

# **SYNOPSIS OF DISCUSSIONS**

**BETWEEN**

**BILL GATES**  
**CHAIRMAN, MICROSOFT CORPORATION**

**&**

**NARAYANA MURTHY**  
**CHIEF MENTOR, INFOSYS**

**INTERVIEWED**

**BY**

**PRANNOY ROY**  
**NDTV**

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**PRANNOY ROY :** To me and many of us at TiE, it is a special moment. We have with us together two icons of our times - Mr. Bill Gates and Mr. Narayana Murthy. Both iconic entrepreneurs, but in fact both much more than that. As you look into their lives there are so many similarities. Like both started life as hardcore software guys. Mr. Bill Gates wrote the basic compiler and Mr. Murthy, in the early 70s, also wrote the first basic compiler. Both today have given up being CEOs and taken a step back to help with the bigger kind of picture with bigger vision. Both of them have superb right hand people i.e: Steve Ballmer and Nandan Nilekani. Both have huge businesses but even larger social goals with larger hearts. Both have wives, Melinda and Sudha, who infact are even more committed to changing society, to philanthropy and charity. As icons they have to resist tremendous pressures, sometimes to enter politics. Both remarkable men, that come once in a lifetime, once in a generation. Both used to travel economy class, some say they were stingy, for some it is about principles. If it is stingy, certainly it is not visible in their charity. Ironically both are voracious readers, books are their passion. One major similarity - both really believe in spreading wealth among their employees through ESOPs but now both have stopped that and the list of their similarities is endless.

**PRANNOY ROY : What are the defining moments in your life?**

**BILL GATES :** Certainly the opportunity to use a computer at young age, I was only 13 at that time and I was 16 when I first understood the magic of chips with double power every two years. The school teacher asked me to teach computer to the class. That was when I got fascinated and completely immersed. My decision to leave school and start a company, that's a nice milestone since it worked. In my case I thought the time was very important to get in and be the very first. So this chip computer comes out and I decided to go to Paul Allen and provide the software for the very first personal computer, which again was incredibly limited. The willingness to take the risk before anybody else was doing it, I think that was a big help to us. My parents thought that I was going on leave and will come back as the company will not succeed, even Harvard was nice enough to say that I could come back and even today they are willing to take me back.

**NARAYANA MURTHY :** There have been atleast three defining moments in my life. First when I was incarcerated in Bulgaria, a communist country and without food and water for 96 hours. Later I decided that I don't want to be a part of this system and I will go back to India to pursue entrepreneurship and create wealth legally and ethically.

Second was in 1990, we had started the company in 1981. It didn't progress because there was so much of friction in business in India. There was an offer from somebody to acquire us for \$1mn, from this offer six of my group members got excited but towards the end I decided that I am not going to sell it off.

Third was frankly getting listed on NASDAQ. In fact it was a small step for NASDAQ but a giant leap for Infosys and Indian software industry. I would say that these were the three defining moments in my life.

**PRANNOY ROY : How do you keep yourself motivated to work on and on and on?**

**BILL GATES :** I love my work, I get to work with smart people and it's a field that's constantly changing. Every couple of year's people say that a new company will throw you out of the business and we get to show people "not this time". My vision was not about sales or profits but it was about this computer, what it could do and we don't have that computer yet. We cannot talk to the machine and it cannot talk to us and we are still looking for that computer. I have a dream of having a computer in every home, in every desk. We are not even half way in achieving that goal, here in India we are scratching the surface. So there is still lot of work to be done as there is no finish line anywhere near.

**NARAYANA MURTHY :** Most passionate people in the world are held by larger goals. At Infosys, we have a vision to become a globally respected organization, not only in India but also in US, Japan, Germany, Australia UK and that's still a long marathon. Maybe 10,000 or 12,000 Infosysians have already made some money but there are 30,000 other Infosysians who still have to make that kind of money and it is our responsibility to give our best, our commitment to make sure that they and future Infosysians can make money.

**PRANNOY ROY : Both of you started ESOPs and both of you have given it up. Why?**

**BILL GATES :** Microsoft shared more wealth than any other company has in the history of capitalism. If you get to a point where industry is so hot, it almost hyped then you start to get deviations that not only go up but they also fluctuate, so to pass the risk of those market conditions on to the employees may not be right. But we are actually into shares now where you get your salary and shares of stock and so we cut the variance down and so the predictability is much greater and still plenty of personal wealth. We are still sharing the wealth but in a different way and it wasn't to do anything with the new accounting principles.

