

## An audience with Bill Gates

Chris Long was granted exclusive access to the head of Microsoft, at a **crucial time** for his company.

**H**e doesn't give many interviews. He doesn't have to. He is, after all, the richest man in the world. The latest reports say he's worth more than Hong Kong, but there has been limited access to him in recent months because dark grey clouds, like the Department of Justice (DoJ) hearings, have been hovering overhead. He is, of course, Bill Gates, CEO of Microsoft, champion of free markets and the American Way, and multi-billionaire.

Very few people must consider Gates an enigma: most have already formed a hard-and-fast view that he is a force for either Good or Evil in this world. Perhaps that's why we're fascinated by anything he says. We all stop to listen to powerful people, especially those who can wield influence over the technologies we use, and we are all fascinated by hearing money talk: he is fabulously wealthy, and he mostly built his fortune off his own back.

Recently however, Microsoft has been under heavy pressure — from the United States Government, from new technologies like Java and Linux taking hold in the market, from the explosive growth of the internet, and from the growing expectations being placed on Windows 2000. Many of these things were on Gates' mind when I sat down to interview him for [TV] — Sky's technology channel — as part of the making of a documentary celebrating the 25th anniversary of Microsoft.

**Chris Long:** *What's the deal between you and the Department of Justice? What's going on?*

**Bill Gates:** Well, the DOJ is trying to say that when we put new features into Windows, that maybe we shouldn't be allowed to do that. One of these is support for the internet. We saw the internet as a fantastic thing, really in some ways a realisation of the vision that we had of the information at our fingertips. But it caught us by surprise. It bubbled along at a very low level and then all of a sudden in '95/96, it just took off.

We built internet support into the PC operating system so you could buy a machine and get on to the internet easily. What they're saying is, we shouldn't have

done that, we shouldn't have integrated it, that we should have made people buy it and install it as a separate product, that we shouldn't have brought the price for that down — just had it there as a no-extra-cost feature.

The irony of that is pretty strong and it's a pretty fundamental principle for us to be able to add new things into Windows, because that's what people expect. They'll expect speech in the future, they'll expect vision, so we're just at the beginning of what we need to do there. We're being forced to say, although we're successful we [must be] allowed to innovate.

**CL:** *So, how is it going?*

**BG:** Well, the case is ongoing —

the United States court system is not a fast process.

I can guarantee that no matter what

happens, it will be many years before anything comes to a conclusion.

**CL:** *Would you do anything different from the way you've done it? When I was researching for this interview there was the whole thing about the video evidence — the Press said it didn't do you any favours. Do you regret doing it?*

**BG:** Well, I'm not actually involved in the court case, but we did a video that proved exactly what we'd said, which is that the internet capabilities are really tightly integrated into the system. And the Government attacked that video, so our guy stayed up all night and made one himself that showed all those things again, without any of the confusion they'd managed to introduce.

**CL:** *What do you think will happen if you lose?*

**BG:** The fact is that innovation has allowed companies in the United States to lead in this whole internet thing, and that principle is very important. I have no doubt that this principle will be upheld, and we've been picked as the people who have to go out and show how important that is.

**CL:** *They split up AT&T, didn't they?*

*Do you think they would try that with Microsoft?*

**BG:** No, no, no. AT&T was a government-created situation where they were given a government monopoly and nobody could compete in that space. In our space, understand, the amount of competition is always increasing. We've got to do new things, we've got to make it easier to use, more powerful, less expensive. We've got to go into these new form factors and we're full speed ahead.

**CL:** *Let's move on to the subject of the internet. I've read that you think the net is unfinished or is going to take longer to evolve. Is that true? Do you think we're there yet?*

**BG:** Certainly the internet is very much at the beginning of what it can achieve. We

don't have wireless devices, we don't have these tablet devices. Most homes, if they're connected at all, are using a phone dial-up which is a little bit slow and

so we've seen nothing yet. People aren't incorporating it into their lifestyle yet, but they will. And for the companies which do their job right, the rewards are out there in the future.

**CL:** *A lot of people are selling services off the internet. Do you think there's money in it, or is it one of those things that will be a passing fad?*

**BG:** I don't think anybody really has the answer. We know that the internet is going to help consumers; it's going to let them find products they wouldn't have found before and get better prices than they would have. The fact is that competition here [in the US] is more intense than anywhere else because setting up a web site now means just buying some boxes of software, a low-cost PC server and — boom! — you're up there. You're just like everybody else, and the profit margins will be under constant attack just because you'll have so many entrants into the field.

