

# Oral History of Scott Oki

Interviewed by **Mario Juarez** for the Microsoft Alumni Network

July 19, 2024

## Preface

The following oral history is the result of a recorded interview with Scott Oki as conducted by Mario Juarez on July 19, 2024, at Microsoft Studios in Redmond, Washington. This interview is part of the Microsoft Alumni Network's Microsoft Alumni Voices initiative. The goal of this project is to record the institutional history of Microsoft through the recollections of its former employees, so that the information may inform and inspire future generations.

Readers are asked to bear in mind that they are reading a transcript of the spoken word captured through video rather than written prose. The content reflects the recollections of the interviewee. The following transcript was edited by the Microsoft Alumni Network, which holds the copyright to this work.

## Interview

Mario Juarez: All right. Scott, hey, thank you for taking the time to talk to us, Let's begin at the beginning. Let's talk about being the child of two parents recently freed from internment camps growing up in a three-room tenement. Yesler and 14th. Give me the story about your origin.

Scott Oki: Oh, sure. Yeah. I was born to a very poor family who had just been released from Minidoka, Idaho, the [World War II] internment camp that was located there. So they returned to the inner city of Seattle with virtually nothing. But we had a lot of shared values and one of them was a work ethic. And when I was born and my two siblings, both younger, were born, we were still living and my grandmother,

so there were six of us, plus a lot of cockroaches living in this tenement. And we didn't even have our own bathroom, so we had to walk down the hall to use a community bathroom. But my parents, they were pretty thrifty. They saved their pennies and eventually had enough money to put a down payment on a very small house down in Rainier Valley. That's where we moved. That's where I was raised. I always attended public schools. So unlike my three kids who have never set foot in a public school, that's where I was educated.

After I graduated with my undergraduate and graduate degrees, I ended up in actually Silicon Valley and ran into three other guys, highly educated. All three of them worked for the Boston Consulting Group. All three of them went to Harvard, two of them had joint JD-MBAs. The one who didn't was a Baker Scholar. And these were very smart, smart dudes. And I said, "Yeah, well, what are you guys doing here?" And they said, "Well, we want to start a high-tech company." And I said, "Well, what do you know about high-tech?" And they said, "Well, nothing." And I said, "Well, I know a little bit about high-tech." And they said, "Well, why don't you join us?" So I did. We got venture financing, and we started a company. Two years later, we augured it right into the ground. And so I was on the streets looking for a job, and I did a little bit of consulting.

And during one consulting gig, I ran into this company called Microsoft located in Seattle. And I'm going, what is this company doing in Seattle? If you didn't exist in Silicon Valley or if you weren't in Boston, in the high-tech world, you did not exist. And so the more I looked into it, the more I became intrigued, because Seattle is home. I consider Seattle my home. I wrote a letter to Bill [Gates] and just my normal letter seeking employment. Bill gave it to Steve Ballmer, who at the time was in charge of human resources. And Steve looked at the resume and he goes, Sequoia Group, which was the name of the company that I augured, "Sequoia Group. I know

someone who knows this company." And so he called a fellow schoolmate of his at Stanford and he said... Michael Goldberg was his name. He said, "Michael, do you know this okay guy at Sequoia Group?" And he goes, "Yeah, Scott's a good guy." And so based on that, they invited me up for a round of interviews, well actually a one-on-one interview with Bill.

The reason it was one-on-one is because Bill, Mr. Basic, was intrigued by this thing called the HP 250 Basic. I worked for Hewlett Packard and I was the product manager for this thing called HP 250 Basic. And it had really cool things, really cool features like structured constructs. And anyways, Bill being Mr. Basic knew everything about it. And so that interview was really not an interview. It was more a lecture where he was telling me all about the features of HP 250 Basic. And so the hour goes by and he goes, "Wow, thanks for your time. Go back home to San Francisco. And yeah, you might hear from us." Well, a week later I did, they invited me up for another round of interviews, and that was with Steve Ballmer, Paul Allen, Vern Rayburn, who at the time was in charge of sales. And there was another guy, and I don't remember who that was, but I did come up for another round of interviews and they must've been impressed.

I went back to San Francisco, but a week later I did get an offer letter. At the time, I had another offer letter from the fastest growing microcomputer software company in existence, a company in kind of the Silicon Valley area called MicroPro. Seymour Rubinstein was the founder and CEO. He wanted to hire me and offered me a nice salary, nice stock options. Microsoft offered me a lower salary and lower stock options, but I kind of knew that Microsoft was going to go places and MicroPro was not. So I accepted the job with Microsoft, came up here and relocated.

Mario Juarez:

And the rest as they say...

Scott Oki: Well, yes and no. Yeah, at least I started, I had a nice job. My original job was marketing manager special accounts. I still have my offer letter. And I was employee number 121. And my title was Marketing Manager Special Accounts. And there were three special accounts, and these were pretty big accounts. One was IBM located in Boca Raton. The second was Lifeboat Associates located in New York, and the third was ASCII Microsoft, Microsoft's exclusive distributor at the time located in Tokyo. So I'd be all over the place, but I said, okay, yeah, this is a pretty big job.

Mario Juarez: Okay. Let's talk about Microsoft and your Microsoft experience in a moment. Great overview of things. My head is still spinning a little bit with the notion of how fast and how far you came so quickly out of this existence of what sounds like near poverty when you were a child. Tell me what was it that your parents and your experience forged in you? How did that make you what you are?

