself to that cause, within five years Congress passed the Constitutional amendment that led to the right for women to vote.

One of the things I like about Olive Stott Gabriel is that she grew up in Oregon, not far from those of us who live in Washington State. As she traveled the country to talk about the cause that this group was advancing, she talked about the state of the law across the country. When she returned to her native Oregon, she called out the fact that at that time there were only 14 states in the United States where wives and mothers even had joint guardianship of their own children. I think we can all assume that in all the other states the wives and mothers were still playing the same role in raising their children.

And more than anything else, I think that story shows that, as she argued, women could not have equal rights under the law unless they attained the right to vote. But what it also showed is that one couldn't win for women the right to vote without the help of lawyers who happened to be women.

That's a message that speaks to me in my job. One of the wonderful things about my job is the amazing group of people I get to work with every day. As you heard, we have over 1,100 people. We have about 600 lawyers. But what is most unique about our department is the fact that we work in 55 countries

around the world, to the best of my knowledge more countries than any other corporate legal department, and I know more countries than any law firm has a presence around the world.

The individuals in our department represent 51 nationalities, and they speak 40 different languages. Every day I'm in awe of being able to work with people who speak 40 different languages. Until I get my first cup of coffee in the morning, I cannot even speak one. (Laughter.) It's a wonderful experience.

What I want to share with you today is a few of the lessons I've learned and a few of the people that I've had the opportunity to learn from – because that is truly what has made all the difference to me in the 12 years that I've been in this job and in the 21 years that I've been at Microsoft.

I was extraordinarily fortunate that I had the opportunity to learn what was quite possibly the most important lesson early in my career at Microsoft. As you heard, I joined the company in Europe in late 1993. I was the leader of what was actually a very small team at the time, the European Legal and Corporate Affairs team. There were five of us who were lawyers in the Paris office. And I really learned my first valuable lesson from a lawyer named Nancy Anderson, who happens to be here today.

Nancy had joined Microsoft about a year before me. And after a year or so of working together, in late 1994 Nancy came and talked to me in my office. She said to me, "I don't think that you fully appreciate what I can do. I think I can do more than the projects that you're giving me. You might even be giving bigger opportunities to a couple of men on the team. And I want you to think more about me."

Nancy walked me through her reasoning, which as always was very well put together. I listened and I said, "You know, I had not thought about this, but I can see how it looks to you, and you may be right. So let's work together on this. Let's identify some projects. Let's give you bigger opportunities. And I will do what I can to learn and hopefully to help you succeed."

In the years that followed Nancy took on more in Paris, and then we promoted her to lead our antipiracy team in North America. And then after that we promoted her to lead the legal team that included the rest of the Western Hemisphere as well. And then in 2001, seven years after that first conversation, we promoted her to lead all of our legal teams outside of the United States. It was a position she held for the next 11 years, and when she retired in 2012 she was leading a team of 400 people.

I think we can all agree that one thing is perfectly clear: when Nancy came to me in 1994 and said that she could handle more responsibility, she was right. (Laughter.)

Ever since the day we had that conversation, I have forever been grateful that she came to me and raised those concerns with me. And to be honest, I have forever felt a little bit bad that she had to come raise those concerns in the first place. And I resolved as a result of that conversation that I needed to do a better job. It was really my failing in part to appreciate everything that she had to offer.

I resolved that I would do a better job both having an open door to make people comfortable to raise the kinds of concerns that Nancy had raised with me, and to focus on spotting the wonderful talent that was all around me.

In a sense it was the benefit of that first lesson that enabled me to learn the importance of the second one. It was a lesson that I began to learn in 1996, when I had the opportunity to work with Pamela Passman, who is also in the room today.

I had worked with Pamela when we were both associates at Covington and Burling. And when I was promoted at Microsoft to move from Europe back to the Seattle area in 1996, one of the first positions I needed to fill was the senior legal and corporate affairs position for the North Asia team based in Tokyo.

I knew that Pamela had worked on two prior occasions in Japan. And I knew from my first-hand experience just what a terrific lawyer she was. So I approached her and I offered her that job.

I will always remember shortly after I offered the job the conversation I had with one of our senior business leaders in the company, a man. He said to me, "look, I'm all in favor of creating more opportunities for women, but do you really think this makes sense to do in Japan?" "This is not a country," he said, "that has women in these kinds of roles." He said to me, "look, it's your call, but I have to wonder whether it's the right one."

