

Microsoft Inspire 2021
Brad Smith

(Music.)

BRAD SMITH: Hello, everybody. Thanks for joining me at Microsoft Inspire.

Let's face it, this has been an unusual year for all of us. We live in a world that's uneven, uneven when it comes to the state of vaccination and the progress being made in addressing COVID. We live with a future that's uncertain, uncertain about precisely when and what it will take to put this virus in our past. And we live at a time of tragedy. We've all lost colleagues or friends or loved ones.

But through it all, we have persisted. We persisted with our mission not just as a company, but as a community, a mission that focuses on using technology to improve people's lives, to empower every person and organization on the planet to achieve more.

And that's what I want to talk about a bit today, the work that we've been doing and will advance in the next 12 months to put this mission into action by sustaining trust in technology and protecting people's fundamental rights, by advancing an inclusive economic recovery, by bringing technology and digital skills to everyone on the planet, and by doing what we need to do to protect the environmental sustainability of the future for all of us and those who will come after.

Inspire is usually an event that brings the world together in an arena. Well, this year, what I want to do is bring a bit of the world to you, regardless of where you are at the moment, by taking you out on the road and meeting some great Microsoft employees and partners at places where we're doing important work and places that are their hometowns, because I think when you get to meet people in their hometown, you get to see a little bit about where they came from and what inspired them on their journey. So, come with me as we go out on the road.

(Music.)

We're in a town called Wauwatosa. It's next door to Milwaukee, Wisconsin. In fact, it's one of my hometowns. I grew up in this house; I lived here when I was eight years old. We're here in Milwaukee to see some exciting work that we're doing with partners to bring broadband to a critical community, but there's a lot of other connections between Microsoft and Milwaukee as well. This is where Satya came. He got his master's degree in computer science at the University of Wisconsin, Milwaukee. And there's other ties. I find you never know who you're going to run into.

KATHLEEN HOGAN: Brad! Hey, how are you doing?

BRAD SMITH: Kathleen, what are you doing here?

KATHLEEN HOGAN: I'm visiting family. I'm working remote and I'm walking my sister's dog. This is Molly.

BRAD SMITH: Well, hello, Molly.

KATHLEEN HOGAN: Yes.

BRAD SMITH: Well, it's so great to see you. I love the Green Bay Packers visor.

KATHLEEN HOGAN: I can wear this when I'm in Wisconsin. Can't wear this in Seattle.

BRAD SMITH: Well, that's true.

Well, we're here. We're going to go to Lindsay Heights. We're going to visit with another Microsoft employee, Vickie Robinson, and we're going to take a look at what we're doing on broadband. (Laughter.)

KATHLEEN HOGAN: Sounds fun. Great to see you. (Laughter.)

(Music.)

BRAD SMITH: Vickie, I know this area. Lindsay Heights is not just your hometown. This is your home neighborhood, right?

VICKIE ROBINSON: I literally grew up and down Fond Du Lac Avenue. I've spent my entire childhood here. My family was in the south in Georgia and Mississippi, moved here for jobs and a chance at a better life. And they were able to do that, but then things changed as the factories and those jobs went away, which, as a result, also impacted the community.

We want to be part of what's happening here to actually revitalize and do different kind of jobs and training. Broadband helps to enable that. We believe that if we're able to bring technology here, we can actually help to be part of the economic revitalization here in Lindsay Heights. And so, as part of our work in airband, we are partnering with Walnut Way and our partner, PCs for People, to bring affordable broadband connectivity for this entire community, as well as devices and skilling that will help the community as we step into this new era.

BRAD SMITH: Well, it's exciting to be here. Shall we go take a look and learn more?

VICKIE ROBINSON: I would love to do that, Brad. Let's go.

BRAD SMITH: OK.

(Music.)

VICKIE ROBINSON: Brad, I'd like to introduce you to Jerilyn Freeman. Jerilyn, this is Brad Smith.

BRAD SMITH: Hi, Jerilyn.

JERILYN FREEMAN: Hi, Brad. Nice to meet you.

BRAD SMITH: Nice to meet you. Well, I know we're up here; it's a little windy. It's a little loud, but we're up here because it's a beautiful garden, and we're on the roof next to this antenna.

VICKIE ROBINSON: Yes, this antenna is really going to transform the community.

BRAD SMITH: Well, this is what we're all doing together to bring broadband to the people of Lindsay Heights. Vickie, tell us a little bit of the technology here that we're working with.

