

## **Satya Nadella: Microsoft Inspire 2017**

*Satya Nadella, chief executive officer, Microsoft, delivers a keynote address at the Microsoft Inspire 2017 Conference in Washington, D.C., on July 10, 2017.*

**SATYA NADELLA:** Good morning. Good morning, it's fantastic to be here in D.C., and welcome to Inspire 2017.

It's pretty stunning to me that our partner conference is perhaps that event in a year that sets the tone for everything that happens throughout the year. And it's been an amazing year for us. We've just finished our fiscal year, and to know that what you do is what shapes us in what we do and to come back and reaffirm that each year at the partner conference is really, truly, a highlight for me.

There are people from 140 countries here. That's a pretty stunning number. In fact, in the last year wherever I've gone, whether it's Australia and New Zealand, or the Czech Republic and Poland, I've come back inspired by the work you do, the impact you have, the opportunity you create in every area that you work in.

You know, the ability to take a small business in any one of the countries that you work in and make them more productive; take a large multinational, digitally transform them, make them globally competitive; public sector, making that more efficient in every country, that's the breadth of impact. No other ecosystem has that.

One of the other numbers I came across this year, and particularly it stood out just given what the world is going through, is the total number of people who are employed by all of you all over the world is 17 million. I mean, think about that, it's not just the fact that that's a big number, but in a world that is rapidly becoming digital, 17 million jobs that are fundamentally about digital transformation, digital capability, that are being spread all over the world is going to have a much broader impact in every economy, every society. That's just truly inspirational.

And it's not that we are static. As a partner ecosystem you're pushing forward, you're leaning into the future. And, by the way, it's not easy. It is anything but easy. It's not linear. It's not comfortable. But you are pushing forward. In fact, there are 64,000 partners now who are leading cloud solutions. And we have partners now coming from other ecosystems and joining. There are many partners who are here today from the Linux ecosystem, from Hadoop, from Java. That ability for us as a partner-led company and a partner ecosystem to continuously welcome new partners, help them thrive as part of this community is what defines us.

And so I really first want to start by saying a big thank you. Thank you for your commitment, your critical feedback, and most importantly your drive to make us collectively better. Thank you all so very much.

(Applause.)

So I'm going to talk about what's next for us. And I want to start where I always start, which is our mission. Our mission to empower every person and every organization on the planet to achieve more, that's the North Star that defines every choice we make, how we show up with customers, the products that we build, everything that we do is defined by this mission. What makes us unique is that focus on both people and organization, the institutions that people build to outlast them is a first-class construct for us and even the software solutions we build.

We think about the global scale of the impact, perhaps most importantly we celebrate not our technology, but we celebrate the success our customers have using the technology we create. That's what perhaps defines us most uniquely as an ecosystem.

Now this mission is always going to remain constant. Technology paradigms will come and go. But we will always be centered in this sense of purpose, and this ethos of being partner led is always going to be in everything we do.

And talking about paradigm shifts, we've been talking about this mobile-first cloud-first world for the last multiple years. And in fact, we have been getting tons and tons of feedback based on the work that you all are doing, the digital transformation story. And we see a real rapid shift to a new paradigm that we describe as the intelligent cloud and the intelligent edge.

This intelligent cloud and intelligent edge era is going to be defined by three key characteristics. The first is that every experience that you build is going to be multi-device and multi-sense. You're no longer going to be bound, in terms of your computing experiences, to a single device. Nor are you going to be bound to a single input/output mechanism. You may start with touch on one screen, speech on another device, inking on another device. And so the user experience itself is becoming richer, multi-device, multi-sense.

The second profound shift is the infusion of AI, or AI is intrinsic in every application experience you build. I mean think about this, an autonomous car is going to generate something like 4 gigabytes of data per second. And when you have that type of data that's being generated at the edge, compute will go to that data, because data has gravity. This is happening not just in a car. It's happening in every smart factory floor, smart city, hospital, any edge device and any edge place. And so AI itself is being distributed, because AI is about reasoning, using compute power over all this rich data to create intelligence.

And the last characteristic of this paradigm is as there is all this rich data and storage, as we have more of the computation itself to generate AI gets distributed, to manage all of this complexity we need a new efficient frontier for how we develop applications, distribute applications, manage applications. And that's what this server-less revolution

is all about, containers, micro-services, server-less, these are technologies that are going to be more profound than virtualization was ever.

So these three shifts are going to define the era of intelligent cloud and intelligent edge. And it's not just the technology that's exciting. In fact, for people in this room what is exciting is the opportunity it creates. With increasing digitization, where every part of our society and economy is being fundamentally transformed because of digital technology, the opportunity is greater than ever before.

In fact, one of the things that has defined us as a partner ecosystem is we have been able to grab onto these platform shifts. Back in time when we saw the PC revolution we were the ones who democratized it. Then we moved to a much bigger playground with client-server. And then the mobile cloud era. But now in this intelligent edge and intelligent cloud it is \$4 1/2 trillion of spend.

I mean think about how every product, every service is going to have digital COGS associated with it, right. It's no longer just building an information system that keeps track of your products and services; the product and the service itself is digital. That's why being in this industry, being in this ecosystem the opportunity is tremendous.

And the way we are going to capture that opportunity is to collectively come together to address the needs of these four digital transformational outcomes. We've talked about these four outcomes the last couple of years: empowering employees; engaging customers; optimizing operations; and changing the very product or service and business model. That's truly the North Star for us as an ecosystem. We will thrive if we do our best work in addressing the customer needs across these four outcomes by industry, by geography. That's it. It's as simple as that.

