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Q&A: Gates talks about letting go, the future and the foundation

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P-I REPORTERS

Bill Gates says it's not in his nature to reflect on the past -- even as he goes through his final days as a Microsoft full-timer.

"I've always been focused on the next product Microsoft needs to do, and what things are we not doing as well as we should, and I can't say my mentality has shifted from that at all," Gates said. "If you looked at my e-mail in the last few months or even this weekend, you'd see I'm prodding people: 'Hey, have you looked at this,' or 'Boy, this is a really good piece of work,' or 'Maybe these two pieces can fit together.' And I think that's part of our culture."

But he will be moving on after this week -- ending his day-to-day role at Microsoft and shifting to full-time work at the Bill & Melinda Gates Foundation. He talked about his plans -- and the past -- during an interview with the Seattle P-I in his Microsoft office last week. Edited excerpts:

Q: You're a prototypical motivated learner. You listen to chemistry lessons in your spare time. Could you ever envision finding some new idea that inspired you so much that you'd be willing, in this new era of your life, to start a completely new venture?

Gates: Well, my lifetime's work is in software. The only thing I understand deeply, because in my teens I was thinking about it, and every year of my life, is software. So I'll never be hands-on on anything except software. I'll do that partly through Microsoft-related projects that Steve (Ballmer) will pick, and some of the foundation things, like using cell phones to help people with their financial things, or even helping them with some of their agricultural things, or using DVD availability to help with education. I'll be thinking about software. ...

I am funding some of the things (former Microsoft Chief Technology Officer) Nathan Myhrvold is up to -- and there are some spin-outs coming out of that. So I'm helping to back some of those things, but that's not me full time in any way. My full-time work absolutely will be the foundation. Nothing is going to come up. There will be things that either I personally put money into or I get the foundation to put money into, and so I am boning up on a lot of science.

Everybody should watch chemistry lectures -- they're far better than you think. Don Sadoway, MIT -- best chemistry lessons everywhere. Unbelievable.

Q: One of the things that stands out most about Microsoft over the years is the antitrust cases against the company, particularly in the U.S. As you look back at that time -- at your behavior, and at the company's business practices -- would you have done anything differently?

Gates: Well, I don't know why you highlight the U.S., I mean, why not highlight Japan, Korea, Europe. Come on! We're a global company. (Laughs.) ...

During the period, the late '90s -- take '98, '99, 2000 -- there were a lot of things going on there, in terms of

startups, Internet bubble, my deciding the way I ran the company, for the scale we'd achieved, that the way I was doing it wasn't going to be right. And therefore, my turning to Steve and saying, "Hey, you've gotta take over but not just take over. Come up with a whole new way that we think." ...

Among the things going in '98, '99, the lawsuit was definitely one of them that made the job more complex. ... We knew that our honeymoon period was kind of over. Sometime between '95 and '98 we went from being the company that, if we had purple rugs, everybody thought that was how businesses succeeded, and they'd go out and buy purple rugs -- to an "Ah, who's next?" kind of a thing.

And it is an important maturation of a company that when you're not in this honeymoon spotlight-type thing, that you can motivate people and do the good long-term work. Steve and I really had to double down, and he drove a lot of it. ... Yes, there were some lessons that came out of (the lawsuit), but you can't really separate all of the things going on in that period. Part of the strength of Microsoft today is learning from some of the challenges of that tough period.

Q: Can you imagine any circumstance under which you would feel compelled to return to Microsoft full time?

Gates: No.

Q: Do you think it will be difficult to let go, in some respects?

Gates: The way I have always done the job is saying, "Hey, we should do this, we should do this better." You know, Microsoft is a big place. It's not like there's any one product group that I'm on the critical path for their schedule. I've been in this, I'll give you suggestions, I'll help you set your thing. I've had to be backed out of any particular product thing for quite some time.

My job is a lot of fun, and I'll miss it, and I'll be sending mail into Microsoft. I'll copy Ray (Ozzie) on virtually everything I send, just because he's the one who's here full time. A lot of 'em, I'll copy Steve, as well. So, yeah, I have an adjustment to make. I've done the same thing for 33 years, in a sense. ... It will be an adjustment for me. If I didn't have the foundation -- which is so exciting, and the work is complex -- if I didn't have that, it would be tough for me, because I'm not a sit-on-the-beach type.

I'll let myself play a tiny bit more bridge in the next few months than I normally do. But I'm going to be working the same type of energetic, full-time schedule that I'm used to, and the foundation will come into that. Even so, it could take me a year or two to really fall into this new rhythm.

Q: You seem to have mellowed a little over the years, but you're --

Gates: Bullshit. (Laughter).

Q: -- you're famous inside Microsoft for lines like, "That's the stupidest idea I've ever heard." And I think that's the censored version, actually.