VICKIE ROBINSON: Sure thing. So, with PCs for People, we're able to leverage the fiber that's fed to Walnut Way to literally use a fixed wireless connection that extends broadband throughout the entire community, a one-mile radius that surrounds Walnut Way. So essentially, by using fixed wireless, we were able to get services more quickly, keep costs down and deploy quickly in working with Walnut Way to introduce it to the community.

BRAD SMITH: This is a community that, today, only has 12% of the population using the internet at broadband speeds. Tell us a little bit about the challenges that people are facing today in using broadband.

JERILYN FREEMAN: Individuals in this community, many of them, it's just not in their budget because, as you and I know, you have to meet your basic needs first. This is another option, a more affordable option for individuals to have broadband and to have similar services and be able to get the connectivity that they need.

BRAD SMITH: Well, I know for all of us at Microsoft, it is a privilege to work with you, with Walnut Way, with PCs for People. And I look forward to coming back to your home neighborhood, Vickie, and we'll see what we can do. Thank you so much.

JERILYN FREEMAN: You're welcome, Brad. It's so nice to meet you. We've just scratched the surface with this; will be a great partnership for us. And we look forward to all the wonderful things we can bring to the folks in Lindsay Heights.

(Music.)

BRAD SMITH: The work we're doing in Milwaukee is really emblematic of what we're doing around the world. During the past year, we've expanded our airband program. We're working in more countries. We're reaching more rural communities. And as you saw, we're now focused on urban needs as well. But I think the other thing you saw in Milwaukee is that people need more than technology itself. They need skills to share. To share some of that come with me to what I think is a remarkable location.

(Music.)

Welcome to one of the greatest cities in the world, Paris, the capital of France. It was my first home when I started as a Microsoft employee in 1993. And today, it's the home of thousands of Microsoft employees, customers and partners. It's a great location to talk about a critical challenge that we're working hard to address; bringing skills to people so they can succeed in a digital age. And it's the perfect place to talk about that with one of my favorite Microsoft employees, Jean-Philippe Courtois.

(Music.)

BRAD SMITH: Well, here we are in Paris, not quite your hometown, but your home country. Can you tell us a little bit about where you grew up?

JEAN-PHILIPPE COURTOIS: Actually, Brad, I grew up in the South of France in a place called Nice, Nice, Nice in French. And this is obviously the most beautiful city in the world for me because I grew up there. It is on the Mediterranean Sea, but you also have access to gorgeous mountains, the Alps, so you can enjoy the beautiful, I would say, environment there and a good family, good friends.

BRAD SMITH: You have been so passionate about so many things in all your years at Microsoft, but one of them has been skilling. And what was the spark that got you interested in our skilling work?

JEAN-PHILIPPE COURTOIS: You know, I think early on, when I moved up to Paris, when you – when you grew up in the South, you kind of move up, right, to the big city of the country, Paris. I figured out that if I wanted to expand my own skills, grow, learn from other experiences, a lot of things would happen in Paris, hopefully not just in Paris.

My first job, in a way, was about training, skilling, recruiting our partners to master Multiplan, the first spreadsheet of Microsoft accessibility tools.

BRAD SMITH: Yeah.

JEAN-PHILIPPE COURTOIS: Same on the operating system, MS DOS Windows. And since the early days, you could feel that, to really empower every person to achieve more, as we say now, you need to get skills accessible to all of your people. And that flow through the customers to the society and the community itself.

BRAD SMITH: I remember those years. Multiplan was the first spreadsheet I ever used. I was on a little PC in the 1980s. And in the early years, it was actually just about helping people learn how to use a computer, and then how to use a graphical interface, how to – how to learn email and use it. Today, it's very different.

JEAN-PHILIPPE COURTOIS: Yes.

BRAD SMITH: When you talk to our customers today around the world, what are the skills that they are really finding in short supply?

JEAN-PHILIPPE COURTOIS: The key kind of roles and jobs that are needed are typically software developers in the cloud, by the way, so cloud developers and architects, data scientists and AI specialists, also people focusing on the UX and design of the user interface for their customers experiences, and lastly, what we call is our Microsoft customer success to understand the usage of the services they're going to offer to their customers.

Fundamentally, as any company becomes a digital company, they need to infuse and basically embed into all the lines of business digital skills, from the frontline workers, as you know well, all the way to the, I would say, the most experienced cloud solutions architect or CTOs of the world. That's why we need to provide a broad set of avenues to scale and reskill people.

