Without a point of view, there is no point

by Steven Sinofsky, September 2012

We've had many discussions recently about how to align, unify, and move forward. We've stated many memes such as 1+1>2, sum of the parts greater than the whole, and so on. We've talked about re-organizing. We've brainstormed about strategy and über-strategy. We've listed key technologies that are nascent at Microsoft, missing from our products, or would help us to bring together our disparate efforts in some magical way. We've even delved briefly into the purgatory of "mission statement" debates. These discussions do what large organizations do which is to focus on the symptoms of the challenge in the hopes of solving "the problem"—in a large organization the only way to really address a challenge is to develop a point of view that brings clarity to the work of many. We used to have one, and most would say two in that regard. Right now, Microsoft lacks a point of view. We desperately need one.

The internet has seen several recent memos that served as clarion calls for organizations in some form of distress. These memos create a stir and generate a lot of told-you-so reactions among insiders and the financial community—the typical sideliners. These memos are often dramatic—the Peanut Butter Manifesto about Yahoo, the Burning Platform memo about Nokia, Schultz's the Commoditization of the Starbucks Experience, or Ray Ozzie's The Internet Services Disruption. The hardest part about writing something along these lines is getting the reader to a shared understanding of the problem statement because one cannot really agree on a solution unless there is agreement on a problem. Some are anxious for a solution, though absent a shared context such a prescription is useless. Others will debate the writer's view of the context, and thus invalidate any solution that follows from that view. Some have already reached a conclusion, thus dismissing both the context and solution if there is a mismatch. And at the extreme, you might never win anyone over. Some loved the burning platform analogy, but viewed the options as untenable and the end-state a forgone conclusion. The reality is any large organization is incredibly resilient and capable of change. And this is even truer if the organization is diverse, global, and has a track record of demonstrating change. Microsoft is such an organization.

A point of view is the necessary ingredient for change. The details follow from a point of view, not the other way around.

Developing a point of view is not the job of a committee nor is it the job of one enlightened individual. We've all seen cartoon representations of "a camel is a horse designed by committee". We've all experienced a "strategy" that is an excessively wordy compromise that attempts to thread together distinct and/or opposing views in an effort to appear as one. We've seen mission statement rewrites that feel decidedly like adding a hump or two (or three). A point of view is not a sentence or even a paragraph. A point of view is a feeling, a connection, a state of being. A point of view defines why an organization exists and when you see the output of the organization you know it. A point of view is the purpose of a culture or organization, the reason for being, and the unifying framework for making decisions at every level.

People know how a James Cameron movie will challenge their intellect. When you walk up to a Frank Gehry building you know it. A few pages into a Stephenie Meyer novel and you are whisked away to Forks. People know what to expect when they walk onto the lot of a Toyota dealership or sit behind the wheel of a BMW. Step into a Nike store and prepare to *just do it*.

These are not trivial statements about "brand" or "style". These are people and organizations that have a point of view and set out to express it in the stories they tell or products they make. Some might have mission statements or visions, but what distinguishes the efforts are not those but the ability to marshal resources to express that point of view in complete and complex endeavors that involve a lot of people (*Avatar* **credits** over 3000 people).

Apple and Google each have a point of view. Some Apple fans argue that Apple's view has been unwavering through boom and bust. Whether you view that as a bug or a feature, there are few who would argue that when you see and

use an Apple product you know it. Apple fans love to dream about Apple incarnations of other products that frustrate them—what if Apple built televisions or if Apple built thermostats. Some disagree with the expression of this point of view that results in a lack of flexibility, opportunity for others, or even the arbitrary nature of Apple's stewardship, but the teams that build Apple products and customers know what they get.

Google might be "organizing the world's information" but that is not an actionable statement for people doing work. But the idea of focusing on the browser, mobile, and working with and defining the modern internet is clearly their point of view. Some might dispute the elegance or expression, or even the nerdish utilitarian design of the products, but when something is *Googly*, you know it.