Scott Oki: Sure. Even though my family really didn't have much, there was always something called a work ethic. They worked really hard. So there's this kind of sense of grit. There's nothing that you can't tackle and not be successful at. You just have to work at it. And I think that that value system really was embedded at a fairly early age for me. The other thing that was very strong in our family, was family. We kind of helped each other out. Everyone pulled their weight. I was tying fishing tackle for five cents a fishing tackle to raise money for the family.

There were some evenings when we didn't have much to eat. We always had rice, but what you ate with rice, sometimes there wasn't much, but it was okay. I mean, it was a very kind of healthy, familial environment. We were happy. We were motivated. We always did our homework. That was also a very, very important value. We respected our teachers, and that might be a very Japanese thing because teachers really are placed on a pedestal, quite unlike the

US system, where it's kind of anything, but because of that respect for teachers, I think that I also carry that with me, and I still do. You can always learn from other people.

Mario Juarez: Sounds like there was this grit as you put it that instilled in your bones you work hard no matter what, with this very bright light of love, of some sense of meaning. It doesn't sound like you ever wondered about purpose.

Scott Oki: Purpose. Well, no. I knew I wanted to be successful, and I've always been, how would I describe it? Maybe an overachiever doing what? That was the big question mark. But when I got my undergraduate degree, which was in information systems and accounting, and then I also have an MBA, I think I knew at the time. So this goes back a long time ago when computers were just starting to flourish. I think I always knew that I wanted to really use my skills mostly on computers and not on bean counting even though I could do that, and I think I got lucky. I made the right decisions, I got the right opportunities to actually do something in the computer field, even though one of the big things was a failure. Right? I mean, auguring your own company into the ground is not a very pleasant experience.

Mario Juarez: It's interesting though, when you talk about that, and I think about your buddies at the Sequoia Group and a lot of the other people that we're talking about, there's many cases, kind of a direct line of pedigree of great schools, MIT, Harvard. You took a different route, a college in Colorado, you go to the Air Force, you're playing drums. And yet my sense is that those choices that you made and the experiences that you had were uniquely positive for you. Explain that, if that's in fact a true statement.

Scott Oki: Yeah. No, I think it was a true statement. I mean, I was always kind looking at how you make the best of the situation. I ended up

playing music at the Air Force Academy. Why? Because I didn't want to go shoot at people in Vietnam or get shot at because at the time, I was a musician and a pretty good one, I went down and auditioned and they said, "Yeah, okay, you're a great saxophone player, but we don't have any openings for saxophone players." And I said, "Well, what do you have openings for?" And they said, "Well, we have some percussion openings." And I said, "Well, I'm also a drummer," which was true. And they said, "Well, you're here. You may as well audition on drums." And I did. And they said, "Well, okay, you're a fine percussionist. If you want a guaranteed four-year tour of duty stationed at the Air Force Academy, sign on the dotted line."

Well, it didn't take me long to do that. Being stationed there though, gave me the opportunity to really kind of reset myself because I kind of ended up at the Air Force Academy because I had a not so good experience at the University of Washington. I was a very poor student, very poor. Well, I never went to class, which is the reason I was a poor student. I was more interested in shooting pool and playing cards. And in fact, I ended up being the University of Washington intramural billiards champion. I think I can still shoot a pretty mean game of nine ball. But that experience kind of flunking out of the University of Washington, okay. I had to hit the reset button, and I think being stationed for four years in the Air Force gave me that opportunity. Now I didn't kind of further away my time, I did hit the reset button.

And because of the GI Bill at the time, I didn't have to pay for an education. So while I was a musician, I had a lot of free time on my hands. I used free time to, and I used the GI Bill to pay for my undergraduate education as well as I had enough GI Bill left over to pay for my graduate work. And yeah, that was lucky, I guess. But you make those decisions... In hindsight, yeah. Okay. Right place,

right time. But you still have to make the conscious decision that that's what you want to do.

Mario Juarez: So you do that, you run this, you're with these folks that run this company into the ground, and then you make this unbelievably fortuitous move to write a letter out of the blue. And I suppose one could sort of regard that as maybe a random chance kind of thing. My suspicion is there's much more to the underlying factors. There had to have been something underground or something inside of you that was reaching for a higher thing, or was it just freak good luck that you ended up writing that letter?

Scott Oki: I don't know. I think it was kind of luck. I mean, did I really know at the time that Microsoft was going to become the behemoth that it is today? Not a clue. I mean, I don't think Bill Gates had a clue. He was doing something that he was just simply passionate about. And the thing that intrigued me was the difference with what Microsoft was doing, and virtually every other microcomputer software company is Microsoft had multiple product platforms. They were not only doing operating systems, they were doing languages. They were doing productivity tools. I mean, they were doing everything. Virtually every other company was a one-product company. They may have been developing a spreadsheet. They may have been developing... Well, digital research was developing an operating system. Lotus was a one-product company. Borland was a one-product company. WordPerfect was a one-product company. Ashton Tate was a one-product. They were all one-product companies. Microsoft was trying to do it all. And that intrigued me.

Mario Juarez: With 200 employees.

Scott Oki: Right.

Mario Juarez: Let's segue over to your Microsoft experience. Tell me your earliest vivid memory, your first experience that sort of defines for you the

moment when you recognized that you were into something unique, something special.

Scott Oki:

I think perhaps the biggest thing that happened very early on, I had been at the company for maybe two weeks doing my marketing manager special accounts job. And I said, okay, that's a big job. But I've always prided myself in being kind of an out of the box, kind of a strategic thinker. And I said, okay, there's a bigger opportunity here at Microsoft that no one is paying attention to. And so I wrote a business plan. I asked Bill for some time to present it, and he said, yeah, yeah, sure. So I went into his office and I said, "Okay, Bill. I want to found the international division for Microsoft. The reason why is because there's a huge opportunity out there. I know, because I used to work for a company called Hewlett Packard, which at the time derived 42% of their top line revenues from offshore." And I said, "This is a huge opportunity. I'd like to grapple with it."