BRAD SMITH: One of the things that I love about the skilling issue is you can sort of approach it from two very different perspectives, but you meet in the middle. You can think about it as a customer, a business, maybe even a big company. And then, of course, it's an issue for each and every individual. And I think as much as anybody at Microsoft, you've really championed both perspectives.

JEAN-PHILIPPE COURTOIS: Yeah, which it's an amazing journey that the French team, to give them credit, started back in 2019 with a social enterprise called Simplon. This company's mission is about going after the diverse talents with no IT background, but who are hungry to learn. And they immerse them into a school, and we call that École AI, AI School in English. And then it became Cloud School, as well. And they basically put together a core of very diverse people. Seventy percent have no diploma at all, but the methodology to use is amazing. And after seven months, they get an apprenticeship or a job with our customers and partners. It's a wonderful way to broaden the pool of talent.

BRAD SMITH: Our skilling work is it's sort of – is always done one person at a time, and

you've captured that. But as you know, with the global skilling work we've done, we've now reached over 40 million people around the world.

JEAN-PHILIPPE COURTOIS: This wonderful initiative we are running and enabling is an initiative that actually offers many partnerships to join us, because it's all about joining forces. Clearly, Microsoft, LinkedIn, staffing agencies, government agencies, enterprise customers and many others can provide an entry solution to skilling learning paths to jobs. And given, as we all know, the big needs of reskilling people, upskilling as well, this is something that needs to be built at scale. And I believe Microsoft is a wonderful platform to build upon and enable that to happen.

(Scene switch.)

BRAD SMITH: What you saw in Milwaukee and Paris is really a reflection of the advancing digitization of society, digitization that has accelerated because of the pandemic in every country around the world. It's this digitization that is driving the need to close the gap and bring people technology and skills.

But this digitization has a darker implication as well. As the world has become more digital, it's also become more vulnerable and it means that we need to do more as a company and a community to protect trust in technology.

These days, trust often begins with cybersecurity, and we're doing more than ever. To get a glimpse of this, I want to take you with me to meet Amy Hogan-Burney. She cut her chops in Washington, D.C. and today, she leads Microsoft's Digital Crimes Unit.

(Music.)

BRAD SMITH: Amy, I know you got your start here. How did you do that?

AMY HOGAN-BURNEY: Well, I wasn't born here, but my entire professional career, really, before I came to Microsoft has been here. I went to college here; I went to law school here. I started my professional career here, and I started my life in public service here in Washington, D.C.

BRAD SMITH: Where did you get your start in public service?

AMY HOGAN-BURNEY: I started – well, I did a couple of clerkships because you have to figure out who you want to be first, but then, I was at the FBI for some time.

BRAD SMITH: You went from the FBI to Microsoft. Today, you head our Digital Crimes Unit, or DCU. Tell us a little bit about what you're focused on and what the DCU team is going to be doing in the year ahead.

AMY HOGAN-BURNEY: The Digital Crimes Unit is a global team and we're a team of engineers, analysts, data scientists, investigators and attorneys. And we proactively bring cases against cyber criminals. So, we're actually looking for cyber criminals and their malicious infrastructure.

BRAD SMITH: There's really no group like the Digital Crimes Unit in any other tech company. What's our philosophy at Microsoft? Why do you have this team?

AMY HOGAN-BURNEY: The really interesting thing is, is our detailed investigations do a couple of things. We're able to get discovery from a third party, so we learn a lot about criminals and what they're doing so we can harden our systems, and our investigations also give us evidence that we use to improve our products. So, where we're seeing criminals on our products and services, we're able to identify that and make improvements.

BRAD SMITH: Obviously, we've all been reading a lot about ransomware. How do you and the DCU work to disrupt that?

AMY HOGAN-BURNEY: Yeah, ransomware is just an incredible problem. It really is a threat to national security for governments around the world. And you know, in 2020, I saw that \$350 million were paid by victims of ransomware. And so, what we do is try to partner with law enforcement in meaningful ways to make criminal referrals. We look for ways ourselves to disrupt payment systems, and we're really looking to harden our customer systems in the ransomware space as well.

BRAD SMITH: Tell us about the mission and the philosophy behind the DCU.

