Brad Smith: Inspire 2019

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Brad Smith, president and chief legal officer, speaks at Inspire 2019 in Las Vegas, Nevada, on July 17, 2019.

Microsoft Inspire & Ready 2019
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ANNOUNCER: Please welcome Brad Smith. (Applause.)

BRAD SMITH: Good morning. It's a pleasure to be here. What a great day. What an awesome display of technology and people, and partners. I think it's a special day every year, this day in particular, because we come together and we really embody in the most physical way possible in one room that we're not just a company. We're a community. We're a community of employees and partners. We're a community that includes customers, as well.

As you know, we always come together in Las Vegas in July where it's cheap because it's hot (laughter) to celebrate the start of a new fiscal year. Our company's fiscal year begins in July. But this year, the digits are changing. It's not just the start of a new year, it's the dawn of a new decade, another digital decade. I want to talk about where we are, not just as a company, but as a community as we look ahead to the next decade.

It is a decade that will build on the amazing technological advances of the last 10 years. I think when people look back at this period of time, they will think about the decade we've just completed, and they will remember it for four big leaps: Leaps in computational power; the creation of the cloud that made that power available to everyone around the world; an explosion of data — we will begin the next decade with literally 25 times as much digital data as a planet as we did when this past decade began — and of course, as we all know, it's a time when artificial intelligence is putting that data to work in lots of new ways.

It's an exciting future, but I think it's also an opportunity to step back, think broadly and remind ourselves that, in fact, civilization has always run on data. In one way, the world's first datacenter wasn't built in this century. If you think about it broadly, it was actually built 43 centuries ago in Ebla in ancient Syria. What all geologists have found there is what they regard as the world's first archives or library. People constructed a facility to hold what became 2,000 clay tablets, tablets that would look to data scientists today like datasets, recording animals and crops, and commerce, and land, the data that ran their civilization.

But think about how far we have come, think about what we're building today. It's not just the datasets and datacenters of tomorrow, but it's the way we're using this technology, technology that is now changing the world, that has already transformed the world. It's a time of tech intensity, as Satya has so often said.

As he noted in his keynote, the size of the tech economy is really almost awe-inspiring. Just two years ago, a study was done that measured the size of the world's tech economy and said that, if it were a nation, it would be the third-largest economy in the world, and it's continuing to grow, and grow, and grow.

And what's exciting, what we really celebrate this week is how we're putting the power of this technology to work to help customers, to help a company like Maersk, a company that was founded in 1886 on a small island in Denmark, following in the footsteps of people that were using ships to move goods around the world. But using the power of data, we've enabled Maersk to build an entirely new line of business, to take all the data they have about all the truckers who meets their ships so they can build an online marketplace called Twill, and others can access that market and those truckers, as well.

Or think about the role of partners in another area, the work of KPMG that we've been able to do together with the Department of Housing and Urban Development in the United States, or HUD. Everybody needs a home. HUD has been providing loans to help build new homes since 1934. But with the power of data and the consulting that KPMG has provided, HUD is now enabling itself to provide loans not only faster, but better.

Or think about one of our great nonprofit partners, Team Rubicon, here in the room today. They were founded in 2010 when eight people went to Haiti following an earthquake. But nine years later, they need to deploy volunteers to respond to disasters around the world. They need technology, but what they really need is people. And working with a partner, Wipfli, we have enabled Team Rubicon to put the power of Azure, and AI, and Teams, and O365 and Dynamics together to build a new tool that has now turned that team of eight people into an army of 80,000 volunteers. That is what technology is doing around the world. (Applause.)

In so many ways, technology is transforming our daily lives. You might look at this and think, "Well then, why are we hearing so many concerns in the world today? Why are there so many controversies about technology and tech companies?" One reason is we live in a time when our tools are also being turned into weapons. This has always been true of every tool in history. Even a broom can be used to sweep a floor or hit somebody over the head. And the more powerful the tool, the more formidable the weapon.