Now, had I done any business internationally before? No. Did I speak a foreign language? No. And here I am asking Bill for \$1 million to found the international division. To this day, I do not know why Bill said yes, but he did. A part of it may have been the fact that he had just taken \$5 million, the only \$5 million in venture capital money from TVI, Dave Marquardt, and I think maybe having five million in the bank account, maybe he thought, oh, okay, maybe a million dollars. Yeah, give it to Oki and let him do his thing. But he did say yes, and so I was off and running.

Mario Juarez:

Okay. What were you seeing that Bill Gates, was Steve [Ballmer] there at the time? He was there. So, what are you seeing that they were not seeing?

Scott Oki:

Well, everyone was doing a lot of other things. No one was really focused on the world. They were really focused on kind of the US



market. Yes, we had an exclusive agent in Japan, but that was almost the only thing that Microsoft had at the time. And that was based on a very early friendship between Kei Nishi and Bill. That's how that all kind of came about. And it was because it was an agency relationship, I mean, Bill really didn't run the agency. I mean, that was Kei's job. When I founded the international division, it becomes far different because now Microsoft is in charge. Right? We're setting the marching orders, and we're executing to our plan, not someone else's.

Mario Juarez: Two weeks in this happens?

Scott Oki: Yes.

Mario Juarez: You've been here for two weeks. So what buildings were those in?

Scott Oki: The building next to the Burgermaster.

Mario Juarez: Next to the Burgermaster, and there's 200 people. And Bill's right down the hall from you?

Scott Oki: Yeah. Two offices.

Mario Juarez: When you look back on that, does that seem all sort of just amazing, surreal, remarkable?

Scott Oki: Yes. Yeah, absolutely. Yeah.

Mario Juarez: Tell me what your impressions are when you look back on it.

Scott Oki: I think part of it may have been simply when I think of Bill making his decision, maybe it was just the audacity of the fact that here's this newbie coming into the company asking for a million dollars. I mean, that's pretty preposterous when you think about it. But look ... Microsoft at the time was operating far differently than virtually

any other software company. So yeah, that in and of itself was pretty different.

People were just busting their butts. I mean, the work ethic, oh my God. I mean, I've always worked hard, so that didn't bother me. But when you come into an environment where you look around and everyone else is also busting their butts. Okay, and maybe that's pretty consistent with a startup. I know when the startup that I augured, were we working our tails off? Absolutely. No question about that. And there's a certain esprit de corps that is developed because everyone is investing their time, and effort, and brain power to bring something to fruition.

And then when you hit the wall, well, okay, that's not such a good feeling, but okay, you pick yourself up, you dust yourself off, and you go on to the next big thing.

Mario Juarez: Yeah. Let's talk a little bit for the future Harvard Business School folks that are diving into these archives, you write a business plan, you get a million dollars, you say, "I'm going to go from 10 to a hundred million dollars in three years." How did you do that?

Scott Oki: Well, there were a couple of very early decisions that I think were, again, strategically very important. One, most U.S.-based companies doing business internationally, if they had a subsidiary someplace, the top guy was usually an expat American. And I thought about that and I said, "This makes no sense to me. What does an expat American know anything about the target country?" Probably very little. I mean, they don't have the relationships, maybe they don't even speak the language. Or do they really understand the culture? Those sorts of things.

So I made one firm decision. I said, "We would only hire nationals." And so we went to France, we established the subsidiary there. Bernard Varn was the Director General. If we went to Germany, the

[foreign language 00:27:23] was Joachim Kempin. If we went to Italy, it was Umberto Paolucci. If we went to Sweden, it was Rolf Skaglund. Belgium, it was Patrick De Smet. They're all nationals of their country. They had the relationships, they knew the people. They knew how to go about doing business. It wasn't me telling them. Right? They knew. They're smart people. I mean, that's the one thing they've always prided myself in, is hiring really, really smart people, who also work hard. That combination is a killer combination and you can accomplish almost anything with that.

Mario Juarez: The number one good strategic call that you made.

Scott Oki: Yeah, that was a key one. And then, just from a business standpoint, I also, within my own heart, I said, just having come off of a failed startup, I said, "I am never going to fail again. I will do whatever it takes never to fail again." And so every single subsidiary that we started was profitable its first year of operations, every single one of them. And in four years, the international division accounted for over half of Microsoft's profits. Over half. That's just, yeah, it's pretty remarkable to think about that. But again, we made a lot of smart decisions from the get-go.

Mario Juarez: Another big factor in your career, historically, was understanding the landscape of the Microsoft IBM relationship, and Windows versus OS2. When I came into the company in '88, the standard conventional wisdom in the company was OS2 is the future. And if you read it in the newspapers, that was the public. But undercurrent, inside the company was, no, it's really not.

Scott Oki: Right.

Mario Juarez: It was this sort of a David and Goliath, or other sort of metaphorical notion of this large dominant player and the upstart. Tell me about your experience in this regard, and again, what you saw and what you did about it, really to change history.

Scott Oki:

So, as being in charge of international, I mean, I would come before the board quite frequently. And usually, it's just all good news, because we were hitting on all eight cylinders. I mean, honestly, there was nothing wrong ever with the goals that we had established and overachieving those goals. We are always hitting the numbers.