I looked at him and I said, "thank you . . . for acknowledging that it's my call." (Laughter.) I said "I believe that you will find that she is the best person who can possibly do this job."

And we went forward. I learned that day that there are times when you need to stand up for other people. But what was most remarkable was that I stood up for Pamela on that day, and then each and every day that followed she went to work in Japan and she stood up for our company. And what was most amazing came two years later, as we were in the midst of antitrust investigations around the world and the Japanese Fair Trade Commission, the JFTC, was pursuing an investigation of us. As we went to work to try to settle that case, there ensued a negotiation between the JFTC and Microsoft, and Pamela was the one who led that negotiation for us. At the time that she did so she was more than eight months pregnant. I have seen many negotiations around the world, and I will tell you that this negotiation had a deadline unlike any other. (Laughter.)

Pamela negotiated a settlement and in truth it was one that back at the company's headquarters we all thought was quite good. And I'll remember to this day the moment a few months later when that same business leader who had been concerned about our hiring Pamela stopped by my office. He said to me, "I just want you to know I remember those comments I made to you when you hired Pamela. And I just want to say that you were right and I was wrong." That meant a lot to me, because I will forever feel bad that he had the reaction he did in the first place. And I will forever feel grateful that he came by to say what he said. Years had passed, and he easily could have forgotten, or even more he could have pretended to have forgotten.

It gave me an appreciation that part of what I needed to do was not only stand up for other people, but give other people who might not have shared the same point of view at the outset the opportunity to come along as they grew a little bit older and a little bit wiser.

What is most remarkable to me is not just the success that Pamela had in Japan, not just the success that she had in the years following when we promoted her and she was the person who led our corporate affairs work on a global basis, but the way the door that she opened for us in Japan is a door that other women at Microsoft have opened since in so many other countries around the world.

We have had women lead our legal and corporate affairs teams in Korea, in Japan, in Singapore, in Australia, and in India. In Germany, France, Spain, Italy, Romania, Hungary, and the Ukraine. In Colombia and in Brazil, and now in Egypt, in Turkey, in Nigeria, Kenya, and South Africa. If you look at the 55 countries where we have teams, women are leading 22 of them. That is a testament in my view to the enormously talented leaders we have been so privileged to have working with us. (Applause.)

And that in a sense leads me to the one other lesson and person I'd like to talk about.

When I started in this job, one of the first conversations I had, certainly one of the most memorable conversations for me to this day, was one I had with Mary Snapp. Mary was the very first woman to

become a lawyer at Microsoft. She's here today. (Applause.) Mary joined our company and our department 28 years ago and became the second most senior person in our department.

We sat down and we talked about diversity. We talked about what we wanted to do about diversity. We talked about the big dreams we had to actually do something that would matter.

But what I'll always remember as part of that conversation is that we resolved together that before we ever went out and talked publicly about diversity, certainly before we accepted any award from anybody, we were determined not just to be in a position to talk about diversity, but to do something that would have an impact. And we said to ourselves, "we have big dreams, we have some things that are good today, but we have so much to do ahead of us. Let's focus on getting something done. And if we actually do something worth talking about, then we'll go share it with others."

When I look back at the last 12 years there are so many lessons we learned, and to be honest there are so many lessons we still have to learn, because I think this issue continues to evolve in new and very interesting and important ways every year. But one of the lessons that we learned early on, to this day in my own mind remains the most important. At the end of the day diversity is about demographics, at least in part. Demographics are about numbers. And we decided that we would create a short list of measurable goals for our department. And we resolved that we would stick with those goals on a sustained basis each and every year.

When we started we created two goals. The first goal we created for ourselves was to increase the percentage of lawyers who are women by at least 1 point every year. Now, interestingly, there were concerns about this goal, including from some of our own employment lawyers. After all, if you create a measurable goal, if you talk publicly about a measurable goal, there are other problems you can run into. Mary and I thought about it, we talked about it with others, and I concluded, she concluded, and we concluded that we could manage this lawfully. And by the way, if this was something we were going to be sued for, this was a case we wanted to fight, because we believed it had a principle that was worth standing up to defend.

But more important than that was the impact this has had. When we started, when we had that conversation 12 years ago, 22 percent of the lawyers at Microsoft were women. Today 36.5 percent of our lawyers are women. So we've grown that by 14-and-a-half points over 12 years.