**NARAYANA MURTHY :** I always believed that leadership does not succeed in a vacuum, you need people who are smarter than you, who have same or higher level of passion and energy. If you want to bring those people on board then you need some equitable paradigm and that is why Infosys adopted the ESOPs model. We suspended it because we have to expense it out according to US regulations and then we realized that it is not the best model for us anymore. And then as it was pointed out, we made an analysis and found that by creating a paper or variable performance model, we will be able to provide a decent compensation for all.

**PRANNOY ROY : India has got a new energy with Democracy as its foundation. People have started questioning. Is democracy important in taking business decisions?**

**BILL GATES :** Democracy means right way of looking at resources. It is the real commitment to the future. It is a must and we, US, stand for it.

**NARAYANA MURTHY :** We value knowledge as the most intangible asset. However, the important question now is, Is it really paying? There has to be a greater premium on time. We waste lot much of it in discussions. One of my friends from Harvard aptly quoted, “Two of my greatest challenges are – How to get my Japanese students to speak up and Indian students to shut up”. We have to come to conclusion out of discussions and get to execution.

**PRANNOY ROY : Does a anti-American wave affect you? Lack of US sensitivity in handling international affairs to the world issues affects your relationships with your partners.**

**BILL GATES :** The world depends on the US to do certain things right whether it is funding science or whether setting a good example for free trade. I won't say we lost business or have some impact it is because of the US politics. Everybody resents the most successful country and everybody loves the most successful country. It is all the love-hate relationship. In the US there are mixed feelings about what they think the US is doing good and not doing well. It is for the world to understand the benefits of free trade system. The US should be imitated by others. The way we run our university system should be learnt by everyone. We stand for – Be good in every way, innovation in products, markets, etc. People talk of India versus China, why not India plus China. India should learn from China and China should learn from India. I am proponent of the combined best practices of India, China and the US.

**PRANNOY ROY : Does the use of force by US in international affairs worry you?**

**BILL GATES :** It is best to use when the stake is very dramatic. Even in US, people say we need more evidence (in Iraq issue) but then for us it is good, for it is for the democracy.

**PRANNOY ROY : Is it love-hate relationship? Even we say “Yankee go home, but take me with you”**

**NARAYANA MURTHY :** I am unabashed admirer of US for their openness. I don't know of any other society as open as the US. It is for us to work harder to convince the US people, decision makers, law makers, that there is good value for them (in

outsourcing). If there is an outcry, dissatisfaction, I see it as our failure. ‘The day you say market is wrong, you are finished’, this should be learnt by US.

**PRANNOY ROY** : Now we will take some of the questions from the audience.

**A1. My question is for Mr. Narayana Murthy. What challenges are faced by large and small companies in attracting, keeping and retaining best talent?**

**NARAYANA MURTHY** : It is all about creating the dream and vision and articulating that everybody is able to take the rainbow and put in pocket. It is all about making sure that people will get their value, people will automatically come to you.

**A2. My question is for Mr. Bill Gates. After the internet, what technology will take the world now?**

**BILL GATES** : We need to get a device which will get us value at the low cost. Like speech recognition, mapping devices etc. I see natural interface technology as the important area that shall dominate the sphere.

**A3. My question is for Mr. Bill Gates. What human qualities are important for success?**

**BILL GATES** : You need passion, intelligence and some kind of integrity to understand what your limits are. Very strong combination of all the three shall help to achieve success.

**A4. My question is for Mr. Narayana Murthy. Very large companies are created in US. What do we need to do to have the same in India?**

**NARAYANA MURTHY** : We need a more competitive market. Corporations have to realize the importance of innovation, good venture capital system, environment that enhances the quality of education system that focuses on problem solving and good set of mentoring who will take care of entrepreneurs’ linkages with the requisite networks.

**BILL GATES** : We always talk big companies like Yahoo, Microsoft, Google, etc. We don’t think of numerous companies that fail. It is all market economy that survives.

**A5. My question is for Mr. Bill Gates. What is the fundamental difference between managing a startup and a large corporation?**

**BILL GATES** : The leadership styles are quite different. When the companies grow, you acquire skill sets, create a system, take a step back, monitor the people and manage the managers.

**PRANNOY ROY** : The last question - **Will you ever enter into politics?**

**BILL GATES** : No

**NARAYANA MURTHY** : No

**PRANNOY ROY**: Thank you very much.

**Compiled by: Dr. Sanjeev Prashar - Associate Professor – Marketing, Amity Business School**