Bill, for inviting me, he said, "Scott, I want you to come before the board. We're having this board meeting and you pick whatever you want to talk about." Said, "Whoa, okay, that's quite a big opportunity." And so I thought about, well, what is the missed opportunity? What is Microsoft doing maybe wrong, that we need to fix if we're ever going to be competitive?

Now, let me kind of lay out the landscape here. We know that you can only sell one operating system per PC, right? Most PCs aren't going to operate on two or three operating systems. We also know that every PC is going to run multiple applications.

Now, at the time, the competitive landscape was, we had a word processor, it was the No. 4 word processor, behind WordPerfect, WordStar, DisplayWrite, and then maybe there was Microsoft Word. So No. 4 word processor. We had the No. 3 spreadsheet product, behind Lotus and Borland. So in the application space, we're competing against all these kind of behemoths, and we're doing it with very limited R&D resources. Plus, at the time, we're developing language compilers. And not just one, a lot of them. And we're also developing operating systems.

I mean, at the time we were developing Xenix, our version of Unix. We were also developing MS-DOS/Windows. And then, yes, IBM wanted us to develop OS2. Why did they come to Microsoft? Well, because we're the software company. Microsoft's the hardware company, they don't really know how to write software. They know

how to write... They know how to not design and develop hardware, but they wanted to partner with the best software company in the business. So they came to us.

And Steve Ballmer, who was in charge of the systems division at the time, I believe he's the one who inked that deal. And so when I went before the board, I said, "We need to change one major thing. And that major thing is we need to give OS2 back to IBM." And here's the rationale. If you give OS2 back to IBM, and Microsoft makes its bet on our own software, which at the time, the operating system was MS-DOS/Windows.

So give OS2 back to IBM. All of our software competitors, they're not going to write to MS-DOS/Windows. They're going to write to IBM's OS2. And why? Well, because IBM is the big pony in the show. All of our software competitors did that. Now, was IBM going to develop OS2 in a timely fashion? No, they're a hardware company. So they're late. They're probably a year and a half late. All during that time, Microsoft focused writing applications, porting our applications to the MS-DOS/Windows platform.

So MS-DOS Windows ships with a whole suite, our suite of applications. Did OS2 have anything? No. So overnight we became the dominant supplier of applications, and they almost instantly overnight became No. 1. What happened to our competitors? They all went out of business. It took a few years, but they all went out of business. Is there a Lotus anymore? No. Is there a Borland? No. Is there a WordPerfect? No. Is there Software Publishing? No. Is there an Ashton Tate? No. They all went out of business. So I think it was a pretty good call and a pretty good recommendation.

Mario Juarez: How was it received when you set it out there?

Scott Oki: I can remember, Dave Marquardt, who was at the time on the board, because he brought in the \$5 million venture financing. I

remember Dave, after I finished my presentation, he just kind of looked at Bill, and he said, "Bill, why don't we do what Scott's saying?" And Bill was just kind of rocking in his chair, just in deep think, and he didn't answer. And so, I don't know, maybe after five seconds, 10 seconds, it seemed like in eternity, I basically excused myself and they said, "Thank you for your time." And so what happened is, it still took probably six months, but Ballmer eventually did go down to Boca Raton, and he did unravel the deal.

Mario Juarez: Talk a little bit about the audacity involved, or maybe the well-grounded confidence and understanding of factors that weren't visible to the world, to even consider, much less bet a whole company on that decision.

Scott Oki: Yeah. Well-

Mario Juarez: Was it audacious?

Scott Oki: It was audacious, but I think it was audacious in the sense that, oh, my goodness, if this really came to be, okay, it is a... It's not necessarily a bet the company strategy, because I think Microsoft would've continued to make software. And eventually, maybe the applications would've risen, or maybe we would've just maintained our fourth place and third place positions in the application world.

So I don't think that much would've changed. But here's an opportunity where, yeah, it's almost flipping the light switch. It's, holy smokes, what could potentially come to be, strategically, is just unbelievable. And that's, really, it's what happened.

And the other nice thing about this is that we were also localizing all of Microsoft's products into various languages, which takes enormous resources. Can you imagine having to do that again for a product running on OS2, and one running on Windows, and one

running on Xenix? It's just crazy. So you know what you do is just focus, focus, focus.

And we were very early to market with most of our localized languages. And that was also a strategic bet, that most of our application competitors did not make. So they were late to market. We were early to market. And it has a lot to do with this thing called market preemption. You preempt the market, and you usually end up the winner. And that, again, is something that happened.

I mean, we even went to the extent of localizing into English/English. You know, I mean, words are spelled differently. It's just, that's the extent to which we went when it came to localization. And in the early days, my God, we had so few people. I mean, Carl Stork, I mean he was fluent in French and German, he personally translated Multi-Plan and Word, personally. He just did that. You go to Japan, eventually we started our wholly owned subsidiary in Japan. And yes, it is very, what a very intense process that is to convert English language product into kanji, kind of a two-by-character set. It's very, very involved.

Mario Juarez: It takes a culture to do that kind of thing too. I mean, it's not just about the audacity or the vision. The execution. And I know that you were known for your work ethic. The company was known for its work ethic. For someone who can't have imagined it, who has never seen it, give me a description of the Microsoft culture at that point.

Scott Oki: Well, very early on, I can remember taking customers through giving a quick tour of Microsoft. And you'd go through where the engineers, where the developers were writing code. And they'd be in their offices. I'd be wearing a suit or a sport coat with a tie, and they're not. They're also barefoot.