And we have taken all of the learning in the last couple of years as we have gone about trying to impact these outcomes and learning from it and used that to change, in fact, how we build our products, how we bring these products together into solutions, how we change even the business model and the go to market and the partner motions around it.

So we will bring all of what we do across Microsoft into four solution areas: modern workplace; business applications; applications and infrastructure; data and AI. These four solution areas act as the ingredients in every one of these digital outcome projects, digital outcome endeavors of our customers.

So the rest of my talk, the rest of this conference, is for us to dig deep into this framework, understand the connective tissue of what it means to bring the solution together, what service lines, what IP, what capability you need in order to drive growth as we come together to address the customers.

And so I want to start with the modern workplace. This is perhaps the most defining solution, because when we think about the modern workplace it's top of mind for every leader out there. Empowering the people inside of your organizations is a key priority for

any CEO, because through that empowerment comes the shift in culture. The shaping of that culture is perhaps the early signal of the transformation that you can drive.

And so to give you some perspective in terms of what the CEOs across the globe are thinking about when it comes to empowering employees in their own workplace and how it's changing, I wanted to roll a video with some CEO comments. Let's roll the video.

(Video segment.)

(Applause.)

**SATYA NADELLA:** You know, when you listen to these CEOs who come from all over the world representing different brands and industries, it's so clear that job No. 1 for any leader is to empower their employees. It's to be able to bring out that ingenuity, creativity of your people to help shape the culture and transform your company so that it can be better in how it engages customers, optimizes operations, changes its products and business models.

And when you think about the modern workplace, you're faced with a significant challenge in that the demographics are changing. You also have shifting skills, how teams come together is changing. And so that's what's motivating this solution around modern workplace.

How do we go from building for, perhaps, a team task and individual productivity to really building so that you can bring out the creativity in us all? How do we foster those critical thinking and insights? So the tools are going to help us shape that.

Instead of just thinking about individuals, or even organizations in hierarchical terms, how do we think about dynamic teams that come together to build that product, to service that customer in different ways?

It is also about bringing the systems all into one simple framework because one of the things that gets in the way of getting things done, collaboration, teamwork, is the disparity of how information gets diffused and stored and shared. So you really need a much more integrated, simple system that helps bring things together.

And, of course, any time you talk about empowerment, taking out friction in how people work, you also have to face up to the fact that you have a bigger surface area of security that you now need to take care of. It's no longer about just one endpoint being protected, you need the sophistication in terms of the security infrastructure you build, the defensive depth that you have so that an intrusion in one place doesn't propagate to the rest of your estate. The operational security insight that you have to be able to detect and respond to any attacks. That's the modern workplace.

And this is the context, the motivation, that has led us to take a deep look at what we're doing across our product lines.

And so I'm really thrilled and pleased to announce today Microsoft 365. Microsoft 365 is a fundamental departure in how we think about product creation. This is the coming together of the best of Office 365, Windows 10, Enterprise Mobility + Security -- products that are obviously well known, many of you are having tremendous success. In fact, the Secure Productive Enterprise was perhaps the biggest-growing product last year.

But we have decided the time has come for us as a company and us as an ecosystem to talk about this in the terms that customers can get the most value. We want to bring these products together as an integrated solution, a complete solution, that has got AI infused in it with intelligence. Whether it is intelligence that is helping end users be more productive and creative and teamwork, or intelligence in security.

It's that complete solution for intelligent teamwork and security that we want to bring about with Microsoft 365.

And it's going to come in two offerings. What was Secure Productive Enterprise is going to be Microsoft 365 Enterprise, so this is for the largest businesses that are going through digital transformation.

But we're very focused. In fact, I'm so excited about the product innovation that you will see today around small and medium-sized businesses. And Microsoft 365 Business is the coming together of all of these products in a very compelling offer and package for every small business, every medium-sized business to have the same tools, the same sophistication that any large business has.

And so the four pillars that you will see us intensely focus on when we think about the value proposition of Microsoft 365, it's all going to be about creativity. How do we redefine what we have always talked about, which is productivity, in broader terms? It is about being able to get everyone to contribute in creative ways, helping them gain insights.

Teamwork is going to be another very important aspect. Teamwork in two different dimensions: One is what I describe as the "inner loop" where it's about the design team, the engineering team, the sales team coming together. And then the entire company coming together.

And then in the system itself, building in deeply, architecturally, that notion of simplicity and security.

So that's Microsoft 365. And I thought what would be great now is to show you this in action. And we want to take you through three vignettes. The first is going to be about that individual creativity, how do you span multiple devices and multiple senses, have AI completely be infused and be intrinsic to all of the experiences? What does that do to how we work? So that's the first vignette.

The second vignette will be about that inner loop of teamwork. How does the sales team, an engineering, or a design team come together and really work to solving problems and collaborating without friction?

And then we'll finish off with how does an entire company -- however small or large -- stay in synch? How can you have that level of transparency in what is a fast-changing world, so that the entire company can move forward as one?

And so to help me do that, I wanted to invite up on stage Sonia Dara first, and then Sonia will bring on Raanah later on from our Modern Workplace Team to show you these demos. Sonia, take it away.

(Applause.)

**SONIA DARA:** Thank you, Satya.

Today, we're going to show you how we're embracing this idea of the modern workplace with Microsoft 365.

Like many of you, my day begins and ends on my phone. With the rich set of Microsoft apps, I'm able to turn my phone into a productivity powerhouse.

I spend a lot of my time in Outlook. It's my communications hub. And while it's essential for my job, sometimes email can be a little tedious. But with AI built into Outlook, it understands which emails I read normally and helps curate them into my focused inbox.