You see this at play around the world today. You see concerns about technology being used to launch cyberattacks. You see concerns about how tech companies are gathering and using data about people, and what that means for privacy. You see concerns about the widening digital divide, the divide between urban centers and rural communities,

between the broadband haves and the have-nots, or even the people who live in our major cities who look up in the sky at the skyscrapers housing the offices of tech employees but can't afford a home because they're being pushed out of their community.

You see it in the concerns about the future of the planet itself, as we've come to appreciate that datacenters have become the world's largest users of electricity. You see it in concerns about globalization and how it's disrupting communities around the world, globalization that's often based on the use of technology.

You think about all of this and it becomes clear. We are living in an age of anxiety. The world has many fears. They ask, "What will the future bring?" They see artificial intelligence and they're excited about the promise, but they ask, "Will there be jobs for our children?" They look at the power we're bringing to computers and they ask us, "Are we creating a future we can control?"

When you really think about it, technology has gone from the corner of …(?) the room to the center. We find ourselves, as a community, needing to engage not narrowly with people who are deep experts about what we're doing, but frankly with everyone, because everyone is talking about these issues.

And as we think about that fact, there's one more thing we should think about, as well. Many people bring to this topic lots of thoughts, lots of preconceived notions, ideas they've been exposed to over many years, not just by reading the news but by going to the cinema. Think about some of the movies people have grown up watching. There've been many hits over many years.

One of my favorites was in 1983, a great movie about a young actor, Matthew Broderick, playing a high school student who hacked his way into the Pentagon's computer and almost unleashed artificial intelligence to start World War III. If you didn't see it, or even if you did, you can see it here.

(Video.)

BRAD SMITH: People are asking will computers know the difference between right and wrong. They're asking whether the people who are creating these computers understand the difference between right and wrong. They're asking whether we are creating a future that we'll be able to control, whether computers will remain accountable to people. And this, too, has been the stuff of science fiction in popular movies.

Two and a half decades before "War Games," another generation grew up, and in 1968, it went to see the hit film "2001: A Space Odyssey," a film that has this famous scene.

(Video.)

BRAD SMITH: That's a computer that didn't really do a good job of listening to a human being. And when you think about all of this, what we've really taken away, as a

company, is that these are questions that should be acknowledged, rather than ignored. They need to be treated as the serious issues they in fact represent. They require us to take a new approach, a new approach that starts with our mission, a mission that, as all of you know, is grounded in the need to empower every person and organization on the planet.

But as we take this new approach, we also need to keep internalizing new things. We need to step up. We need to step up and assume more responsibility. We need to assume responsibility as a company, but we also need to recognize that we can't do this alone. No one can do it alone, not even with all the partners in this room. We need to bring people together. We need to bring stakeholders together. We need to bring the world of civil society and government, and even our competitors together.

We need to found the future on a new focus, a focus that says when the industry was young, maybe it made sense to move fast and break things, but no more. The issues are too big. The technology is too powerful. Our new focus needs to be based on working together and fixing things together.

And we need to do this in a principled way, a principled way that is grounded in transparent statements that we can share, but ultimately a recognition, a recognition that, at the end of the day, we will be measured not by the speeches we give, but the work that we do. And that is why, more than anything, perhaps I would argue more than any single company, we are focused on getting work done. (Applause.)

It really starts with trust. That's what Satya talked about earlier, and he put it so well, I think, when he said, "Look, trust isn't something you count on. It's something you have to earn, and you have to earn it by the things that you do, the deeds on which you're tested."

There's four big areas where we have to keep doing more to keep earning the world's trust. It certainly starts with cybersecurity. If we can't protect people, then we don't deserve their trust. That's why we're working so hard, as a company, to earn people's trust in the area of cybersecurity every day.

We're focused on three areas. It starts with our technology, and this is where you see us more and more, each and every year, bringing out new and better technology that helps secure our customers in a comprehensive way that starts with identity and goes to information; the infrastructure of the cloud applications and device endpoints.