And I can remember writing a memo to Bill, saying, "Come on, we're bringing these customers that are paying us millions of dollars. We at least have to put proper shoes on our feet." And that went nowhere. But that was part of the culture. If people are really working their tails off, and they're sleeping in their offices, running over to Burger Master for dinner, that was the environment the early days of Microsoft. I don't know what it is today, but I know for the entire 10 years that I worked at the company, that work ethic was alive and well.

I remember having my third year performance review with Bill, and I said, "You know, Bill, I don't know if you realize this, but I've worked for you for three years without taking a single day off." And Bill looks up. He goes, "So what? I've worked for seven years without taking a single day off." Touche.

But it's a true story. I mean, I'd be in my office sending email, and Bill would be responding real time. And I'm going, "Wow, what is he doing here? It's Christmas." So I'd walk down, two doors down, and look in his office, and there was no one there. And I'm going, how is he sending me email? Well, I didn't realize that he had a dedicated line from the office to his home in Laurelhurst. But he was still working.

Yeah, so the work ethic, I mean, I was working hundred-hour weeks. That was just, for the entire 10 years, that was just normal. And I know that, I have a philosophy. It's called lead by example. If you're not willing to work a hundred plus hour weeks, no one else is going to. And when you're doing work internationally, it's not such a problem in the Asian countries, because their work ethic is really high. It's a little bit more of a problem in Europe, because they're more accustomed to taking a six-week vacation in the summer.



So we're going over there and we're almost having to create a different work ethic. And you just can't do that by telling people. You have to do that by living it. And so yes, I'd get met from when I flew over there. When I landed, I'd be met, we'd have our first meeting. We'd meeting all day long, well into the evening, and then I'd get on the plane, go to the next country, same process over again. They would eventually come to get a sense that, yeah, okay, this is a different culture. And sooner or later, it really all kicked in. And another big reason I think why Microsoft was as successful, and why we accomplished so much in such a short period of time.

Mario Juarez: Yeah. Yeah. What kind of scar tissue did that impose upon you?

Scott Oki: What kind of scar tissue did that leave? I think it's all kind of healthy scar tissue. I don't, honestly, even to this day, I don't view it as kind of a negative thing. I've always worked hard. When I retired from Microsoft, what did I do? Well, I thrust myself into the philanthropic space. And I have now, okay, so this is 32 years after I retired, I have now served on over a hundred nonprofit boards. I have founded 22 nonprofits of my own. At one time, I was serving on 37 nonprofit boards, concurrently. So yeah, it takes a lot of work.

And so, I've never been afraid of work. I've never been afraid of investing my time, and energy, and brain power to accomplish something.

Now, what? I'm almost 76 years old, and I'm pursuing a PhD. Well, that's going to entail a lot of work. And do I have to do it? Well, no, but I feel it's necessary, because what I've always wanted to do, for the last probably 15 years, is to fix our system of K-12 public education. And I don't think I can do that without some credibility.

Yes, I'm a successful business guy, but what does that matter in the education space? So I'm going to try to get a PhD in Education, to

get the credibility to be able to speak wisely and hopefully with some force.

Mario Juarez: Yeah. Yeah. I want to talk a little bit more. I want to actually talk a good full section about the philanthropic work that you're doing. What characterizes that? What drives that? What carries over from both what is essentially Microsoft and essentially you to inform that? Let's take a quick detour here.

I don't want to spend too much time, but can we just talk a little bit about your perspectives of the impact that the company had on the world in terms of technology and business?

Scott Oki: Sure. Well, it's quite remarkable, when you think about from 1982 when I joined the company, to even 1992 when I left the company. Sales when I left, okay, I had driven it to our first billion dollars, okay? So that means, "Okay, a lot of people are using it."

Had we really accomplished the mission, the early mission of Microsoft, to write the software that would put a computer on every desk and in every home? No. I don't think we're still there, so we still have a ways to go. We, Microsoft still has a way to go, but that was a great mission statement.

And I think that today, when you see how much Microsoft software is being used on whatever platform, not just the Windows platform, but even with Apple, it's pretty amazing. Yeah, it's hard to go anyplace without using Office.

Mario Juarez: Were there times, any moments where you realized that this was all bigger than you expected?

Scott Oki: I think I knew we were onto something, probably when Bill was on the front cover of Fortune Magazine.

Mario Juarez: Tell me about that.

Scott Oki: Well, so the company had gone public, and still, the valuation was still fairly low. I know when we went public, and a lot of people know this story, but Bill artificially just forced the offering price down. He just didn't want a high-offering price, so I can't remember what it came out at. I want to say in the teens, \$17 or \$18, \$19, something like that.

But shortly after that, we had our first stock split because the stock price was actually going up quite nicely. And even though a stock split, it's just arithmetic. Fundamentally, it doesn't change the valuation of the company, it's just arithmetic. But we did a stock split and I knew, "Okay, the board and Bill obviously is doing this for a reason."

And I think that first stock split reinforced with me that, "Okay, maybe we're onto something here." And now, what, seven 2-for-1s and two 3-for-2 stock splits later, yeah, it's pretty amazing.

Mario Juarez: It seemed to have been a pretty good strategy. I remember the first time that I was in Europe and I saw a person using a localized version of Windows.

And there was a box in one of the parts of the screen that I just happened to recognize, because I'd been involved in the decision-making process about what words were going to appear on this box.

I think that was the moment for me when I said, "This is much bigger than I realized, because people are using this." Did you have any corresponding kinds of moments like that where you had a sense of what this was actually doing to change the world?

