

U. MAG. What has been the single greatest secret of your success?

BILL GATES: Well, I don't think I've kept any secret. Obviously if I told you, then it wouldn't be a secret. (Laughter.)

Yeah, I was very lucky to be exposed to computers when that was quite an unusual thing, when I was in 8th grade, and be friends with Paul Allen, so he and I could think about the possibilities together.

I think most successful people read massively books not only in their own area but in lots of other subjects, and I love to read, that's a fun thing for me. When I vacation, that's a big part of what I do with my extra time. So I think that was very helpful.

Seeing what the PC could become as an empowering tool and how that would connect up to other devices, just having that vision and then sticking to it, the dream of the company in terms of getting a great tool to people has stayed the same now for 30 years. It's a lot more people doing a much broader set of activities to deliver on that dream, but it's the same goal. I can't think of a company that's had as constant a vision that's attracted young people who want to do magic software.

U. MAG. What's the greatest piece of wisdom you would give to your children?

BILL GATES: Well, I hope I get to give them more than one, and perhaps they'll both pay attention to some of them. No, I'll try to get them to pursue their curiosity and be avid readers, and I'll give them a chance to see the world at large, including Africa and Asia where people aren't as privileged as they are, and maybe that will influence what they choose to focus their life's work on.

You know, kids mostly learn by seeing the examples their parents set, so hopefully I'm giving an example of working hard and being optimistic about improving the world.

U. MAG. What's it like to compete with companies that are your partners?

BILL GATES: Well, Microsoft has had more partners than anyone, because our insight was that instead of us doing the PC hardware and the PC sales and PC applications, we'd simply create what became Windows and open that up for any software company. It's hard probably for people to remember there was no software industry, and it was the magic of the PC where the more that got sold the more application software got sold, and the more application software that got sold the more PCs got sold, and it all got driven based on the vision of a very low cost, high volume model. And so now we have this gigantic software industry, so first and foremost people who write games for Xbox up to people who write industrial design software like Dasseau Systems, those are partners who make Windows a valuable product. And they're around the world; there are literally hundreds of thousands of those companies.

And so just in that one realm, getting more information out to those partners, being totally open with them about what we're doing, where we're going, that's been a key secret of our success.

We also, of course, partner with the hardware makers so that our customers have choice, competition in quality, speed, service; whatever they want. There's a wide range of choices that worldwide has led to that being the most popular form of personal computing, is that that runs Windows.

As we, say, do games on Xbox, we sit down with people like Electronic Arts and we explain what we're doing and so they have visibility.

Now, I'd say there are very few software developers that we actually compete with, and certainly in the hardware realm we don't compete at all. We don't do chips, we don't do printers, we don't do disks, we don't do any of the things that go into make up the PC.

As the operating system gets better and better, there are things that you have to pay lots of extra money and install separately. In that roadmap of what's going into the OS, you know, we've painted that out over a five-year period,

so everybody knows their value-added piece, whether it's security or backup, that they're going to have to keep innovating and add more value as the OS, without increasing the price at all, simply delivers a lot more capability.

U. MAG. What individual competitor do you respect the most? And I mean an individual head of the company as a competitor?

BILL GATES: Hmm, that's an interesting question. There's a lot to choose from, of course, we have a lot of competitors. And I don't think any one stands out by themselves. Certainly Jorma Ollila, who's just left his position at Nokia, he did an amazing job, the vision of the cell phone and how pervasive that would become. And when he took over, Nokia was actually a conglomerate, not all that focused on cell phones, and he picked that as the growth area, got out of a lot of areas. So that was incredible leadership that led to an amazing company.

Sony is a company that's done great work, they're having some business challenges right now, but Mr. Idei, who recently stepped down; I always admired his work. Howard Stringer has now got the CEO's role and he's an incredibly talented person. It's an unusual thing for an American to be running a Japanese company, but if anybody can do it, I think Howard probably is the best at doing that.

Actually, if I was going to pick one person, I'd probably pick Steve Jobs, and Steve and I have worked together and competed going back to when I did the AppleSoft BASIC for the Apple II. I flew out -- I mostly worked with Wozniak, his cofounder because Wozniak is an engineer, but I got that BASIC up and running on the Apple II and I got paid \$21,000 -- Microsoft, we had 14 people at the time, I did that.

I had done the BASIC for the TRS-80, the Commodore, the Altair, the Atari, the TI, and basically all the machines at that time, a very small group of us had done, and that was a lot of fun.

Probably the biggest thing he and I did together was working on the Macintosh. And the world, it's hard to think back to this but the world didn't believe in graphical user interface, they thought it was kind of this crazy thing, and, in fact, the original Mac with its 128k made it very difficult to do programming, and yet because of the partnership we had, when the Mac came out, Microsoft had the only independent applications and we went on and did Excel first on the Macintosh. So working with Steve --

U. MAG. And Word, too, wasn't Word first on the Mac?

BILL GATES: Well, they had MacWrite, so it was the first independent word processor. They had Randy Wiggington and Bud Tribble had done MacWrite, so that was there. Anyway, we did some software and we'd been working for years on the Mac and actually had more people on it than Apple did. We both had pretty lean teams, so it was great to work together on that and build the graphical software and see between Windows with its GUI and Mac with its GUI and now everybody takes that as common sense.

U. MAG. What market share for a product makes you happy?

BILL GATES: Nobody is motivated just by a market share. No matter -- one thing that's important to understand about software is once you sell somebody a piece of software, they get to use it forever, it never wears out. And so, say, we ship some new version of Word, we're not going to get paid a dime additional unless we come up with breakthroughs, listen to what customers want that's better. That software is theirs for the rest of time.

So it's not like a car or Coca Cola where you can say, oh, I have this market share, I have sales. You could have all the word processors in the world be yours, but unless you're making breakthroughs that people get excited about; you'll have zero revenue. And believe me, it doesn't work to have zero revenue; you can't pay people's salaries and drive things forward.

So market share is really kind of a meaningless concept. It's of the new things that people are excited about. Are you driving those and delivering those? That's the only way that you get any success whatsoever.