And, of course, if you think about creating a department where 50 percent of the lawyers are women, it causes you to realize that in over 12 years we've moved halfway from where we started to where we want to go. I do think that has an important lesson for us as well. It's a powerful reminder that a goal can be so important and big that it may take a quarter-of-a-century to achieve it in all of its fullness. It may take one group to start it and others to finish it. And yet we felt it was the right place to focus.

Similarly, the second goal we set for ourselves was to increase the percentage of our employees in the United States who were minorities by half a point each year. And over the last 12 years we've grown that from 14 percent to 24 percent.

And in both areas we've recognized naturally as time has gone by that it's not enough just to have a diverse population of lawyers. We want to have a diverse set of leaders who are representative of all of these groups as well. And we're making progress. We're not quite as far along: 36.5 percent of our lawyers are women, and 30.2 percent of our top leadership ranks are women; 24 percent of our lawyers are minorities, and 19.4 percent of our leaders are minorities.

But what is important to me is that we know our numbers. And what is even more important than that is because we know our numbers, every summer when I write my own personal self-evaluation that goes to the CEO and a committee of the board, I write it to include not just the diversity activities that we pursue, but the impact that we have had.

Over the course of these 12 years, we've decided that it wasn't enough just to focus on what we were doing internally. We wanted to do more to focus on what we were doing externally as well. And we chose two goals in those spaces as well. One was the percentage of our legal spending that was going to women and minority-owned legal firms, WMBE firms. When we started, 1.4 percent of our spending was going to WMBE firms. We set a new goal. We said we wanted in three years to get that to 4.5 percent. And I can tell you that six years later we're at 7.4 percent. Because we set a measurable goal, we focused people's attention, we went out and met more people, and we hired more firms.

And in some ways the most interesting thing we've done, at least if you define interesting as something that is unique, is a program that we created and called our Law Firm Diversity Program. We look at the firms that are in our premier provider program, a number of very large firms across the country. And six years ago we decided that diversity was something worth paying for. We knew from our own experience that a diverse team of lawyers was likely to be a more successful team of lawyers. We wanted more diverse teams of lawyers to represent us, not just inside our department but at the firms with which we worked.

And we said to ourselves, "we live in a world and we work in a market economy where people pay for performance. People pay for the things they care about. We care about diversity. We know it matters for performance." And we decided that at the end of each fiscal year we would pay to each of these firms a 2 percent bonus on all the fees they generated over the year if they met one of several defined, measurable diversity goals.

We said there are various ways people could do it. If the representation by diverse attorneys on the hours worked for Microsoft grew by 2 points year over year, a firm would earn its bonus. If the diverse representation within their attorney ranks as a whole grew by half a point a year, the firm would earn its bonus. And if the firm had a more diverse attorney population than we do at Microsoft, they would earn their bonus even if they did nothing at all. We said, "If you're better than us, we'll pay you for being better for us. Just know that we're going to get better every year." Today 56.3 percent of our lawyers in the United States are either women or minorities. Last year there was one firm that earned its bonus because it was better than us.

But looking back six years later, the progress to me has been remarkable on one important indicator. When we started, the percentage of hours worked for Microsoft by diverse lawyers in these firms was 33.6 percent. When we ended the fiscal year this year in June, that number had risen to 49.8 percent. We have seen a 16-point increase in only six years. That, in my opinion, is diversity worth paying for.

But there's another side of the coin that isn't nearly so encouraging, because if you look at the attorney population of all of these firms as a whole, in six years their diversity has grown collectively by less than 1 point.

What's the lesson? To me it's clear: if one client stands up and says it will pay for diverse representation, that client will get more diverse representation. But if we want to grow the diversity of the profession as a whole, we all need to find new ways to stand up together. That is the only way we will obtain the next real breakthrough.

(Applause.)

When I look back at the last 12 years and the experiences we've had, I love the opportunity to build on the lessons that I've learned and the lessons that all of us have learned together. I love even more the opportunity to keep learning from the amazing people I get to work with every day.

But in addition to that, all of this work has left me with three very strong core convictions about how I think about diversity.