Scott Oki: No, always being on the sales side, it's kind of inbred. Because every time you're making a sale, okay, you know it's just positive reinforcement that okay, they think well of your product.

And it's going to be employed somehow, somewhere by someone. So I don't think I ever had that real aha moment, because people were buying our products at a pretty significant pace. Yeah.

Mario Juarez: And as a salesperson, especially the kind of salesperson that's really, I just have the sense of you as oriented to regarding that as a fundamentally helping process.

You're helping the customers. You must've been getting a lot of feedback about what it was actually doing.

Scott Oki: Yeah, sure. And again, sales works both ways. If you're releasing a product that is just garbage, okay, well, it's easy for customers to stop buying your product.

And then you know, "Okay, you did something wrong." And I think that Windows...the first iteration of Windows was actually not a very good product. In fact, at the time, I was on a Macintosh and I refused to go onto the Windows platform, I think, until Windows, I want to say, 3.3.

And that's when I thought it was a pretty good product, so if there was an aha moment, that was the aha moment. Because I'm using Microsoft's product now on our operating system interface, graphical user interface, and not Apple's. So I think maybe that made Steven Jobs mad, but I think it made Bill happy.

Mario Juarez: In a statement, I want you to answer this question with the lens about thinking about what resonates with where the company is today. How did Microsoft in that era change the world?

Scott Oki: I think we changed the world in much the same way that, I would say, Artificial Intelligence is going to change the world yet again. Technology can be used in both good ways and bad ways. When I think back on just productivity tools, whether it's a spreadsheet product or a word processing product, or presentation graphics, whatever it may be.

They are there to help you as a human being become more productive, pure and simple. I think Artificial Intelligence used properly, will well, think about being productive on steroids. It's just going to pull everyone up, and I think very rapidly. I would also view AI as being a tool that is not really going to replace human beings.

It's not going to get rid of jobs. I think if anything, it's going to enhance jobs.

Mario Juarez: That's the interesting thing. Okay. Anything else about Microsoft culture?

Scott Oki: If anything about Microsoft's culture, and I hope it still is in place today, is you shouldn't be afraid to make mistakes. You should be decisive. You shouldn't be afraid to make mistakes. There's a saying about the streets are littered with squirrels who couldn't make a decision, so yeah, make a decision.

And it doesn't have to be the right decision all the time. Charlie Munger, who has since passed away, but Warren Buffett's partner also had a saying. He said, "It's amazing how many mistakes you can make and still be successful." So I would say that within a large company environment now, Microsoft employs over 200,000 people.

Everyone should feel empowered to make decisions. And I don't think they should be afraid to make decisions and to put forth ideas. That's the only way the company is going to grow.

Mario Juarez: What's the best mistake that you made?

Scott Oki: What's the best?

Mario Juarez: Well, in your Microsoft career, what was the best mistake you made?

Scott Oki: Oh, best mistake I made. Oh, boy. Let me think about that.

I'd probably answer it this way. The biggest mistake I made was probably had to do with not letting go of people that you knew shouldn't be there. It's a really tough thing to deal with because you're dealing with another human being. And maybe that's a big part of my problem, is that I have a very high level of expectation, and I know not everyone is going to be able to meet it.

You can try to help them get up to that level, but if they fundamentally aren't able, then okay, then you have to let them go. So I'd probably say that maybe on a few occasions, I didn't let them go soon enough. Because every time you do that, they're just taking up precious assets and they're almost holding you back from accomplishing the goals you have set forth.

Mario Juarez: That's maybe not good for them either.

Scott Oki: Right.

Mario Juarez: What are you most proud of?

Scott Oki: What am I? Oh, boy. I guess certainly, I'm very proud of the fact that Microsoft international still to this day remains a key part of the company's culture.

I think international still accounts for over half of worldwide sales.

Scott Oki: I'm proud of every single hire we made, and seriously in international, boy, yeah.

Mario Juarez: It's about people, isn't it?

Scott Oki: Yeah, it is.

Mario Juarez: Yeah, yeah. Great. We'll talk a little bit more about that, but let's get back to your journey. 10 years to the day.

Scott Oki: To the day.

Mario Juarez: To the day.

Scott Oki: March 1st, '82 to March 1st, '92.

Mario Juarez: And March 2nd, there you are at 43 with your whole life ahead of you. I read a good line when I was reading up and learning more about you, that your involvement in the Children's Hospital Foundation was a trigger point in your life.

It allowed you the insight that there are more interesting things to do than working 80 hours a week, and that that was a pathway to your future. First of all, if that's a true statement, please reflect on it, and then let's talk about where it led you.

Scott Oki: Sure. I think giving back has always been a part of me and the way I was raised. My parents, even though they didn't have any material wealth, they gave of their time. And in many respects, giving of your time is even more valuable than giving money. I can always make more money. I can't make more time. So in 1987, so this is shortly after Microsoft went public, I founded the Oki Foundation.

So this is well before Bill or Paul (Allen) or Steve established their own foundations. I probably preceded them by, I'm guessing, a good 15 years, so I think I knew very early on that I needed to give

back. Children's hospital is something that Mary Gates had a lot of influence with me and my wife, Laurie, in terms of investing our time and treasure.

So she had been on the hospital board for a long time. And I know that when I had retired, she came with Doug Picha, who's the executive director, to visit Laurie and me, and they said, "Well, we have a unique, audacious ask." So we weren't really sure what they were going to ask for, but they said, "In Children's hospital's history, there'd never been an unrestricted gift of \$1 million."

And they said, "We'd like you to consider making an unrestricted gift." And what they would use it for, would be to match 100 other \$10,000 gifts.