**CL:** *How do you see the internet affecting the way Microsoft does business?*

**BG:** The internet is going to reshape how we think of software. In some ways, software will just come to you over the

**'We're being forced to say: although we're successful, we must be allowed to innovate'**

internet — it will always stay up to date. The importance of software is definitely increasing here, so we've created things like Windows Update and Office Update, which are part of that evolution, so the internet isn't standing still.

**CL:** *Looking to the future, we've had DOS, we've had the graphical user interface. What's the next big thing?*

**BG:** Speech and handwriting. A tablet where the quality is good enough that you could really read a long document or even a book off it.

**CL:** *Is the hardware there yet, for that?*

**BG:** No, it's about two or three years away, so I think the hardware and software are just going to come together. Also, the prices have to come down a fair bit. We've demonstrated, using prototype hardware, this idea of software making things far more readable and that's got people very excited.

**CL:** *How much is the success of Microsoft, and all the other high-tech companies, down to the arrival of the hardware to enable you to showcase your software?*

**BG:** There's a partnership here, where the hardware people need us to write the software that shows off what they can do, and we need better hardware to push forward. The results affect both business and people at home, although it's the people at home where there will be the biggest impact.

**CL:** *Did you have any inkling, at any point*

*along the way before it took off, that the PC industry would be this big?*

**BG:** We said, 'a PC in every home and on every desktop, and you just add it up'. That was a wild statement in some ways because we didn't know how quickly it would happen, so even for us, it's been an incredible adventure every year, just to see the growth. People who predict PC growth have consistently underestimated year after year.

[First they thought] it would only be 20 percent of homes, then only 30 percent of homes.

Well, now in the United States it's over 50 percent of the homes, and I don't think that will be any different in most other countries.

**CL:** *Do you think it may get closer to 90-100 percent?*

**▲ GATES BELIEVES THAT THE INTERNET HAS A LONG WAY TO GO BEFORE PEOPLE INCORPORATE IT INTO THEIR LIFESTYLE**

➤ *This transcript has been taken from an exclusive one-to-one interview with Bill Gates.*

*The full text is on our cover-mounted CD this month.*



Photograph by Rystedt/Sygma

## ...ON WINDOWS 2000

**T**his interview was recorded about a week before Microsoft announced that it was going back on its idea that Windows 2000 was going to run on both desktops and high-end machines. All the same, revisiting the obvious non-answering of some questions — most apparent when asked when will Windows 2000 appear? — we can see Gates floating the ideas behind the reasons for the change. It's also apparent that he doesn't refer to Windows 2000; only to Windows NT.

**Chris Long:** *Perhaps you could talk us through the next version of Windows?*

**Bill Gates:** Well, we moved from the original Windows to Windows NT, which was the industrial-strength Windows. This was another one of those struggles where people said 'you know, you can't build something that has the

power of Unix but also the friendliness of a Windows-type system'.

So, now we need to take that and prove to people that even with the biggest systems, where they would have used mainframes in the past, they can now use Windows because the power of the chip and the capacities of these systems are quite incredible. We're building-in that kind of reliability and scalability, so we're moving up to the very high end, to do things on the internet where there are more transactions than you've ever had to deal with before. **We're also moving down to the very small devices: a little palm-sized device that you carry in your pocket, something that you'd have in your TV set or in your car, and that's what we call Windows CE for the consumer side of things.**

**CL:** *It sounds like Windows 2000 is Windows on steroids. Presumably you'll need a suitably powerful machine to run it?*

**BG:** Windows NT requires a bit of a more powerful machine: you can run it with 32Mb, but most people run it now with 64Mb. About half of Windows in business today is this more powerful version of Windows.

**CL:** *Finally then, Windows 2000: when will we see that, and when will it start shipping?*

**BG:** We're hard at work on that one. We've had to push the schedule back because customers are asking for it to be a very rich product. There's a lot of testing that goes in because of all the configurations. We'd expect to get it out this year, but we've said to people that we can't guarantee a date because the quality of it is the thing that's going to decide exactly when it goes out.