One of the features I really love is imagine you're on the go, you're traveling, and you're trying to pull up your flight information. But it's buried really deep within the confirmation email, and you're just struggling a little bit.

At the top now with the summary card, all the key details are right at the top. You can even easily add it to your calendar, or if you want to, even check in right there.

Sometimes when I'm on the go, some of my best ideas come and I kind of need to flesh out the ideas a little bit better, and it might require a few business insights.

With Power BI on my phone, I'm able to quickly gather these insights and take notes. I can even put these notes directly in my OneNote so then I can access it from any other device later on down the road, or I can even shoot a quick IM off to my team using Skype for Business.

Like most of us here, creativity and teamwork are essential for my job. Each of us express our ideas in different ways, whether through words, numbers, or colors.

So I was working on a document earlier on Friday on my phone. And I'm able to access it here using the Windows Timeline on my Surface Pro and pick up right where I left off.

Word has always been great with helping us with our spelling and our grammar checks, but now AI helps us do even more. It helps us with wordiness, helps us with double negatives, and for those of us who might suffer from dyslexia, it can help us even spell properly.

Word is helping me become a better writer, and making it easier for others to read my documents.

For some of us, numbers are the backbone to how we make our critical decisions. Excel has done a great job of our number crunching, but AI allows us to actually do even more and to create a picture even more quickly to use and gather insights.

So here's a data set of over 5,000 pieces of partner feedback items. And with one simple click, I'm able to actually score the sentiment from positive to negative to neutral. And with even one more click, I'm able to actually put this on a map that I can add into the presentation.

Speaking of presentations, one of the things I personally struggle with is making beautiful slides. Here's a PowerPoint presentation I've been meaning to update and I bet it looks a little similar to what many of you might start with, a pretty simplistic black-and-white design.

So I'm going to insert three images into my title slide. PowerPoint designer is going to offer me up a host of different design ideas, and it will offer a complementary color palette, and it even intelligently crops the images.

I don't have to spend time pretending to be a graphic designer, and instead, can focus on the content.

Now, with Microsoft 365, I'm also able to create with 3D. Here's a 3D object I've placed into the PowerPoint presentation, and I've added it in a couple different angles on different slides.

By simply adding the morph transition, it automatically creates this animation effect, making my presentation look awesome. (Applause.) Pretty cool, right?

And while slides are a great way of communicating an idea, what about really visualizing it? With the standard camera built into Windows 10 devices, I'm able to drop that same 3D object directly into my real world.

I can adjust it, I can move around it, and I can even snap a photo then add it back into that presentation. (Applause.)

So even in a world full of digital work spaces, a lot of our brainstorming process still happens at a whiteboard. Let me show you.

With this fully immersive, natural UI, the new Whiteboard app may look simple, but it's actually an intelligent surface using AI to allow me to be more creative.

So when I draw a triangle, it actually recognizes it as a shape. I can tap on it, I can adjust the angles. And watch this, when I add a single tick, it refines it into a 90-degree angle for me. (Applause.)

It also recognizes intent. So when I draw a line through the middle of my rectangle, it starts creating a table for me. I can start writing and filling it in, and the cells will expand for me. And I can even sort it just like I would in Excel.

The Whiteboard is an intersection of creativity and teamwork. The challenge is a lot of our teams are globally distributed, and it's not quite practical to expect everyone to be in the same room working together.

So I'd like to call upon my colleague, Raanah, to come join me on stage to help us show how Microsoft 365 is helping solve this. Let's give her a round of applause.

(Applause.)

**RAANAH AMJADI:** Hey, Sonia.

**SONIA DARA:** So while I'm here in the conference room working on my Surface Hub, Raanah's actually working on her Surface Pro across the stage, but could easily be anywhere across the world.

We're both collaborating real time in the same brainstorming session, and you can even see other colleagues who have joined in from around the world working on their Windows 10 devices. This is dynamic teamwork in action, all enabled by Microsoft 365. Raanah, take it away.

(Applause.)

**RAANAH AMJADI:** Thanks, Sonia. Teamwork and communication are key components of building a high-performing team. Microsoft Teams is my hub for teamwork. I can manage all the different teams I'm a part of in just one place, and easily stay focused on the conversations that matter to me with channels for different topics.

Teams provides a modern conversation experience for our teams. The conversations are persistent, so everyone stays in synch, and new members of the team can just jump right in and quickly get up to speed.

With this rich set of emojis, stickers, memes and more, it gives us the ability to interact in a more personal and authentic way.

Teams also gives us one hub to access the apps and services our team uses every single day, like this Power BI dashboard. And I can interact with it right within Teams.

I can add additional apps from Microsoft and third-party partners to keep everything my team needs right at our fingertips. I can even bring in a series of Microsoft and third-party intelligent bots right into the conversation to assist the team with tasks or connect into other apps and services.

I want to talk a little bit more about security because this is a document my team has been discussing on a project code named Inspire.

It contains references to intellectual property, so we need to be thoughtful about how we manage the distribution of this information.

With Azure Information Protection, you can classify, label and protect any document based on its content. So protection is persistent. So it travels with the document wherever it goes. Labels can be applied by users or automatically based on company policy, like our IT department did for this Project Inspire.

Now, watch what happens just a few seconds after I add the project name right into this document. It recognizes that I'm talking about sensitive content and automatically encrypts the document, and it adds a watermark for persistent protection. Smart, huh?

(Applause.)

With Teams, smaller groups can do truly amazing things together every single day. I like to think of this as my inner loop.

For globally distributed companies like Microsoft, communication also happens on a much larger scale. Part of delivering on the promise of building a modern workplace is providing frequent and open dialogue from the CEO down to every employee across the globe. That's communicating with that outer loop.