First, I believe that diversity needs to be one of the core values of the legal profession. And in fact, it needs to become even more central to our profession than it is today. When you think about our country, every year it is becoming more diverse. All you need to do is read the news to see that. And yet if you think about our country, there are really just a few core things that bind us together. It's the democratic principles and the freedom of expression that are enshrined in the Constitution. It's a healthy respect for the opinions of others. And it is an abiding and deep appreciation for the rule and the role of law. It is those three things that enable 316 million people in a country as diverse as ours to succeed in their own lives.

And yet when you think about those things, they all clearly rely on the country having a healthy legal profession. We are here to serve the country. We need to be as diverse as the country we serve. That is the first conviction that I have come to appreciate.

The second conviction that I've developed over the years is a deep appreciation for the fact that diversity is not just important for our profession; it is important for our country. Every morning I get out of my car and I walk into the office building where I work in Redmond, Washington. And most days if I'm not running too fast to get out of the Seattle rain, I like to remind myself that although I work in this one corner of the United States, 96 percent of the world's population lives outside of the United States.

If you think about our future as a country, it will turn on our ability to invent the products that the world needs and to deliver the services that the world requires. One of the things I've learned over the years in traveling around the world is that Americans, actually more so than most people, are very comfortable talking about what we think makes our country special. I believe our country is special. I believe it's special in many ways, but I believe it is special in one way that is not only objective, but is statistically accurate and verifiable, and I would argue indisputable, and it is true in a way that we do not discuss.

If you look at the world as a whole, there is no country that has a population that better reflects the population of the world than the population of the United States.

When we think about our future as a country, diversity is our strength.

We need to recognize that it's a strength. We need to embrace it. We need to nurture it. And we need to use it as a strength in order to better understand the world and create the jobs that will serve the world in the years ahead.

And finally I've come to one last conviction.

As important as diversity is to the legal profession and to the country, I actually think it's even more important to people. If there's one thing I've come to appreciate, it's the power of creativity that is unleashed when you bring together a diverse group of people. It makes everybody better.

When I think about my role as a white male, as somebody who grew up in the middle of the country, in a middle-income family, with a last name that was the most common name in the middle of the phone book, you might not think of me as somebody who would necessarily be interested in diversity. And yet,

if there is one thing that I have learned year in and year out, it's that the opportunity to work with diverse people makes me better. It makes all of us better. It makes us better lawyers and even more than that, it makes us better people. And that, too, is something we need to keep in mind and embrace and remind everyone else about.

When I put it all together I think about what Olive [Stott Gabriel] might think if she came back 100 years after that conversation about women's suffrage. I think we could impress her with the progress that the country and the profession have made. But I think we would be quick to point out to her that we still have more work ahead of us.

And I know we would be quick to stand up and say to her that because we have more work ahead, we all know that we are not done yet. That, as much as anything else, is the opportunity that all of us and all of you can help us move forward to address.

I appreciate that the road ahead is long and it is winding. There may be days when the road feels like it's going uphill. There may even be days when we feel that we're going backwards rather than forward. But, from all of the experiences I've had, from all the lessons I've learned, I know that this is a path worth pursuing.

And so I hope all of you will remember this: each morning when you leave home to go to the office, you're not just going to work. Your presence is making your office a better place.

Thank you very much.

(Applause.)

I have some time for questions.

QUESTION: Hi, Brad. I'm Mary Cavanaugh and after 23 years at AT&T as an associate general counsel, I decided to pick and move to a position with a nonprofit organization, Texas Loves Children, and I'm loving that. I highly recommend it for those of you who are thinking about going that way. And so I thought I'd give you this opportunity to do a little pitch for KIND, which I know is very dear to your heart, because I know those nonprofits need all the marketing and advertising they can get. So please share with us about KIND and your passion for that.

BRAD SMITH: Sure, I'd love to. First let me give you a little bit of context. KIND stands for Kids In Need of Defense, a pro bono organization that a number of us at Microsoft have been involved in and I co-founded in 2008. But, let me first add the context that I shared when I had the opportunity to speak to a group of students at Harvard Law School the day before yesterday. One thing I said was that when it comes to working with law firms, as a client I want three things. I want great people; I want them doing great work; and I want to focus with them on diversity and pro bono. I talked about diversity and then I talked about my pro bono work. In part I explained that it's an important responsibility that all of us have as lawyers, but I also talked about the connection that I personally believe is important between pro bono work and diversity.