Microsoft's original point of view changed the planet. *Bringing Windows computing to nearly everyone* on the planet faster than even TV and radio made their way around the world. In 15 years Microsoft went from MS-DOS to Windows 95, from BASIC to Visual Studio, from rudimentary networking to Windows Server. What was unique about this era was the clarity with which thousands of people orchestrated their work. Sure we had meetings, memos, strategy and the like. But when you consider the amount of detail and sheer number of lines of code it took to develop these products, there was something more.

Around the time that PCs made it on to every desk and into every home, a new point of view took hold at Microsoft. That point of view took us from Windows on the desktop to the laptop-carrying information worker, from files on a share to SQL server, and from *sneakernet* to Active Directory with Exchange. Not only did we embrace the opportunity of the enterprise, we came to define it. Again, for all the efforts to coordinate, discuss, and strategize, the reality is that we all knew at the time our goal was to win the enterprise and that defined what we all did. It was an era of purpose with loosely coupled creativity and execution.

The notion of a point of view shows the "problems" as well. We struggled with our products working together in the 90's even though we all knew we were empowering people with graphical computing. From the first time Office was sold until it was actually a product that shared code and worked together in any meaningful way was a period of at least 5 years and some might say 10. We had two Windows code bases through much of this time and it would be a decade of products, some good and some not, before those code bases came together. Our company heritage was the BASIC language, yet it took us until 1997 before we had BASIC in Word and Excel. And to show the power of a point of view, once we executed we very quickly had BASIC in literally every desktop product, the browser, and pretty much everywhere else.

By the very nature of enterprise software, the holes in our products are not just well-known but the subject of countless consultants, analysts, and solutions practices. One might even argue that much of our own implementation of enterprise products was essentially an effort to manage the chaos and maximize the value of the products we created for individuals. SharePoint was originally a simple team web site for sharing files and lists—we built three releases of Office with thousands of people, off a simple team site like this. The "chaos" such a tool created in enterprise caused us to create the notion of controlling and managing these sites which morphed a simple team site into a colossus of SharePoint. Arsonist/firefighter comes to mind.

In both of these eras, we had a unique point of view and we worked it. We executed. It was not clean, but messy. It was not easy, but tremendously difficult. It was not nearly as prescriptive and coordinated as some might have thought it should have been or was. It was extraordinarily profitable.

We were so successful that not only did this point of view withstand the dot com bubble, but thrived after the bubble burst. That success served to affirm and validate the point of view we had been operating under and it installed corporate blinders to the way the computing world around us would be changing. We assumed, implicitly, because we weathered the dot com bubble so successfully—wildly successfully—that the trajectory we were on was not just right, but good. The assumptions we made—technically, operationally, architecturally, organizationally, and more—were affirmed by customers and the marketplace.

We need a way to move forward. This is a risky proposition. We could cause our own bust cycle as Apple famously did. We could cede the points of influence that we currently enjoy to a competitor and make a resurgence of Microsoft a near impossibility. We might actually find that the value we were delivering is simply less valuable and we're just going to decay over time anyway.

Bill Gates once told me that the real challenge with success is that companies often seem the most successful while they are in reality failing, but one just doesn't know it. That is a more thoughtful and practical view of the well-known answer from Hemingway when asked how he went bankrupt, "two ways, gradually and then suddenly."

What is missing for us is not about mobile, social, advertising, payments, or any current technological buzz one can read about on *Techmeme*. It is not about spinning off a group of people to define the future for others to follow. It is not about a new slogan or a master plan. If any of those worked, then there would be fewer failures and far more successes in business. There's no short answer, no magic technology, no reorg, or single feature or method for every product and group. It is also not about taking the same approach as a competitor and while starting later hoping for a better outcome.

No amount of central planning will yield all the innovation (in products and delivery of products) we need to move ahead. One of the fastest ways to gum up a large organization building and selling products is to overlay a bunch of new work from "the outside" without relaxing any existing constraints. Therein is the real challenge. Without a point of view, every product, product line, organization, code base, and so on will simply look at their existing customers and processes and continue to refine them—no matter what that would ultimately yield. And any single thing mandated from the top will simply get glued on in the least invasive and costly way possible (like Memory Sticks in Sony alarm clocks). Organizations have a way of resisting additive strategies.