So, for example, each month Satya hosts an all-hands for Microsoft employees where he's able to share what's top of mind, but perhaps more importantly, get critical feedback from across the company.

We've set up this CEO connection page on Yammer, which is a really great tool for soliciting employee feedback on a broad variety of topics, but perhaps more importantly, just getting a sense of the pulse of the company.

Here's one of his most recent all-hands. Naturally, not everyone can attend in person, so we've created this immersive and intelligence participation experience.

On the right-hand side, you'll see the transcript of the speech. It's in English, but any employee around the world can easily change it depending on their native tongue. Using AI technology and Microsoft Translator, we can translate into more than 60 languages -- 60. For instance, I can change it to Chinese, French, German and many more.

On the bottom right here, you'll see emojis. And emojis can be used as a really powerful employee communications tool to get real-time sentiment from the audience. Employees can ask questions or provide feedback directly through Yammer.

Now, when the event is over, that's when the analysis begins. And you see we have the presentation here, but it's situated within the context of these rich analytics.

For instance, we can see how many viewers joined a presentation over the course of the broadcast, and using our Cognitive Services and facial recognition APIs, we can even identify who's speaking.

Up on the top right here, you'll see that employee sentiment, but it's been superimposed over a timeline on the presentation. So at any point in time, like this one, we can see what was presented, what the audience sentiment was, and now our team truly has a full picture of what was going on. Pretty cool, right? (Applause.)

We've shown you a lot today already. But it's only a small fraction of what's possible with Microsoft 365. We've shown you how we're enabling anyone to be more creative, the power of connected teams, and how we're using tools like Yammer and Skype to get rapid feedback from across the company.

We've shown you how we're enabling a modern workplace, and now you can use Microsoft 365 to help lead your customers on the same journey. Thank you.

(Applause.)

**SATYA NADELLA:** Thank you so much, Sonia and Raanah. Let me tell you, thank you also for selecting the right clip on the all-hands because it's never that positive in terms of the emojis that all of our folks have to say when I'm speaking. (Laughter.) So I think they really did some massive editing process and picked that five seconds of consistently positive feedback. (Laughter.)

You know, when you see the demos, you may think, "Wow, those are pretty sophisticated things." I mean, this is applied only to large organizations.

It is absolutely true that the communication tools for that outer loop, the inner loop, the individual creativity, the security pieces that are built into Microsoft 365, I think speak to every large business's pressing needs today.

So when it comes to partner opportunity, it's tremendous for you to be able to really serve the needs of these customers across the entire depth and breadth of the employee base, and hopefully you even caught that it's not just about the knowledge worker, it's even about these first-line workers in retail and other industries. Everyone needs to be connected. So the opportunity in the enterprise is clear.

But we have the same opportunity to democratize access to these tools to every small and medium-sized business. That, perhaps, has got to be one of the biggest takeaways for people in this room because I know many of you are serving small and medium businesses. In fact, your velocity of growth is going to be defined by how successfully can you help these small businesses become more productive, more creative.

And Microsoft 365 Business is all centered around that value proposition. In fact, one partner, Solace IT, worked with a small business, Garner Foods in North Carolina, and deployed Microsoft 365. I want to give you a flavor for what both the partner and the customer had to say about it. Let's roll the video.

(Video: M365 Garner Foods.)

(Applause.)

**SATYA NADELLA:** So I want to now move to the next solution area: business applications. In fact, in a world that is increasingly becoming digital, the one need every business has is for more business process automation.

In fact, it's not just about accumulating more business applications; you want to be able to connect these business processes end to end, create these systems of intelligence, systems of action.

When you think about your sales operations, people operations, field operations, all of these have to come together to help you digitally transform.

You want to build that next level of predictive power, analytical power that's defining what you do next.

The creation of these systems of intelligence is what's motivating our agenda in terms of product innovation and business applications. What gets in the way today of this next level of automation and efficiency is the monolithic suites.

Just deploying these suites of software are just not going to cut it anymore. You need modular functionality. But it's not just that you get these individual modules, but you also want to break free from the silos of data that get created every time you deploy a new business application. You want to, in fact, separate out the data plane from the process so that you can have a connected graph of data that you can reason over and add AI capability because one of the ways a lot of this automation is going to be driven is through the predictive power of AI that operates across all your data, not data in one app.

And, lastly, there's no such thing as a canonical business application. Everything is going to be different. Different by geography, different by industry, different by size.

And also it's not static. In other words, you don't start a business, deploy a business system and not expect change. If anything, you are going to continually evolve and your business applications and business process automation have to keep up with that change. And so you can't be subject to the limitations of customization frameworks that are limited to one application. You need a common rich data model, you need a workflow engine that can operate consistently across all of your business applications.

That's the modern world of business applications. And that's what is behind us building Microsoft 365, Dynamics 365, and LinkedIn into this one connected graph, one connected system with a consistent extensibility model. That's the richness that we think is going to create tremendous opportunity for all of you as partners, but most importantly it will be transformative for our customers.

And so I wanted to give you a flavor for how you can reframe business process automation and business applications. And to help me do that, I wanted to invite up on stage Alysa, who leads our Dynamics 365 marketing team. Alysa, come on in.

(Applause.)

**ALYSA TAYLOR:** Thank you. Today, we're incredibly excited to showcase how business applications are modernizing sales operations as well as human resources.

As many of you know, time is one of the greatest assets for a seller. Historically, tools like CRM, email, and social have been used to capture and transact information, but have lacked the ability to really take the knowledge of that information and gain insight and take proactive action.