I said that whenever a lawyer does pro bono work you are almost certain to work with a client who is different from yourself. Almost by definition, if any of us need to hire a lawyer we'll probably be able to afford one, and hence even out of the gate we're different from a pro bono client in that regard. But so often when we work with pro bono clients we work with people of a different economic background, perhaps a different age, perhaps a different race, or a different religion. And I told these students that I believe that if they can learn how to represent a client who is different from themselves, they will

develop skills that will serve them well as a lawyer and in their life about learning from and connecting with other people who are different from themselves.

And certainly our experience with KIND in part has been all about that. It started out as work that we at Microsoft began over a decade ago in the Seattle area, when we decided that we would make immigration work our signature pro bono effort. In part this is because in many ways we are a company of immigrants, with employees coming from around the world. And we started representing kids who had been separated from their parents who were going through immigration proceedings.

After about four years a group from Los Angeles came up to give us an award, because they said that Washington State was the only state in the country where every child who was separated from their family and who was going through an immigration proceeding had the benefit of being represented by a lawyer. And I was actually quite surprised by that. I started asking questions such as how many of these kids are there? What do they need? The truth was nobody knew.

Out of that effort we came together and KIND was created. And the wonderful thing about KIND is it seeks to provide each child who is separated from his or her parents with a lawyer in an immigration proceeding. We're operating in eight cities. We actually are one of the largest pro bono organizations in the country. Over 6,000 pro bono lawyers have gotten involved, as we've built a partnership among 221 law firms, legal departments, and law schools around the country. And along the way we've focused on using this effort to reinvent, if you will, a model for pro bono representation, not only to scale up, but to try to get lawyers and paralegals and others across boundaries inside legal departments, and between law firms and companies, all working together hand-in-hand.

So it's a wonderful thing in my view. But I think most importantly, it's actually been very important for a lot of kids. For many of them it's given them not just the right to stay in the United States, it's literally made the difference in whether they're alive today, because it ensured that they weren't deported to a country where their life and safety was at risk.

QUESTION: Hi, I'm Ann Baker from the New York office of Perkins Coie. And I wanted to

BRAD SMITH: Perkins Coie is the one firm that earned its bonus by being more diverse than us last year. (Applause.)

QUESTION: That's not why I'm asking. (Laughter.) But, I have to say just thinking in particular about the pro bono work with respect to immigration cases. That's one thing that we focus on, too, and it couldn't be more important. The cases that I've tried over the years that have given me the most pleasure and most gratification are the pro bono ones.

But what I wanted to ask you is, from the GC's perspective we wear so many different hats, what is the one issue in the United States that keeps you up at night?

BRAD SMITH: Well, if there were only one issue I would get a lot more sleep. (Laughter.)

Let me just offer a couple of comments. First, my role is really in a lot of ways to synthesize a lot of different issues and disciplines. One of the points we really focus on at Microsoft is the need to bring together people who are lawyers and paralegals, who are lobbyists, oftentimes who are engineers, who are communications specialists, from a whole variety of different perspectives. And it becomes my role to make sure that those dots are connected.

I sleep a heck of a lot better at night, because frankly we have so many terrific people who then lead the work on all of these issues on a daily basis. And if there's one thing that I have to focus on every day, it's ensuring that we have the right people in the right roles, that we have teams that are healthy, that people are growing, that they're developing, that they're enriched, and they're doing great work.

And so there are a few things that I do look at. One is our attrition rate. All of us in the senior ranks of our department are proud that we have a low attrition rate. Last year our attrition rate was 5.1 percent. It was 5.3 percent for men and 4.9 percent for women. So the first thing we need to focus on as a senior team is to make sure that our people are growing and our teams are strong.

The second thing I focus my time on, and in a way it is the one thing that I am most uniquely positioned to address at least within our department, is to ensure that we have clear goals. Just as you heard me talk about with respect to diversity, in everything we do I'm a big believer in trying to define clear goals up-front and make them as measurable as possible. And the truth of the matter is if we have clear goals, healthy teams, and the right allocation of resources against our priorities, then I have a lot of confidence that great work is going to follow.

And of course I do need to spend my time on those issues where I believe my personal time is needed and where it can make the biggest difference. This fall in part it's around the government surveillance issues that are affecting our industry and our company around the world. But that type of priority changes every year. The constants are really the focus on having healthy teams and clear goals.