In fact, Microsoft's own transition through the internet wave offers us some guidance on what to do and not do. So much has been written and told about this and there are many perspectives, all of which are valid. What is so fascinating (nearly 20 years since the transformation began) is not just where we landed but the very challenges of incrementally transforming products in response to external challenges. We not only weathered the tidal wave, but we apparently did so with great success. Or did we?

As the internet tidal wave was forming south of Microsoft, the company really did develop a strong point of view that the internet (whatever it happened to be or become) would be a first class part of every product going forward. Windows would support TCP/IP. Microsoft would build a "browser". Word would edit HTML. Our support organization would have a web site with help. Our field would stop getting sales updates via CDROM and would use real time data over the internet. Microsoft would even start a consumer service that turned into MSN. You literally could not walk the halls without people talking about the internet and explaining how their efforts were adopting the practices, protocols, formats, and so on. Trust me, it was crazy. I was there.

Yet somehow despite all of those efforts, we stand here in 2012 behind on everything about the internet that matters. Our operating system is not the preferred way to access the internet, particularly in growth markets. Our enterprise email products are not the way the vast majority of people use the internet to communicate.   Our productivity tools are not used to create the most exciting and widely read and analyzed content. Our development tools and web server are hardly ever used by internet facing efforts. Even our pure internet first ventures from bing to messenger to msn have failed to lead. This picture below is a quick way of seeing how behind we are even though it trivializes (perhaps incorrectly) a host of things. We were on the internet before Google and yet in 2012 we still are not the world's leader in the use of the internet. Why is Microsoft's search engine not as reachable as Google's and closer to a government web site? (Note: this is precisely the type of example that gets used to devalue the entire memo, which seems unfortunate.)

Ping

Success:	100%	google.com		
Minimum:	52.26 ms			
Average:	66.57 ms			
Maximum:	98.68 ms			

79.89 ms | 65.23 ms | 61.62 ms | 58.64 ms | 56.91 ms | 69.21 ms | 58.54 ms | 77.24 ms | 58.17 ms

Success:	100%	bing.com
Minimum:	84.81 ms	
Average:	108.92 ms	
Maximum:	208.53 ms	

94.88 ms | 131.24 ms | 110.77 ms | 106.90 ms | 95.36 ms | 104.77 ms | 91.44 ms | 101.28 ms | 88.22 ms

Success:	100%	whitehouse.gov
Minimum:	110.13 ms	
Average:	129.24 ms	
Maximum:	148.57 ms	

126.30 ms | 110.13 ms | 127.67 ms | 125.68 ms | 134.52 ms | 122.13 ms | 148.57 ms | 131.15 ms | 123.10 ms

It turns out we did not really evolve our point of view. All we did was take our focus on enterprise software and add to it "on the internet". We created and executed on the view that the internet was an ingredient to our existing efforts, not a new effort by itself that could, or should, redefine how we approached product development. That meant our point of view remained stagnant. And that created an opportunity for others, even if we had some competitive efforts (usually acquisitions) that were aimed more toward a new era.

Today, no one knows what characterizes a Microsoft product. If someone were to suggest that Microsoft build a thermostat there would likely be a lot of jokes about how it would bluescreen, reboot, have a registry, and so on. We certainly have recent and amazing success in having a point of view—the design language of Windows Phone and Windows (yes, Metro), gaming on XBOX, the introduction of Surface, and the bingiton challenge all show unique points of view. We are on the verge of having a point of view, but much needs to change. We haven't seen the business success yet from these positive examples.

Our challenge is that we must focus on a new model for computing—a new user experience, a new way to build and distribute software, a new set of services, a new way for businesses to acquire, customize, and use computing resources, and so on. We are going to need to make difficult choices about what to do and how we do it, and equally difficult choices about what we stop doing or at least do less of.

As we exited the dot com bubble burst, we essentially doubled down on the business focus of our products. Organizationally we took decisive actions to run as independent businesses, focus on the existing competitive battles, and look to ourselves, at best, or existing customers, at worst, for inspiration on how to move our products forward. This caused our execution of our point of view to be isolated from the changes around us, both as individual efforts and collectively. Whether we had Longhorn developing a vision for computing that as a first step disbanded the browser effort, development tools that focused on a new API for client side computing just as developers were moving to the browser, and an email server focused on configurability and customization just as cloud-based email (including Hotmail) was becoming ubiquitous. And because we sold so much software, we received implicit validation of these choices.