Today, with the release of Microsoft Relationship Sales, we're bringing together the power of Dynamics 365, Office 365, Azure and LinkedIn to enable a seller to have a holistic view of their business, to be able to engage their customers more effectively, and to network more efficiently.

Let's take a look at how we've deployed this internally at Microsoft. So here you see a typical dashboard that I would live in every day as a seller. It shows me all of my open opportunities, it shows me the complexion of my accounts, but most importantly, it shows me where I have revenue shortfalls. And this is where I need to prioritize my time.

I can now go in and look at my opportunities plotted by the estimated size of the opportunity, the expected close date, and now with Microsoft Azure Machine Learning, I can see the health of those opportunities.

So the NBA is one that is closest to closing. It's material enough for me to meet my revenue goals for the quarter, but it's showing at risk. So I want to understand how to de-risk that account quickly.

I go into the opportunity and there are three things that stand out. First, this account is still in the develop phase. So even though it's estimated to close soon, it still has a ways to go through the sales cycle.

Two, I only have one contact at this account, Justin Gurney (ph.). And, three, with the Microsoft Graph, I can see that my last communication with Justin, which was a follow-up to the presentation that I gave to him, has gone unanswered. So I know that I need to either reengage Justin quickly, or I need to expand out my network within the account.

And I'm going to do that by pulling LinkedIn directly into the opportunity. I can now see all of my LinkedIn contacts that are connected to Justin, and I can also see colleagues at Microsoft that are connected to him as well.

So Steven is somebody that I want to reach out to and ask for assistance because I think he can help. So I've queued up an email. I let him know what's going on with the account, and asked for him to do some outreach.

Rather than attach a bunch of documents to this email, I've actually compiled everything that is relevant to the NBA, and I've put it in Point Drive, which is LinkedIn's digital repository.

I can share with Steven the presentation that I gave to the NBA. I can share with him the proposal that I'm working on, as well as some relative marketing information that I think might be interesting to the account.

So I'm going to go ahead, get the link, put that back, and embed that in the email and then send that off to Steven.

Now, at a later date, rather than track down Steven and ask him if he was able to do outreach to Justin and to others in the account, I can just go back into Point Drive and actually see who he was able to share the content with.

I can see that he did share it with Justin, as well as some additional contacts at the NBA. So that's expanding my network.

But in addition, my customers also expect me to know what is top of mind for them and relevant. And within Point Drive, I can see what content was consumed and for what duration. So this helps me tailor my pitch to the NBA as well as my ongoing engagement. (Applause.) Thank you.

Now, as I mentioned, I need this deal to close. So I'm going to continually monitor it, and I'm going to do that with my mobile device in Outlook.

I see that Justin has emailed me, which is good. He's thanked me for the presentation, he'd like to move forward with a new proposal, and he's included the two new contacts that Steven was able to reach out to.

So I want to take immediate action. I'm going to bring in Dynamics 365 directly into my mobile environment. And the very first thing that I want to do is to be able to bring those new contacts into my open opportunity. So I have everything up to date, all in one place. This will allow me to have a comprehensive set of outreach and be able to follow up with a proposal and schedule a meeting. So I'm going to go ahead and add into my open lead.

So what you've seen here is the ability to move a deal along faster and to expand my network and get one step closer to my goals.

And while this is available to our enterprise sellers, we've also brought this same integration to a small business seller as well in an environment that they live in every single day -- Outlook.

So with the Outlook Customer Manager add-in, I can actually see as a small business seller all of the relevant contact history for a particular opportunity as well as meetings that I've had and follow-up engagements.

I can also access an integrated dashboard that allows me to see all of my history, if my mouse will cooperate, that will help me look at all of the information within an account.

Now, what we've seen here is the ability for us to take a variety of data sources and surface it in a way that is meaningful for a seller, ultimately making them more proactive, more efficient, and more productive, and helping them to save time. (Applause.)

Now, we talked about modernizing sales operations, but actually let's shift now and talk about how we're modernizing human resources and talent acquisition. With the pace of innovation, it is so important to have organizations have the right people in the right roles. And with Dynamics 365 for Talent, we are delivering for interviewers, candidates and hiring managers a connected and consistent experience across the employee life cycle.

Let's actually take a look at this from the lens of a recruiter.

So one of the greatest challenges of recruiting is being able to take a job profile and match that up against potential candidates. Now, with LinkedIn Recruiter integration directly into Dynamics 365, I can set all of the specific parameters of a role and then have, through the LinkedIn network, potential candidates surfaced right against that criteria.

I can also see those candidates that are open to new opportunities, which allows me to prioritize my outreach. I can also move them directly into the interview process. And

with the integration of Office 365 into Dynamics as well, the next challenging thing with interviewing is scheduling.

Office 365 enables me to set the duration, the day that I would like the interview to happen, and automatically connects the candidate's availability with the interviewer's availability. And so I get a set of recommended interviews, and then I can also monitor who's accepted, who's declined, and I can adjust accordingly.

The candidate can also come in from an external portal and see who they're meeting with as well as their schedule. So this eliminates the need of the back and forth, it keeps everybody up to date.

Now, once we've moved the candidate through the interview process, it's incredibly important for a hiring manager to be able to see all of the feedback associated with a candidate to be able to assess whether or not they are a right fit for the organization.

In addition, the hiring manager can also go in and recommend a candidate for hiring directly within this environment. So no need to go to a third-party tool or to have to start a separate email string; it can all be done within the feedback pane.

Now, lastly, when a candidate accepts, it is incredibly important that they have a very good onboarding experience into a company. And with Dynamics 365 for Talent, we are able to integrate into a variety of back-end sources to be able to produce a very comprehensive list of all the activities that a new employee needs to complete, helping them to prioritize their time.