Or to put it another way, it starts with Azure Active Directory to protect people's identity. Microsoft Threat Protection to secure information. The Security Graph and Azure Sentinel to enable enterprises to take the steps they need to control their infrastructure. And Azure Sphere, the ultimate endpoint protection for the world.

We're investing more than we ever have. We're doing more than we've ever done. But we also recognize that you can't rely on technology alone. Companies like ours,

communities like ours also need a world-class cybersecurity operation. And that's what we're focused on, as well. Attacks are continuing from cybercriminals and from nation-states. That's why we rely on all the different centers of expertise in Microsoft to bring in data, understand it, and equip customers and ourselves with the ability to act, and acting, we are.

In the last 12 months, we've taken what was a twinkle in our eye, the Defending Democracy Program, and we've turned it into a broad-based approach, an approach that uses ElectionGuard to secure and protect voters; an approach that uses the AccountGuard in M365 to secure an protect candidates and campaigns, with AccountGuard now available in 26 countries around the world; an approach that supports NewsGuard to address the threat posed by disinformation.

We're building on this with new advances in public policies and partnerships literally around the world. We recognize that we first needed to bring the industry together. I had an ambassador from Europe tell me that there's no way we could bring the world's governments together if we couldn't bring the world's companies together, first.

And so, that's what we focused on doing. Fifteen months ago, we launched what was known as the Global Tech Accord. It commits the companies that sign up to stand up for certain principles to protect our customers around the world, and to work together to take pragmatic steps to make those principles real. (Applause.) We were excited in April of 2018 when we were able to launch this. We had 34 companies come together and launch it, but you know what I think is really exciting? Fifteen months later, that group of 34 has become a group of 106 companies from 22 countries around the world. (Applause.)

It's important in and of itself, but we also used it as a building block. We said, "This is the launching pad to do something even bigger and broader." So, we've partnered with the French government, with President Macron, so that last November in Paris, he could unveil what is now called the Paris Call for Trust and Security in Cyberspace. It's a declaration that commits the signatories to protect citizens, to protect elections, to protect the internet.

But what is really exciting to me is to see the support that we've been able to build. That declaration now has the official support of 66 governments around the world. And more than that, it now has the support of over 550. (Applause.) That is what it means to bring the world together.

Of course, it starts with security, and our job would be pretty big if that's the only thing we had to do, but that is just a start.

The world has recognized what we've understood for many years, that privacy is a fundamental human right. But it's also one other thing that is at the heart of what we're doing, as a company. We recognize that privacy is both a fundamental human right and a critical enterprise need. That is our niche, in many ways.

We're now pursuing a three-pronged approach to better protect privacy around the world. We're focused on three things: Putting users in control of their data, recognizing it's their data. It's not our data, and whether you're a single individual, a startup, or the world's biggest company or government, it's belongs to you, not us. You get to control it. We don't. That is a principle worth standing for. (Applause.)

Of course, that needs to be coupled with a commitment to product transparency so people know what we are doing with their data. They know what data we have, and they can address it, and correct it, and change it. But we're also focused on this third prong, enterprise enabler, enabling enterprises with new tools to make real all the needs they have, not just for themselves, but for their customers, in turn.

Now, over the last year since we were together last year in this building, a big focus has been on GDPR. Increasingly, you hear people calling for GDPR, not just in Europe but for the world. And that is a good thing for people to call for. Any day that a tech company endorses GDPR for the world is, in my view, a good day for our industry and for our customers.

But you know what's interesting? We are still the only company in our industry, 15 months after GDPR took effect, to say, "You know what? We're not going to wait for the world's governments to act." We are the one company that says, "It doesn't matter whether you're a customer in Europe. You can be a customer anywhere. We will extend the rights of GDPR fully to you."