AMY HOGAN-BURNEY: The Digital Crimes Unit does work for our customers. We're a very small group and we are sometimes well publicized, but usually we're working very quietly behind the scenes. And what we do is, is we bring civil cases. We collect that evidence and do detailed work to improve our products and services. DCU is quietly working behind the scenes for you. Every time you log on.

BRAD SMITH: You obviously don't do it alone. You have so many partnerships, including with many governments. Tell us about that.

AMY HOGAN-BURNEY: We do. We partner around the entire globe. We have DCU staff around the world, and we are constantly looking for ways to partner. We partner actually with the FBI. And if you have time, I would love to take you there.

BRAD SMITH: Let's go.

AMY HOGAN-BURNEY: All right. Let's go.

(Music.)

BRAD SMITH: Well, it's great to have the chance to talk, and I'm really curious. What have you seen evolving when it comes to cyberattacks in recent years?

TONYA UGORETZ: Well, you know, at the FBI, we have both criminal and national security authorities, which means we're able to look at that question both through what nation states are doing and what cybercriminal enterprises are doing. And with both, we really see that we're having to battle on two fronts.

One is that we still see these very sophisticated, highly targeted cyber operations against high-value targets to our adversaries, places where they want to steal our intellectual property or conduct other espionage, or just position themselves on our critical infrastructure for future activity, or in the case of criminals, to steal information or encrypt it for personal profit.

BRAD SMITH: Is that often ransomware?

TONYA UGORETZ: It can be. So, we've certainly seen an evolution in ransomware over the past few years. It's not new; it's something the FBI and the Secret Service have focused on for a number of years. But we've seen a professionalization of the cybercriminal ecosystem through online forums, through cash-out schemes, through the ways that ransomware is offered as a service, so that somebody, a criminal or a wannabe criminal with little technical capability, can almost buy in and purchase the ability to conduct ransomware attacks without having to have the technical know-how to develop the attacks themselves.

BRAD SMITH: When you scan the whole horizon, what worries you the most?

TONYA UGORETZ: What worries me are these very deliberate efforts we see by our adversaries to undermine trust, to target what enables them to compromise and attack the highest number of victims possible. So, for example, in recent campaigns, we've seen the software supply chain compromised to the extent that whereas I would want to be able to trust that when I receive a software update from a company that I'm a customer of, that update is providing me positive things.

BRAD SMITH: And the FBI really has close partnerships with governments around the world. Do you see that as playing a role?

TONYA UGORETZ: We definitely do. I mean, these adversaries we're concerned about are all around the world, and they're using global networks to compromise our U.S. infrastructure and companies. So, we have to partner with other countries in order to be able to have an impact.

BRAD SMITH: And I was struck Director Wray, the head of the FBI, didn't wait for the end of the pandemic to get out, and hit the road and start talking to people.

TONYA UGORETZ: That's exactly right. So even before this latest spate of cyber incidents that we've been dealing with since late last year, Director Wray announced a new cyber strategy for the FBI in September 2020. And it's really focused on the FBI's being an indispensable partner, knowing that we can't do it alone, just like any other agency or company can't do it alone. But what we can bring is our unique authorities, our capabilities and the partnerships we have here domestically through our field offices, as well as overseas with foreign law enforcement, and bring all that to the fight in order to enable not only our own actions, but to share information that helps others take action as well.

BRAD SMITH: Well, and there's so many things we need to do, but I think you hit the nail on the head. The only way we're going to increase cybersecurity protection is for all of us to work together. And I just want to say thank you so much for the opportunity you're giving not just Microsoft, but companies across the industry, to work more closely and more effectively in winning this battle.

TONYA UGORETZ: We're looking forward to it. Thank you.

BRAD SMITH: Thank you.

(Music.)

BRAD SMITH: I want to bring you back from Washington, D.C. and take you to our final location. It's quite different. It's a small town in the Northwoods of Wisconsin, a town named Phillips. It's the hometown of Microsoft's chief environmental officer, Lucas Joppa. And as you'll see, if you're looking for some inspiration, you can get a sense of what inspired Lucas to pursue a career focused on the economy and the environment.

(Music.)

BRAD SMITH: So, tell me a little bit about Phillips, your hometown.

LUCAS JOPPA: Well, as you can see, it's a small town of about 1,500 people, enough people to fill two buildings in Redmond. It's where I grew up, and it's really where everything started for me in my career in sustainability.

BRAD SMITH: Well, what was it about growing up here that got you so interested in the environment?