But we also want to ensure that they know who they're working with. So we can visually assemble who their team is, their stakeholders, as well as their LinkedIn contacts that also work in an organization.

So this powerful combination of a prioritized set of activities with a great network enables a new employee to hit the ground running on day one.

With Dynamics 365 for Talent, we're enabling organizations to discover, hire and onboard the right people at the right time. Thank you.

(Applause.)

**SATYA NADELLA:** Thank you very much. Hopefully that gives you a great view into how you can start reframing the dialogue, the conversation around business applications.

You know, you can deploy new business apps, you can replace, but you can also reframe. Even if a customer has a CRM system from the past, which does sales management, you can transform it to do social selling.

If a customer already has systems for doing people administration, you can transform it to do talent engagement. You can also get hold of those new opportunities. Every IoT project out there leads to preventive maintenance, leads to new deployment of field service. That ability to expansively look at business applications is perhaps one of the biggest drivers of growth for all of the partners out here.

So I want to now move to the last two solution areas: applications and infrastructure, data and AI. Both topics close to my heart.

The transformation that these technologies are going through are just mind boggling. For someone who's grown up around these technologies all my life, I've never seen this level of innovation, this level of change to what is an increasingly digital world. I mean, it's all being driven because of that.

You know, it's no longer the debate even of is it private versus public? In fact, it's clear as day that what is needed is more distributed computing infrastructure, that true hybrid computing fabric, so that you can manage your smart city, smart factory, smart car as well as take advantage of the public cloud.

You're definitely going to need new units of compute. Virtualization has been amazing, but now this new era of micro services, containers and serverless is going to be fundamentally transformative to the core of what we write as applications.

We now have database richness. I mean, if you look at the databases that we support -- Azure DB, Cosmos DB, the SQL warehouse, the data lake -- but it's about being able to connect it all into one digital data estate that you can reason over and create AI.

That's really the key. And it's no longer just about big data and analytics, if anything some of the breakthroughs in artificial intelligence is about being able to create inferences with small data. And so that evolution from big data and analytics to, in fact, cognitive services and true AI capabilities that are part of your applications is what is going to define this next era.

And Azure is fundamentally built with these needs, these shifts in mind. We're building out Azure as this first hyper-scale cloud that supports true distributed computing with Azure Stack. We're building in the productivity loop, whether it's for a developer who's trying to build through CI/CD, this continuous integration, continuous deployment. And even for the DevOps person, how can they be so much more productive using the tools harness, the deployment harness that are built into Azure tool chain?

Intelligence. The higher-level capabilities for you to be able to drive intelligence. And, of course, trust. Trust in two forms. The core security architecture of Azure, but also meeting the real-world needs of regulated industry and digital sovereignty needs of countries by adhering to them.

I just want to dig into one aspect because there's a lot of richness in Azure, we added a lot of capability in the last year, we've done a lot of work. But one area that may not be as evident to you is AI.

The entirety of the stack now is ready for you to exploit as part of your practices, your solutions, your own IP creation. The data estate is the foundation because without data, there is no AI. So that rich data estate is that foundation.

On top of that, we have the best GPU support for you to be able to do training, the best FPGA support, and a lot more coming.

So amazing core infrastructure for you to create AI. Support for all of the frameworks. CNTK has amazing support for especially RNNs and CNNs which are really key. But we also support TensorFlow, Caffe -- all of the open-source frameworks.

We also have the best work that Microsoft is doing, whether it's from HoloLens or Skype Translate, some of the amazing research work we've done is now all available to you as APIs for computer vision, for speech, for text understanding, the knowledge base so that you can build that into your applications.

And even the Bot Framework. That's, perhaps, been the one tool that's really taken off in many, many industries to build these conversational interfaces.

So that rich AI capability is what we already see being incorporated into the many solutions that you're building.

And to give you a feel for how Azure is evolving, the richness of the projects, the applications that customers and partners are building, I wanted to invite up on stage Julia White from the Azure team to give you a feel for it. Thank you. Julia?

(Applause.)

**JULIA WHITE:** Thanks, Satya. All right, now, let's take a look at an example of modernizing an existing line-of-business system and creating a new AI-based customer experience all using Azure.

Now, I'm going to use an example of LitWare Insurance, and they sell consumer, home and auto insurance.

And I know not everyone loves managing their auto insurance policy, but this new AI experience makes it fast and easy for the customer and cost effective for LitWare.

Now here in LitWare's website, it's running in Azure, and they're using the Microsoft Bot Framework for the customer chat experience. Let me show you how that works.

Now, I'm going to get it started. It's prompting me in English. Makes sense, I'm on an English website, but maybe I speak Spanish. I can go ahead and reply in Spanish, and with language translation, it actually identifies that and will respond back to me in Spanish, a great way to reach customers regardless of the language they speak.

Now, I mostly speak English, so I'm going to go ahead and reply back that I need insurance in English. And, again, it will identify that and reply back in English for me and walk me through some smart prompts like I do, in fact, want auto insurance today. So we'll select that.

And it's going to help me through this quote. So it will ask me if I'm an existing customer. Yes, I am. And provide my name.

Now, security breaches continue to happen because of identity breaches. And so rather than just have me login in this moment, it's actually going to use stronger security, multi-factor authentication in this case using one of our AI capabilities, which is biometrics. Voice and facial recognition.

So let me just record first. My voice is my passport, verify me. It's going to go ahead and process that and make sure, in fact, it is me. And then, also, I'll add a picture to do facial recognition. Oops, it's sideways. That's OK, that'll work.