Scott Oki:

So easy arithmetic, yes. So we write a check for \$1 million and they find 100 other donors, that's another \$1 million. So you have another \$2 million that goes to Children's Hospital. Well, at the end of the day, what happened is they raised \$11.4 million, and we're going, "Wow, how did that happen?"

Well, because now you're getting people to think about leaving legacy gifts, and so that's how that number grew. Well, 21 other hospitals in North America heard about that, and they formed, they wanted to mirror what Seattle Children's did for their own hospitals. This thing is called the Children's Circle of Care, and the very first annual celebration was done at the White House.

Bill and Hillary [Clinton] were there present, it was on the South Lawn [of the White House]. Mandy Patinkin, who's a dear friend of Laurie and mine, was the entertainment. And since then, so this is, I don't know, how many more years later, probably 30 years later. That gift-giving club, if you will, this major gift-giving club that was spawned out of the Children's Circle of Care, has now raised over \$8 billion.



So that's a big number, and that whole idea really germinated from Seattle Children's and Mary Gates and Doug Picha coming to Laurie and me to ask for the seed money.

Mario Juarez: What did you gain from that? How did that change you?

Scott Oki: It changed me, at least in the philanthropic sense, to think big. Yeah, just think big. Another great example of that is United Way of King County. Jeff Brotman, who's a dear friend of mine who has since passed, was the chairman of that campaign one year, and he said, "Hey, Scott. I need you to co-chair this thing with me."

And I said, "Well, okay, I'll do that." So, like with most things, because I have a business head, I looked at, "Okay, how had the campaign been run in the past? How can it be improved, because you're always trying to raise more money?" And the United Way campaign, I would describe really is a workplace campaign. So the average gift is maybe 100 bucks, but it's a lot of 100 bucks.

What I thought was odd, was that there was no giving at the tip of the pyramid. So all the CEOs and the executives for all these large companies, who employ the employees at the bottom of the pyramid giving \$100 gifts, they weren't writing large checks. Well, United Way of America and Mary Gates and I served on the United Way of America board.

Mary Gates and I served on the United Way of America Board. United Way of America has this club called the Tocqueville Society. And the Tocqueville Society is for \$1 million givers. United Way King County didn't have a single member in the Tocqueville Society. And so I told Jeff, I said, "Jeff, that's what we need to focus on. The workplace campaign will take care of itself. We need to focus on the tip of the pyramid." And so we did. And after just over a year, United Way King County became the largest Tocqueville Society in the country.

Mario Juarez: How many?

Scott Oki: Over 100.

Mario Juarez: Wow.

Scott Oki: Yeah, I think it was about 130.

Mario Juarez: Well done. Are any of these rooted in the culture of Microsoft? I certainly was struck when I joined the company at the very end of the '80s that there was already a pretty pronounced culture of giving, which struck me as unique in any of the experiences that I had. Can you talk a little bit about that and where this came? What was the germination of that?

Scott Oki: Yeah, when I was at the company, yes, we had a workplace campaign and stuff like that, but was there company matching? No, that didn't exist. And now, I don't know what the number is, \$17,000 per employee the company matches. And I don't know what the uptake is. So 200,000 employees times \$17,000 a year, that's a pretty big number that could be applied to various charitable causes. Even if it's a small uptake, maybe 10% of the employees take advantage of it, okay, it's still a sizable number. So I think in general, what the company is doing is wonderful. I wish there was a way to encourage every single employee to give. Give to their cause, local cause, that they can get involved in to have a one-to-one match, I think is just unbelievable. And I think it is a key part of Microsoft's culture now. And I applaud what Brad Smith and what Satya have done with that.

Mario Juarez: Yeah. You mentioned every employee should give the time, if nothing else, because now that actually translates into dollars as well.

Scott Oki: Right.

- Mario Juarez: Why? Why should people give? If someone doesn't give, they're missing something. Why should people give?
- Scott Oki: I think we've all been blessed. If you're working at Microsoft, consider yourself blessed. There are a lot of people who are on the streets. And even if you're giving of your time, I believe there's a conversion factor of Microsoft's giving where they will match every hour you spend, they're going to match that hour with a certain dollar amount.
- Mario Juarez: Dollars for doing, yeah. Yeah. That I feel like is a very significant part of what difference the company has made in the world, which maybe isn't as obvious. It doesn't quite make the headlines.
- Scott Oki: Yeah. Well, I think in large part it starts at the top. What Bill and Paul have done is pretty remarkable. Certainly Bill, with all the global health initiatives and all of the climate change stuff that the Gates Foundation is involved with, it's all pretty cool.
- Mario Juarez: Yeah. Yeah it is. And now here you are on more than 100 Boards and making a difference in life. Beyond philanthropy, your through line just seems to keep going up in terms of achievement. You seem like somebody that is constantly challenging yourself, constantly learning, constantly putting yourself into places of discomfort. It feels very Microsoft-y to me. Or maybe Microsoft feels very Scott Oki-y. Talk about the connection between those two.
- Scott Oki: No, I think it's probably more my personality. I think certainly what happened at Microsoft is one manifestation of that. But I like to think of myself really as I'm always willing to take on challenges. I almost look forward to taking on the next challenge and really immersing myself. It is a combination of brain matter, which for me, is slowly going away, sinew and heart. And I think I still have that. And so yes, I get involved in a lot of different things and I don't think that's going to change anytime soon. Yeah, even though I'm

almost 76 years old, I think that part of me is never going to go away.

Mario Juarez: Yeah. I mean, book writing, poetry, break dancing.

Scott Oki: Yeah.