And you know what? In 12 months, that brought the GDPR up to more than 20 million people who exercised their rights with our services, more than 20 million people who live in 241 countries. We have already brought GDPR to the world. (Applause.)

Now, we're focused on taking our three-pronged approach and building out a broadening suite of tools and services, and products to empower our customers to exercise their privacy rights even more fully; services and tools that start with a privacy dashboard for consumers, that have Office privacy controls for enterprises, that have diagnostic data options and the ability to view what we are collecting; tools that empower enterprises with Azure Confidential Computing, with an enterprise Trust Center, and with GDPR compliance tools.

And while we've made good progress over the last 12 months, there's one message that you should carry to every customer everywhere in the world: We are just getting started. (Applause.)

There's one other thing that I think the privacy regulators of the world have realized. And as privacy issues are debated around the world, whether it's in state capitals or capitals in other countries, they can always count on Microsoft. They can count on us to show up and to stand up, to stand up for people's privacy rights because we believe in this not just as a principle and a human right, but we recognize that we need to sustain the world's trust. And that is the only way we will succeed as an industry, not just this quarter and

this year, but throughout the decade to come, and the decades that will follow. Even when the rest of the industry is still at home, we will be present. (Applause.)

There's a third issue that actually wasn't on the list a year ago. One of the things that's so fascinating about all of this is the list keeps growing as people appreciate the significance of technology. The issue is digital safety. It's an issue that changed on a particular day. The day was the 15th of March. The place was Christchurch, New Zealand. We've all lived together in a world and during a time when, unfortunately, we've read in the news about horrific attacks on synagogues, on churches, on mosques, and on schools.

And I think when historians look back, they will say that that 15th of March of 2019 was an inflection point for technology. Why? Well, it's captured best by a columnist for the New York Times, Kevin Roose, who said that the Christchurch attack felt like a first, an internet-native mass shooter. The attack was teased on Twitter, announced on the online message board, 8chan, and broadcast live on Facebook. It was a terrible day, a terrible day not just for the victims and their families, but for the people of New Zealand, and indeed, the entire world.

But interesting, it's also a day that galvanized one leader, New Zealand Prime Minister Jacinda Ardern, into action. And just as we had the chance to partner with President Macron and the French government in 2018, we were so privileged to have the opportunity to partner with Prime Minister Ardern and her team this year.

And just 60 days after that attack, a new group came together in Paris to sign what became known as the Christchurch Call, a call that commits not just the 18 governments and government institutions, but the eight tech companies that came together to sign it to work together to take the kinds of steps needed to keep people safe. And that's what we're going to continue to do. (Applause.)

So much of this, in some ways, sets the stage for the next, in some ways, even bigger challenge, the challenge of artificial intelligence, a technology that holds so much promise for every aspect of human life but that also requires us all to ask hard questions. As we've said repeatedly, the fundamental question is not only to think about what computers can do, but what they should do.

And 12 months after we were here last year, we are making progress. We're now making progress on four fronts: From ethnical principles to governance, to tools, to democratize AI and advances in public policy. And I think there's so much that we can bring from our broader learning and experience to this new issue.

One of the things that's really interesting about this topic, I think, is that in many ways, artificial intelligence as an intellectual field was really born in 1956 at Dartmouth College in New Hampshire. That's when leading scientists and technical experts got together for a conference.

But what is fascinating to me is that six years before they even met, there was already in effect an articulation of the world's first attempt to define ethical principles for AI. It was by a science fiction writer named Isaac Asimov in a book called "Runaround." And if you've ever read that short story, you might recall that his ethical principles had three laws: The first law was that a robot could not injure a human being; the second law was that a robot had to obey the orders of a human being; and the third law was that a robot could protect its own existence, but only if it didn't conflict with the first two rules.

If you've ever seen the movie "I, Robot," you know it didn't turn out so well. If you didn't see it, you might be reminded from this scene.

(Video.)