I'm going to go ahead and I'm going to look kind of sad. Maybe I should turn sideways. No, I'm kidding. So I'm looking sad for a reason. It has facial recognition, but it also does sentiment analysis. And so it's giving me an appropriate response. It's sad and saying, "Don't worry, we'll make this painless." (Laughter.) (Applause.) Very smart experience.

Now that I'm authenticated in, it's pulling information from my real account. So it's saying, "Hey, looks like you have a daughter, do you want to add her?" So I'll say, sure, that's what I want to do. Starting that terrifying driving age, of course. And then kind of walk me through prompts pulling real information from my account to help this.

So it's going to ask me what kind of car. I'll say it's a sedan. And let's see, the car make, it's a Ford Fusion we're getting. Now, I have a photo. So, again, for my policy, to get it right they want a picture. So I'll go ahead and add that.

Now, instead of loading the correct picture, however, I'm going to -- this time, purposefully add the wrong picture. Try that again. Let's see. I might -- let me try it over here, see if that works better. No. I'm going to go back here. All right, let's see if we can get this one. All right, might not work. Let me go ahead and try this here. Nope. All right, see if I can get this over here. It's trying to load the picture.

What we do have is image recognition in the system. So if I load the wrong picture, we have machine learning models that will actually say, "Hey, that's not the right kind of car." And let me, instead, put in the right picture as well. So let's see. We can go here.

Loading it. Kind of gotten grumpy on me here for a second. So you'll just have to trust me on this one, that image recognition.

And, again, using machine learning models, we can train it to identify whether it's a sedan or not, so I as a customer make sure I get the right quote and the right policy in that front.

Kind of gives you an example of this bot experience. Now I think -- let me try one thing -- here we go, switching over to my backup machine, look at that.

All right, perfect, just like it happened like it was supposed to. All right.

So there's the wrong car. So let me go ahead and put in the right car. There we go. Now I'm going to put in the Ford Fusion. All right. We got one working here.

All right, now, it's identified that that's the right kind of car and it's going to go ahead and push me through the process.

Let's see. No, all right, you're going to have to trust me on this one. As I go through this process, let's say I get upset or get escalated into another thing. What they'll do is automatically transition me from the bot agent to a customer service agent so they can help me address any concerns I might have. Again, it'll use language recognition to detect that sentiment and make sure that I can move forward in terms of that experience.

Now, I'm going to actually -- as you think about transitioning from the bot experience to the customer service experience, I'm going to show you that it's all being captured in Dynamics 365.

So if I go now into Dynamics 365, as a customer service agent, I see that full bot experience, the chat that I'm having, as well as my entire account information right here as well. So it's easy to transition between agents and have a great, seamless customer experience for folks.

Now, this scenario was in the case of an insurance policy, but it's really applicable to any company that has customer service. And this is, in fact, very much what Microsoft uses for our own consumer customer experience as well.

So that's the front end. Let's switch gears for just a second and lift the hood on what this experience looks like in the cloud.

Now, LitWare has migrated their legacy line-of-business insurance policy system into Azure and they've used containers to modernize the development and operations of that application.

Here in the Azure portal, I can manage it, secure it, and update all of my applications, as well as all of my cloud infrastructure.

Also from here I can tap into modern technologies using Azure. And one of the best things is I can run it across all of Azure's 40 global regions and now available for order today, Azure Stack. I can also then extend this same application to Azure Stack to literally run it anywhere in a consistent hybrid model.

But now that it's here in Azure, I can use those cutting-edge technologies like bot and AI to extend the system and translate to experiences around it like that bot chat I just showed you.

Let me show you what's powering that bot experience. So here in Azure, I've created a workflow that's powering that bot. And you see I'm connected to a number of different systems like Dynamics 365 or SAP, and these are both first- and third-party systems with hundreds of pre-built connectors with Azure that I can just plug into and use. And these are just a few of many, many more. Making it very simple to create this rich system across all of my line-of-business applications.

Now, as I scroll down, I have here a customer churn prediction model using machine learning right here within my workflow to make it a smart workflow and trigger the right responses. But I'm also in this workflow using here Azure Functions. And this is serverless compute.

And serverless is a super-efficient, modern application model that's purely event driven. And I'm using Azure Functions here to monitor for a very specific event. In this case, a customer quote request coming in from my website, and it only triggers when that event happens, which means I'm only using exactly and paying for what I need, whether there are two customer requests or 2,000 each day, there's no excess capacity or cost on that front. Again, a very efficient, modern application model powered by Azure.

Now, I mentioned that I'm using machine learning here. So I'll go ahead into my machine learning experience. Now, machine learning can improve almost any business process. Azure provides a robust set of machine learning capabilities, but the best part is you don't have to be a Ph.D. to be able to use it and get the benefits from it.

And here in Azure Machine Learning Studio, I can create and adjust the models on the fly, I can run experiments to optimize those models. And once I get a model that's really optimized, I can actually just right from here click and deploy it right into my production service.

With the great integration of the Visual Studio developer tools and Azure, we are able to offer the most productive development experience in the market.

Now, this scenario is about modernizing an insurance system, but the ability to run a global application reliably and tap into modern technologies like serverless and machine learning and AI has far reaching use cases.

I want to show you a very different example of this. I'm going to go ahead and switch to my iPhone to show you that.

Now, earlier, when I was getting my policy, at some point I might have gotten upset. It can offer me a solution, and an example would have been a connected car solution to help me feel better about my insurance policy system.

Now, I want to share a very real-world application that does just that. And it's made by a great Azure partner called Mojio that's based in Vancouver, B.C.

So Mojio is a startup that's building this app entirely on Azure, and they've partnered with T-Mobile to go to market, and they've combined it with this very cool IoT device. And I just plug this device right into my car, and it begins immediately streaming a bunch of helpful information into my application.