Mario Juarez: Now a PhD.

Scott Oki: Yeah.

Mario Juarez: Why are you doing this?

Scott Oki: Well, the hobby part of it is one thing. Yes, I always take up things and I always look to excel at whatever that is. And it's everything from martial arts to, I'm a black belt in a secretive form of Kung Fu. I got that after working, practicing 10 years, 6 days a week, a couple hours a day to get that at the ripe old age of, I don't know, 65. Break dancing is something that I started when I was 65 and I'm still doing it. I play music and I play clarinet, saxophone, flute, ukulele, harmonica.

I throw pottery. There's just a lot of different hobbies. That's one thing... I would say my next life's mission is something different. It's more serious. It's not something that I can just approach in a lackadaisical manner. Hobbies, okay, if you don't want to feel like practicing one day, you don't have to. Pursuing a PhD is something else. I am very serious about it. I study at least six hours a day. It's a very serious thing. So what I hope to accomplish with getting the PhD in education is I've always wanted to reform our K-12 public education system because it is horribly broken.

I look at all these other countries and most of which I visited when I founded the international division. They all have excellent public school systems. You look at Asia, you look at, well, Finland

consistently has had the number one public school system in the world. A lot of Asian countries are right up there as well. There's a certain culture where teachers are put on a pedestal. And in the United States, it's not quite that way. I think it's horrible. If you're going to teach students, I have this saying, I said, it goes, "Bad teachers pollute. Good teachers teach. Great teachers inspire." We need more great teachers. I'm not against great teachers. I am against bad teachers.

Mario Juarez: Yeah. Thank you. We could spend an hour and much more talking about that. Let's begin to wrap this up and talk about legacies. You're leaving. I have the sense your legacy, you're not even in a place to actually define what you think your legacy is ultimately going to be. What do you think the company's legacy is, has been?

Scott Oki: I think the company's legacy is a little bit different than when I was working at the company. Back in those days, it was a pretty simple vision. It was really to write the productivity tools that really would make us more productive. Now Microsoft is into all kinds of different areas, the cloud, artificial intelligence, I mean, you name it, gaming. It's all over the place. So Microsoft's legacy, I think it is one that they're going to be building platforms in any of these, I'll call them silos. Whether it's the gaming silo, whether it's the communication silo, whether it's the productivity tool silo, whatever it is, they're going to be building platforms that will allow just us as users and human beings to become even more productive and have more fun. So I think that's going to be a big part of Microsoft's legacy.

Sometimes I think about, okay, what if I were to kick the bucket tomorrow? What would I want people to remember me by? And I don't know. Part of it, I think is "he was always willing to put in an honest day's work." So work ethic is part of that. I think I'd also like people to remember me as someone who really lived by a value

structure that fundamentally hasn't changed since I was a, actually since I was an Eagle Scout and a Boy Scout. I think those value systems I still live by. And I think the other legacy is it goes back to my kids. I see in them many things that maybe it's part of the fabric that makes me and also makes my wife Laurie. I think it's a great combination. And if our three kids, I have no doubt that they will exceed whatever Laurie and I have done in our lives. I think we have at least prepared them in a way that allows that to happen.

Mario Juarez: That's beautiful. If you could imagine a Scott, a 33 year old Scott Oki having just taken a job in the corresponding part of the company starting work on Monday, what advice would you give that person?

Scott Oki: Well, first and foremost, you have to love what you're doing. So yeah, it's one thing to get a job, but if fundamentally you're not happy with that job, well find something that gives you that joy and happiness. Because if you don't have that, are you going to work your tail off? No. Or you might for a little bit, but it's going to get old very fast. So yeah, just make sure that you're doing something that you're fundamentally really jazzed about. And if you're not, look, in a company like Microsoft, there's got to be umpteen opportunities. Find someplace that you can get excited about and convince the powers to be that, yeah, this is what you want to do and you're going to do whatever it takes to help that group be successful.

Mario Juarez: Great. Now, if you could go back to 33 year old Scott Oki walking into, grabbing your Burgermaster burger and walking into that original building, what would you say to that man?

Scott Oki: Oh boy. Don't do anything that is going to lead to auguring the company into the ground.

Mario Juarez: Well, I think you did pretty good with that.

- Scott Oki: Yeah, well.
- Mario Juarez: I think we covered the bases here. Scott, thank you.
- Scott Oki: Oh, you're very welcome.
- Mario Juarez: Thank you so much for this. This has been an honor and a real pleasure and a joy, and I'm glad you're still pushing the envelope.
- Scott Oki: Yeah, trying.
- Mario Juarez: Pretty inspiring. Pretty inspiring. I mean, you took all this good fortune that you had, you just turned it into a ton of other good fortune. I mean, how did you do that?
- Scott Oki: Part of it has to, in fact, shortly after I retired from Microsoft, when I was really trying to figure out what I wanted to do with the rest of my life, even Microsoft, I said, okay, I need a mission statement. I need a personal mission statement that will provide basically the guiding light for me in terms of what I was going to do with the rest of my life. And so I really spent the day meditating, thinking about it. And I did come up with my personal mission statement, and that is to "marry my passion for things entrepreneurial with things philanthropic in ways that encourage others to do the same." And I've been living that ever since I created that mission statement 32 years ago.
- Mario Juarez: That is awesome. Do you have that framed somewhere? Do you have that... I mean, obviously-
- Scott Oki: It's my tagline on every single email that I send out.
- Mario Juarez: That is fantastic. Well, you're doing it and to the benefit of the world. Thank you.
- Scott Oki: You bet.