What's Next for Industry
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Welcome and thank you for joining us today.

Over the past year, we have witnessed a second wave of digital transformation sweeping every company and every industry. This is driving real structural change, change that will outlast the pandemic.

These shifts are affecting different companies and industries in different ways. But digital technology has universally become key to business resilience and transformation.

Today, we are going to share what's next for our approach to industry and the four principles that underlie it. But first, let's talk about these changes that are transforming every industry today.

In retail, offline merchants are embracing new business models like contactless shopping and curbside pickup, while e-commerce has accelerated multiple years.

In health care, telehealth is now the expectation for outpatient visits, and providers are turning to new capabilities like AI-assisted bots to ensure patients get trusted and accurate information whenever and wherever they need it.

In manufacturing, companies in every category, from discrete and automotive to agrochemicals and energy, are moving to automate anywhere and simulate anything with digital twins as they work towards a future of lights out manufacturing.

In financial services people are putting aside their physical wallets in favor of digital ones, and banks are harnessing the power of data and AI to manage risk.

And nonprofits are aggregating internal and external data to better understand and respond to and anticipate community needs.

Across all these sectors it's no longer sufficient for organizations to just adopt technology, they need to build their own technology to compete and grow. This means investing in people and their capacity to create new solutions to meet the challenges of a rapidly changing economy. And it requires both trust in the technology they use and trust in the business model alignment.

We call this dynamic tech intensity. It's never been more important to get it right. The digital investments companies make today will define their growth and performance over the next decade.

Over the past year, we have worked closely with leaders in every industry to help them navigate the crisis, equipping them with technology and tools to accelerate their transformation.

Our deep commitment to industry is not new, but it's taken on a new urgency, and we are committed to helping every organization use technology to improve time to value, increase agility and reduce cost. Let me share three quick examples.

Novartis is using AI to make it easier and cheaper to discover, develop and deliver new medicines. It typically takes 10 years and more than $2 billion to develop and bring to market a new prescription drug. Now, Novartis is empowering its associates with AI tools at each step of the drug development process so that they can identify insights hidden in the vast amounts of data in a quest to improve their time to value.

In financial services, BlackRock is migrating Aladdin, their portfolio management platform to the cloud to accelerate innovation and enhance the experience for its broad and diverse client base.

During the early days of the pandemic, the number of transactions on Aladdin increased by an order of magnitude as customers rebalanced and de-risked their portfolios. And using the cloud, BlackRock was able to quickly scale in a highly controlled and transparent way, increasing its agility.

And in manufacturing, Johnson Controls is using digital twins to transform how buildings and spaces are designed, built and managed. For example, digital twins enabled building managers to support COVID-19 safety protocols, including maximum occupancy guidelines, and they're able to better monitor and optimize systems and ultimately reduce costs.

All three of these businesses have used our platforms and tools to build tech intensity and overcome big challenges. Today, we want to share what's next and how we are working to ensure every organization in every industry has the tech intensity required to succeed going forward. There are four key principles that guide our approach.

First, trust in business model alignment. No customer wants to be dependent on a provider that sells them technology on one end and competes with them on the other. Microsoft will always be a trusted adviser, a co-innovator and a partner. Second, customer data belongs to our customers, not to us. We work with organizations to help them harness the data to build the predictive and analytical power required for their own competitive advantage. Third, we recognize every industry is unique. Our aim is to deliver solutions tailored to their specific needs. We listen deeply to our customers and employ experts who bring industry perspective to all stages of our product development, as well as our customer engagement.

We have former infantry platoon leaders and former National Security Council staffers working on our government and defense business. We have mechanical engineers helping

us understand what is needed to optimize machines and streamline supply chains. We have doctors and nurses sharing clinical requirements with us, bankers shaping our financial services solutions and former retail and media leaders informing our approaches to those industries.

Finally, our offerings can be customized by an unmatched global ecosystem of hundreds of thousands of trusted partners. We work with leading ISVs and system integrators, so our customers have complete solutions they need to address their unique business challenges.

Today, we are sharing how we are expanding our industry investments, now and into the future. We have been delivering a cloud design specifically for the U.S. Government since 2014. And in the past year, we introduced new cloud offerings, purpose built, for retail and healthcare.

Today, we are building on this industry-first focus announcing new clouds for manufacturing, financial services and nonprofits. Each offering is designed to work as one seamless solution and to enable cross-industry workflows. For example, retailers and manufacturers can work across clouds to manage inventory and production in real time, from shelf to warehouse to factory.

Our comprehensive modern tech stack along with our partner ecosystem allows us to deliver this breakthrough value to organizations.

These new industry clouds bring together the breadth of our offerings across Azure, Power Platform, Microsoft 365, and Teams, Dynamics 365 and Microsoft Security, and are underpinned by a common data model. We've also added new capabilities, customizations and standards unique to each industry.

For example, in retail our cloud connects physical and digital experiences to better serve customers in new and more personalized ways, getting them to the goods they want, where, when and how they want them. In manufacturing, our cloud ensures the safety of frontline workers and creates more resilient and agile factories and supply chains, so companies can rapidly respond to changes in demand. In financial services, institutions can modernize core banking services, like payments, manage risks throughout the organization, and create new innovative financial service models.

And nonprofits, too often underserved, will be able to optimize common workflows so that they can focus on the work that matters most, achieving their mission.

Our industry clouds are designed to be modular and extensible, so organizations can start with what they need today, and adapt as they grow. They also create opportunities for our partners to build new revenue streams across the value chain. Our industry clouds will enable businesses to make faster and more intelligent decisions, ultimately providing

better experiences for their customers and employees. And they will help organizations improve time to value, lower costs and increase agility.

I look forward to seeing how customers in every industry use these capabilities to transform their organization and expand their impact. With that, let me hand it over to Alysa Taylor, who leads our industry business, to share more. Thank you all very much.

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