So here on my app, I can see that I have multiple cars connected, I have some location information about where my cars really are, as well as things like I see my fuel level, and I notice that my battery is getting low. It makes sure I don't get surprised with a dead battery one day, which is very helpful.

Now, Mojio has gone from launching this brand new app as a startup to serving customers all over the globe in just a few years. And they were able to grow and scale their business entirely using Azure.

And this is one of many of our IoT partners building incredible solutions tapping into those Azure IoT technologies.

And in addition you can combine that with Windows IoT technology to address the full range of intelligent edge solutions.

So whether it's helping a 50-year-old insurance company modernize their line-of-business system, or building a brand in the business from scratch, Azure provides an incredible opportunity for us to help our customers and grow our collective businesses. Thanks so much.

(Applause.)

**SATYA NADELLA:** Thank you so much, Julia. Thank you. (Applause.)

So hopefully all of those demos give you a flavor for how these four solution areas, acting as ingredients to the digital transformation outcomes that customers care about, can create a tremendous opportunity for everyone.

And I think as you think about your capability building, your IP building, that I hope you will take away from Inspire, ideas, strong connections across the partner ecosystem so that you can tap into this growth potential.

So I want to close by talking about that inspiration. In the last year, I've seen a marked difference in terms of the ambition level of the partners, the transformative projects that are getting deployed in the real world.

So I want to take you through this very quick, whirlwind tour. First, let's go to Germany. Liebherr is a midmarket company, one of the German national champions that builds refrigerators. They're not just building a refrigerator, they're building refrigerators for both industrial and consumer with computer vision in the refrigerator. So that means they can recognize objects, automatically fill in the inventory list, the shopping cart.

Let's now travel home for us to Seattle to Boeing. And what Boeing is doing is pretty phenomenal. They're taking what is essentially a plane and creating a digital twin. So when they deliver to an airline, they're not just delivering the plane, but they're delivering the digital twin that's able to process billions of events in real time coming from the sensors in the plane and then give the airline all of the information required about fuel efficiency, passenger flow and everything. A digital twin that is real time.

Now, let's imagine how you can change how to make any place, whether it's a hospital, a factory floor or a construction site safe.

Using commodity cameras with deep neural nets deployed at the edge on those cameras, you can turn any physical space into a search engine where you can reason about the people, the objects and the policies that you've created so that there is safe operation.

In fact, a partner called Prism is deploying these solutions using, again, Azure Cognitive Services capabilities.

Now, let's go to Schneider Electric, in fact a farm in New Zealand. Now, Schneider Electric took one of the oldest challenges that we as a society have had, agriculture, and truly transformed it. Seventy percent -- 70 percent -- of the fresh water even today gets used in agriculture.

And so if you take -- put sensors in the field and collect that data, use it to optimize how and when you pump water using, in fact, offload electric meters, and then optimize for the yield of the crop, you can transform farming, and more importantly, deal with all the environmental challenges. So it's amazing to see the solution that Schneider has built and what it can do for us as a society.

Now, let's go to retail. In fact, another partner out of Australia, Lakiba (ph.), has taken what is perhaps the real frontier of retailing. There's a lot of talk about e-commerce, but one of the things that's exciting is every physical outlet in retail is going to be transformed by AI. Just imagine if you could do to the physical space what you were able to do to web pages through the use of AI where your merchandising draws you in. Again, using camera tech, you can now start dynamically using data to help merchandise in any retail outlet.

ThyssenKrupp, it's fascinating to see this company and what they've done in many, many of their product lines. But the one product line that personally speaks to me is their stair lift division.

You know, when you're trying to install a stair lift, it's an error-prone process because you kind of have to measure it, then it goes off to manufacturing, and then usually comes back with errors, and so it's an iterative process.

But with the HoloLens and its computer vision capability, you take accurate measurements day one and then, in fact, before going off to manufacturing, you can keep the installation and see it and then send off to manufacturing, it completely changes the efficiency curve and the satisfaction rate. So transformative both in terms of product creation and business model.

Case Western Reserve. Now, Case Western Reserve and Cleveland Clinic came together and said, "We want to change education in medical education." The first-year anatomy class at Case Western Reserve is taught using HoloLens. And when I recently was there and I talked to both the professors who were teaching it, and they were all saying, "I wish we had this when we were here learning." And I as an electrical engineer, who never understood Maxwell's equation, I was thinking I would have loved that too.

It's fantastic to see the transformation that is happening with all of these solutions.

And when I think about what we're centered around, which is our mission, I think about the impact we can have as a community, as an ecosystem.

This mission acts as this amazing platform for us to truly go after the things that we're passionate about and have a lasting impact in societies and communities that we live in.

And one project that truly inspired me was Project Premonition, which started, in fact, in Microsoft Research where we took some cutting-edge AI work, autonomous drone work, and came together with many partners, partners who had expertise in hardware, partners who had expertise in connectivity, and said, "How can we address that very pressing need of spread of epidemics?"

In this case, Zika. What if we can take the latest and greatest AI tech, the latest and greatest drones, and then detect Zika before it spreads into an urban area? What a difference can it make?

Especially in an age like ours today where sometimes we get saturated with solutions for more conspicuous consumption, I am inspired by what we as an ecosystem can do to go address the real needs of our economies and our society. That is what I believe makes us truly unique in high tech. And I want to leave you with that story of Project Premonition, and hopefully it will inspire all of us collectively in the years to come to not only build technology, but to use technology to have the broadest of impact.

Thank you all so very much for being at Inspire. I hope you have a fantastic week.  
Thank you.

(Applause.)

END