Readers should resist the temptation to say "no that is not how it happened" or "you don't understand that business software is not going away" or "what should we do, just offer free software" and a dozen other statements to dismiss

what is above. It is impossible to move the needle on that type of dialog. In a way, you either believe that the solutions we have in place are built on a tired foundation or you believe everything else going on is some sort of fad and eventually the world will realize that. Will people wake up and dump all of those gadgets and toys in favor of products that do *real* work, can be managed by *real* professionals, and are infinitely customizable and extensible the way *real* people expect?

We love the products we use all the time as a company. I am typing this memo on a Surface RT, on the Windows desktop, using Word 2013 connected to SkyDrive Pro, with Windows Mail connected to Office 365 and snapped to the side, while I see text messages flash on my Windows Phone 8 and more. But is this the future or are we holding on to the past in at least some elements of this? We're releasing these products (and more) to a marketplace that will see 70 million iPads, 300 million gmail accounts, and where the horizontal model of Windows is not working for our business partners. What's wrong with our picture? What's right about our approach?

Our point of view appears to be that people and organizations will make a smooth transition from what we have today that is so good and successful to a new world. But we haven't defined this new world except to say that it is enough like the old world that you don't have to worry. For example, Office 365's mail puts forth a value proposition that our business customers can choose Exchange and run it themselves or we will run it for them. Except by the time we finish scaling and running it, the product is not really Exchange the way they thought it was. But because we started from that notion we have a service that costs orders of magnitude more than gmail (or outlook.com) and yet doesn't meet the customer need. Certainly with enough sales motion we can move the needle on expectations, but to what end? We're still going to be running a service based on code that was designed for another era and can't scale relative to competitors. Will gmail (or outlook.com) add features to the scale advantage faster than Exchange 365 can scale? I think most people would bet on adding features v. scale. Even a new addition to our plans such as Skype, certainly a forward looking effort, is now focused on integration with Lync and AD. Across the board the question is how much of our strategy relies on our current solutions (and code) forming the basis of tomorrow's products?

At this point in the memo I have to talk about what we did for Windows 8, because it has been and continues to be the source of consternation and in a sense internal conflict. Windows has the unique business advantage that it rides the OEM sales model. That frees us from the day in and day out enterprise customer feedback (even though the success of Windows 7 in the enterprise is on an unprecedented path; it arises entirely from great effort on the ground helping with migration and little HQ involvement). We looked at the trajectory and landscape for Windows in the summer of 2009 and basically concluded the following:

- We need an entirely new user model for a modern OS that starts with touch.
- We need an entirely new API for developers that starts from immersive, web-connected applications.
- We need an entirely new hardware platform that begins with the assumption of a consumer electronics "always on/always connected experience"
- We see no reason to abandon Windows 7, as a product or technology, and see every reason to run it along with a new Windows just as we (and competitors) have done through many significant transitions.

In addition, relative to previous releases we did not run out and share these "insights" as soon as we had them. We worked to make some progress before we started, even internally (though of course, the partnerships in development, transparency in planning and execution, and information sharing took place very broadly). But around the summer of 2011 we were on firm ground and had this point of view firmly established across the 6000 person team and internal partners and we were getting close to the first public showing of the product.

Many wanted to know how to work with Windows and when they saw how radical our assumptions were it raised decision points across the company. Many of these decision points questioned the past as a starting point or made the anticipated trajectories impossibly hard. The holistic view of solving for the above needs made this seem like a big bet. Of course anyone that was around for GUI knew exactly what was going on—in fact we faced this same set of tradeoff in

trying to build GUI development tools. Bet on GUI and disrupt our path and maybe even have competitively deficient products, or products that do "less", or even feel "off strategy". We of course longed for the smoother transition that didn't exist.