QUESTION: Brad, my name is Dorothy Denberg. I'm also with AT&T and I'm the former President of NAWL, and I want to thank you so much for being with us today, and for your leadership. You are unique, I think, in the corporate legal departments across the country in terms of the gains you've made. And, I'm not sure if it's her name but I believe it was Pamela, I want to thank her for having had that conversation with you.

Along those lines, can you speak about how you think we break that next barrier with the boardroom and getting women on boards?

BRAD SMITH: It's a great question. And I think it's good for groups that represent diverse peoples to push for more diversity. Diversity groups are doing that. I think that's appropriate. I think it's completely reasonable and even helpful to have groups look at boards of directors and ask whether boards have enough diverse people.

At Microsoft we've made some progress. The chairman of our board is an African-American. We have two women who are directors. Our board is more diverse than it was a decade ago, and it's less diverse than I would hope it might be a decade from now. I think that it requires constant attention.

I think that one can broaden the question a bit and ask about opportunities or roles for women in leadership positions in companies, and opportunities and roles for minorities in leadership positions in companies as well. And I will say I think it's good that groups continue to raise awareness about this as well.

I can say that I don't think that there is a single day when I go to work and don't think at least for a few minutes about diversity in some way or another. Maybe I'm thinking about our numbers, more often I'm thinking about people. I'm thinking about new people I meet. I'm thinking to myself, wow, that's a good person, how do we ensure that we keep that person and give that person more opportunities. I think it requires that kind of thought every day.

And I will say I think it requires that those of us who are leaders be prepared to call out those situations where we're less diverse than we want to be. When I go to a meeting, the first thing I tend to do whenever I walk into a room to meet with a team around the world is ask, is this a diverse team or not? And if I have a meeting with a team that's all men, I usually at the end of the meeting try to make a point, saying, "this was a really good meeting, this was really good work, but I think we could have more diversity represented in this team as we look to the future." And that's the last thing I say before the meeting ends. So people know that I'm thinking about it. And I do think that it requires that one have that kind of focus.

The last thing I'll say is that diversity is going to require something that we saw demonstrated very recently at Microsoft that may be the question that is on many of your minds, but everyone is too polite to ask. As you may have heard, our CEO Satya Nadella spoke at the Grace Hopper Conference, which is a conference for women in the computer science field. He was asked what advice he would give to women who were thinking about a raise, and what he did was share the advice that he had received himself and followed in his own career, which was about focusing on doing great work rather than asking for more money.

And there was a lot of focus in the media on that.

But there is a deeper lesson because Satya, in my opinion, did what perhaps all men, and perhaps what all people, need to be prepared to do in order to lead effectively and build diversity. He was quick to acknowledge that he made a mistake. Within three hours he sent an e-mail to our employees. I remember talking to him just before he sent it. He had just gotten off a plane. (Laughter.) And he already had the words in his mind that he wanted to use. He said not that he was "wrong", but that he was "completely wrong".

And in talking to him and working with him in the days that followed as he put together another e-mail for all of our employees, I was so impressed by the way he stepped back and looked at these issues. As he said to us, he really tried to think not just about the mistake he had made, but why he had made the mistake in the first place.

And he said in the most explicit terms possible to our 100,000 employees that he had been "incredibly insensitive". That was the exact phrase he used. He said he had been insensitive to take the advice that he had received himself and apply it to half of humanity without appreciating the bias, conscious or unconscious, or other problems or discrimination that people had faced. And he resolved to use that learning not just to make himself better, but to help make all of us better.

For me, one of the unfortunate aspects of the whole episode was that lost in all of the media coverage was the fact that Satya had done something that no other male CEO in our industry had ever done before. He devoted two full days to go to this conference to attend the panels because he wanted to learn first-hand what the issues were and the challenges were for women, because he wanted us to get better at diversity.

And when he came back he sat down with our senior leadership team and he talked to our board and he said he was 100 percent focused on how we could use that experience, even though it was difficult, and turn it into something positive – so we can move from having better words to stronger deeds.

So if you ask me, what will it take to build more diversity in the boardroom? What will it take to build more diversity in the senior ranks of companies? It will take more men who are willing to admit that they made a mistake, who will say that they want to learn, who will say that they want to listen, and

who will take that and translate that into action that is effective. And that is what I hope we'll see at Microsoft in the future.

(Applause.)

MODERATOR: I want to thank Brad for his inspired words, honesty, and addressing the pink elephant in the room. It's truly appreciated.

END