Gates: No, no, no. Literally, I do say, "That's the stupidest thing I've ever heard." Some people think I add some other word in there, but I don't -- usually. ... Rarely. (Laughter.)

Q: So are you going to talk like that to folks at the foundation, to get them focused and strategic? Will you need to soften your approach?

Gates: Well, in some ways, because you don't have the marketplace telling you which ideas are good and bad, in fact the need to have a careful framework about how we choose what we do is in some ways more important. Now that doesn't have anything to do with softness or hardness or anything like that. At Microsoft,

we say, 'Hey, we think Tablet PCs are ready for prime time.' We go out, you know, the marketplace tells us no, so then we need to make it better, and we sit and iterate on things like that. Or something succeeds more than we expect, and we go, 'Whoa, maybe we should do more of that.'

In the foundation you can set up metrics to measure what you're trying to do, but take an area like education, it's very difficult to do. And so, figuring out what those metrics are, figuring out, are we doing the thing that only we can do. Anyway, it requires, if anything, more rigor, more self-questioning than the Microsoft stuff does. But my style, I have a mixture of encouraging people, telling them what's right, what's not. Obviously, that's how you run a big enterprise like this, and get the best people to want to keep doing these jobs.

That skill set will be very valuable to me at the foundation. I will give incredibly positive feedback, or say that I don't like something in a very direct way. The foundation, it's not like I'm new to the foundation. It's the amount of time I have will be new. And in fact, in some ways as you get more time, the nuances of the message are even easier to deliver. You know, "This is great, but ... " Or "This, I don't think is the right direction, but" You get more time on the "but" part. You don't have people after you leave saying, "Huh, OK, he told us he didn't like that, but he kinda did like this, well what did he mean?" So you just get more time.

Q: As a philanthropist, are you going to feel more free to be open about your political views?

Gates: I will speak out on the issues that the foundation is deeply engaged in. So take education, where the foundation is spending hundreds of millions a year, trying new high schools, looking at how teachers can be better. I will speak out about what we're seeing there and how I think government policies can improve that. Take global health. ... I'm going to save my public voice largely for the issues where I have some depth.

Take the defense budget. I probably have some opinion about, you know, should you do less people, more of this, more of that, you know, nuclear terrorism, what should you do. But I don't have the depth of expertise. So I'd just be another guy, second-guessing the thing, whereas in education, I'm really putting my money where my mouth is, to a large extent.

So I think I'm better off to take whatever small degree there is that people want to listen to one person, and focus it as much as possible on the areas where we're deeply engaged, and we see that policy differences can make a huge difference. And so I probably will not just say, "Oh, I love this candidate." I'll probably talk more about the issues that are deeply engaging.

Q: Apart from education and global health, energy and the environment are two big issues facing the world. Do you have any plans to address those either personally or through your work at the foundation?

Gates: Well, the energy challenge touches everything. For rich people, you can just cut back on consumption as energy is more expensive, either because of shortages, or because it's being taxed in new ways. For the poor people, these are life-and-death issues. You know, the cost of fertilizer is basically the cost of energy. And so if you buy less fertilizer, you get less crops, you can't send your kid to school. If the weather is more volatile, which is one of the changes that warming brings, then instead of making less money, like a U.S. farmer, you can actually starve. And so understanding how we have innovation in energy, that's important for the poorest. And so it's how we get new ways of using fertilizer, maybe using less, using it better, breakthrough things. There are reasons to care a lot about energy. ...

It is ironic in a certain sense that in the next century, the people who will really be hurt by global warming are the poorest, who contributed the least to it. And so maybe that should mean we should be more generous in our foreign aid to those poorest people, but you're competing for finite resources, and people think, "Geez, should we even maintain the levels we've had, where we're trying to push them up." So I won't escape energy as just a central thing, but I won't come out with a blueprint for the entire U.S. energy policy or anything. Just

the piece where it intersects the issues of the poorest.

Q: How should historians view your career?

Gates: Well, I don't think there's any need for people to focus on my career. I was lucky to be involved and get to contribute to something that was important, which is empowering people with software. First with the personal computer, but then with software running in a variety of things, from the phone to the car to the TV set. And seeing that that could be done in this low-cost, high-volume way, creating the software industry around it by giving them the tools and helping the whole industry grow, Microsoft was absolutely at the center of that.

We were the first software company working on that. What we did with first DOS and then Windows created thousands of thousands of great successes. And it had this self-reinforcing nature, which is, the software got better, more people bought the machines, so they created more volume, so they were cheaper, so more people could write software, and it led to this thing, which we had predicted, and got to contribute to. So the software revolution, which led to the PC and the Internet and more devices in the future, that's a big deal. The world is a very different place because of it, and I've gotten to be one of the people who helped drive that forward.

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