BRAD SMITH: Well, the logic may be undeniable, but that was not the outcome that humanity was actually hoping for. And what it really reminds us, or should speak to us about today, is that we need to start with clear, ethical principles, as we have. But you have to put those principles to work. You need to operationalize them, the same way we've operationalized cybersecurity and privacy.

That's what we're doing. We're launching new governance systems to manage how we use and develop artificial intelligence, as a company. We're making business decisions that do some days require us to make hard calls. There are days when we turn down deals because we believe that the technology we're creating will be used in sensitive scenarios that will lead to bias, or discrimination, or invasion of privacy, or an infringement of people's most fundamental rights. (Applause.)

Think about this: As a community whose job it is, in so many ways, to pursue every sale we can, there are some sales we need to turn down because if we don't occasionally say, "No," then in truth, the only principle that we're pursuing is the pursuit of profit. And as important as our profitability it, we all appreciate together that there are some values that are even bigger than that. So, thank you for your support. (Applause.)

Ultimately, it's also about new technologies. If you look at what we're doing on the technological front, we're bringing new advances in machine learning and private AI, and we're not only creating it for ourselves, we're sharing it with the world in open source form on GitHub. And we're creating tools for customers because that's what it will take to fully democratize AI.

We're also engaged in the world of public policy. It's so interesting because it was just 12 months ago that we led the way, calling for facial recognition to be governed by the rule of law. And there were some in Silicon Valley who said, "What are you doing? People don't care about this. You're addressing some problem that doesn't need to be solved." I'll tell you, that, too, sure changed over the last year when the city next door to Silicon Valley became the first to say it would ban public use of facial recognition.

That's why the world needs people to be thoughtful. It's why its needs approaches that are balanced. It's why it needs the kinds of measures that will enable the world to benefit from everything that facial recognition has to offer, but also protects against the abuses it could unleash. That's the balanced approach we are committed to pursuing. (Applause.)

As we focus on trust, we're also focusing on the digital divide. There really are two divides: One is about access to technology; and the other is access to skills.

On the technology front, we've been focused, first and foremost, on access to broadband. We launched our Airband initiative two years ago last week. We said we were bringing broadband to two million uncovered Americans by 2022. Over the last year, we've made so much progress, we've raised that target for three. We now have commercial agreements in half the states of the country. We're well on our way to building a market that will inspire and empower the small telecommunications businesses, and large as well, across this country to close this gap.

But as we do this, we're recognizing that, with our progress in the U.S., we can increasingly take this worldwide. Now, you're seeing us move to other countries, especially across Latin America and sub-Saharan Africa. You'll see us move forward in the coming months with this new, wonderful partnership in Colombia with companies and the government to bring broadband to four million people in southwestern Colombia. This is the kind of difference that will change people's lives.

But it's not just about technology. It's about skills, as well. In some ways, that's even a bigger gap. If there is a single program that I think best embodies the spirit of partnership that we bring to this building this week, it is the program by Microsoft Philanthropies called TEALS, Technology, Education and Literacy in Schools.

This fall, this September in this country, we will be in 648 high schools across the nation with 284 Microsoft employees, part of an army of more than 2,000 volunteers working for more than 800 companies, all working together to be in schools, partner with teachers, and bring computer science to kids to build them a better future. (Applause.)

But this isn't just about this country, it's about the world. And as Judson and Jean-Philippe have really led the way, I think, over the past year, there are so many of you in country after country around the world that are advancing our digital skills initiatives. I have the chance to see it firsthand in Italy, but I know that there are many of you who've seen it firsthand in many places.

And it's not just about students and kids. It's about people of all ages, as we're bringing new tools to enable people to learn new skills. This is fundamental to what it will take to fully democratize AI.

And then, there's the last of these big issues that people want us to address, and it's a pretty big issue. It's called the future of planet earth. Everybody wants a brighter future

for themselves and their children, and today, more than ever, that requires a healthier planet.