LUCAS JOPPA: Well, Phillips is a place surrounded by woods and water. You can't help but be impressed by its natural beauty. It's where my love for the outdoors came from. But also,

really early on, when you live in a place like this, you realize that the environment and the economy are almost synonymous, our industries, our forestry and fishing, agriculture and nature-based tourism. And really early on, I just decided that I wanted to work at the intersection of those things and try to improve the economy and the environment at the same time. And if you have time, I'd love to show you what I mean by that.

BRAD SMITH: Let's go take a look.

(Music.)

LUCAS JOPPA: Every time I spend a bit of time here, it just really reminds me of why I do what I do every day.

BRAD SMITH: And we're obviously doing our part. We've said we're going to be carbon negative by the end of this decade. How do you feel about the work we've done, say, over the last 12 months?

LUCAS JOPPA: I feel really good about the progress that we've made. We made, as you know, a huge commitment, carbon negative by 2030. To get there, Microsoft is going to have to do a lot of work. But over the past year, we did that. We reduced our emissions on track with what we need to. We actually engaged in removing emissions, as well, on track with what we need to. So, the future looks bright, but it's a big task ahead of us.

BRAD SMITH: If you look at what we've done, working with suppliers, measuring our own internal emissions, what do you think was the biggest set of steps that will pay off not just this year, but in the years to come?

LUCAS JOPPA: It's all about improvements in business processes. For us in particular, it's about getting a better handle on measuring carbon within our own organization, getting those standardized measurement procedures down, and then making sure that, as I said, we can put that in the business processes, like with our suppliers and our updated supplier code of conduct.

BRAD SMITH: And we're working with customers as well. Are we making progress together in developing what you and I often talk about as carbon accounting?

LUCAS JOPPA: Well, I think, you know, the most important thing that Microsoft can do is learn inside, and then take our learnings and extend those to our customers all around the world. And that's what we're announcing with a new Microsoft Cloud for Sustainability. That's the motivation. That's the ambition, to help simplify carbon accounting for Microsoft and for customers around the world.

BRAD SMITH: So, tell us a little bit. What is the Cloud for Sustainability and what is the impact we hope to have with it?

LUCAS JOPPA: The Cloud for Sustainability is all about simplifying carbon accounting. It's taking what can be really complex – trying to figure out the emissions of your supply chain and your value chain – and really bringing all of your enterprise systems that already exist within your organization, connecting all of those data streams up and converting that existing data into metric tons of carbon so that you can record, report and then, ultimately, reduce your emissions across all of your organization's operations.

BRAD SMITH: I think it really brings to life and it automates and streamlines what is a longstanding business adage; you can't manage what you can't measure. And by automating measurement, we can basically empower people to manage. That is the foundation for reducing carbon emissions each and every year, basically for the rest of our professional careers.

I'm excited because when I think about our mission of empowering every person and organization, this is really part and parcel. It goes to the essence of it, because when we think about the big goals for the planet, this is probably at the top, and it's going to take all of us to work together.

LUCAS JOPPA: Absolutely. That's what it's all about for us, empowering Microsoft to be better, taking our learnings and using that to help our customers be better all around the world.

BRAD SMITH: I'm glad you've taken what you learned in Phillips, Wisconsin, and we're sharing it with the world.

(Music.)

BRAD SMITH: As we bring this virtual tour to a close, I think it's worth reflecting on everything we've seen. More than ever, we've been taking steps together to foster an inclusive economic recovery, to close the digital divide, to secure trust in technology, to protect people's fundamental rights and to address the sustainability of the planet as a whole.

But when you think about everything that we've seen, it all really comes down to one thing: people. People who've grown up in small towns and large cities in every country around the world, people who've come together to be part of a single community, people who are making a difference not just in their hometown or where they live today, but at a global scale, as we've done, for example, with our digital skilling program, reaching 44 million people in almost 250 countries and territories.

When you step back, there's almost no other community that can have this kind of impact at that kind of scale. And as we talk about Inspire, well, that's what gives me inspiration. If we can do this in a year as challenging as what we've just lived through, just think about the foundation that we are building for the future, just think about the bold ambition we have the opportunity to pursue each and every year in the decade ahead. That's what we're committed to

doing, not just as a company, but as a community, a community that includes every one of you, every one of us.

As you can see, I'm excited about the years ahead. Thanks for joining me.

END