That's why you're seeing us pursue a three-part strategy, a strategy that is focused on putting our own house in order, in part by increasing the goals on ourselves for the use of green energy by our datacenters. It's an approach that also has raised the internal carbon tax on ourselves. Amy Hood and I got together, and with Satya's approval, that went from $8.44 a metric ton of carbon last year to $15 this year.

And we're putting that money to work. We're putting it to work to take more steps to make our campuses greener, our datacenters greener to help our products add new services to better serve customers, and ultimately partner in new ways so that every customer can advance towards a greener future.

And we're also putting it to work in a third way. With our AI for Earth program, we are now literally bringing grants to startups, to universities, to non-profits around the world. We're the only tech company that has a team that combines computer and data scientists with environmental scientists. And we're combining that expertise and access to technology and money to empower people to do what it takes, to do what we're all going to need to do together to create a brighter future for ourselves, and our children and grandchildren, a sustainable planet. That's what we're committed to doing. (Applause.)

Finally, I think there's one last thing we need to do. We need to use technology to serve the world. We need to show people how we can all work together to use the power of tech to solve the great problems that are on people's minds. That's been at the foundation of our AI for Good programs. We've had three over the past year: AI for Earth; then, AI for Accessibility; and then, AI for Humanitarian Action. And just as we created a suite of software with Office and grew it over time, our AI for Good suite of programs is growing, as well.

One of the issues we've really stepped back and thought about is the conversation that so often takes place around the world. When you really listen to people who are worried about the changes in the world, you hear about a lot of different things. And one thing you hear often is that people feel that they're losing their identity, that their place in the world isn't respected, or isn't appreciated. And there are so many flavors of this very real problem.

One interesting data point, I think, is that in the world today, there are 7,111 languages spoken. But every two weeks a language dies. It dies when the last person who spoke it passes away. It's projected that, over the course of this century, the world may lose half of the world's current languages. When a community loses a language, it loses it connection to the past. It loses part of its present. It loses a piece of its identity. And what we ask ourselves is that, when we think about this heritage, is this, too, something that technology can help address?

That's what inspired us to create our fourth AI for Good program, now called AI for Cultural Heritage. (Applause.) If you really want to get excited about this program, I think it helps to see firsthand what it can do. Let me share with you part of what I've had the opportunity to learn as our teams have been working around the world, as you can see in this video.

(Video/Applause.)

BRAD SMITH: I'm excited about that because, let's face it, we live in a divisive time. But we are committed to a spirit of inclusion. We're committed to a spirit that not only respects but appreciates people's differences. And we recognize that technology can be put to work to value and celebrate those differences so that every one of us feels at home.

But there's another aspect to this spirit of inclusion that is important, as well. I think that it really requires one to think about what it takes to unite the world. It is both an appreciation of our differences, but also our common bonds. And there's few ways that are better to appreciate our common bonds than to recognize our place in the universe.

We all share together a pretty small planet in a distant corner of the Milky Way galaxy. Fifty years ago this very week, one of the things that united the world was seeing our place in the universe when humanity landed for the first time on the moon. And as we think about the future, five decades later, we need that appreciation of our common bonds perhaps more than ever.

And when you also think about it in one very important way, a telescope will always be more powerful than a rocket because we will always be able to see farther than we can travel. But in order to understand what we see, in order to fully appreciate our place in the universe, it will take a company and a community like ours, because it will take the power of data, power that is being unleashed by 17 countries and the nation of Chile, as I had the chance to see for myself just a couple of months ago.

(Video/Applause.)

BRAD SMITH: Perhaps more than ever, the world needs a spirit of discovery. It needs a constant quest for new learning. It's a powerful reminder that civilization has not only always run, but it has always advanced based on data. Forty-three centuries after that first datacenter of sorts was built in ancient Syria, literally 172 generations of people have walked the face of the earth. We follow in their footsteps and we stand on their shoulders. It is our time now. And as a company, and as a community, we need to make our turn count.

Thank you very much. (Applause.)

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