Our point of view is that Windows can easily be the foundation for how you do "computing" in a new era. When you look at iOS or Android, or iPads or Galaxy Tabs, the underlying software is still an operating system with networking, files, tasks and processes, a security model and so on. It is silly to rewrite all that stuff (neither Apple nor Google did, as both started from existing operating systems as well). But when you look at those you don't see the file explorer, the registry, unsigned executables, dialog boxes and toolbars, or a whole host of things. In fact, when you look at those what you see doesn't look at all like the definition of a Windows PC. That's why Windows 8 does not look or work like a Windows 7 PC!

At the same time, we kept the functionality and compatibility around. If you want to use Windows 8 exactly like you use (or sell or deploy or manage) Windows 7 you can. But we did not try to evolve (significantly) those features of the product in Windows 7—we did not try to retrofit a new model into a model designed for an entirely different era. This is no different than the approach we took in designing the Office ribbon. The product was collapsing under its own weight, so we rearchitected the user model. We did not try to retrofit things into the old model or smoothly transition. You always risk alienating some set people but these breaks are literally the only way to introduce products in a technology world. People who fondly remember "compatibility modes" forget just how incompatible they really were (the DOS box in OS/2 for example, or even the challenges in supporting DOS apps on Windows).

Right now each of the distinct businesses at Microsoft that are facing unprecedented challenges are approaching their strategies with a varying point of view on the very nature of computing but also on how much of a transition people and organizations are willing or able to make. To refer again to Hemingway, we are in the second stage of a bankruptcy, having already gone through the slow phase, but we don't have a shared view of how fast this is happening or shared execution plans to match.

Aligning around a point of view is not hard. It is not a process even. It is simply a rallying cry and a statement of purpose. If we're not willing to break from our past then we can't move forward. It is fine to look in the rearview mirror, but simply turning your head around and claiming that it is moving forward is not enough--"the first rule of Italian driving…what's behind you doesn't matter."

We have all the resources and capabilities to define a new point of view for Microsoft. The "GUI era" for Microsoft was enough to get everyone marching in one direction and ultimately landed a computer on every desktop and in every home and on every lap. The "enterprise era" was also enough and landed us in the trusted circles of the C-suite.

We're now in the "Windows 8 era". Let's all just run with it. Is that self-serving? Of course it will play like that, but it really isn't. We don't want to gum up our teams and organizations trying to further refine what that means. It is about the characteristics of what we do, not the specifics. Office never did get around to using native Windows controls. Exchange never did get around to using SQL. But everyone was focused on a point of view we could express. We need to assume Windows 8, not just literally but in the spirit it was designed—a reimagination from the chipset to the experience.

There are some essential elements that are easy to articulate—these were all part of our design vocabulary for Windows 8:

- **Consumerization is real and here to stay.** The toothpaste is out of the tube. All those iPads and Android devices are connecting to Exchange and accessing corporate information every day. If you want to share information with people at another company you use any number of internet-first services provided by a variety of companies with different business models. There are tons of computing devices that businesses will own and operate, just not the ones that "matter" the most to employees or the business.

- **Internet access and scale are everything.** If a product does not scale to a billion then it is not suited for the next generation of computing. If you can't get to it from the internet then it doesn't exist. Today we operate as though internet scale is a new feature we will add on to products and that internet access is a choice. Our competitors don't. Our products run the risk of being used only when you are literally sitting at a corporate desktop to use. It isn't hard to imagine the enterprise PC running Windows becoming like the fax machine—want to approve an expense report or look up sales, go to the end of the hallway and log on to the kiosk, otherwise just use your phone and tablet for work.
- **Humans are the users of our products, and organizations are made of humans.** We need to redouble our energies on making products for human beings. We have spent a lot of time building products that the enterprise wants. To paraphrase Donald Rumsfeld, an enterprise can't want, it is just a company. C-suite humans are using iPhones and iPads while less privileged are forbidden to do so or must break policy to get work done. There was a time when we introduced the renegade products that humans wanted even while the enterprise was buying Selectrics and mandating or Lotus 1-2-3. Ultimately, no matter what we make the humans using it need to be delighted and pulling our products.
- **Content creation and publishing are fast, fluid, and ephemeral but matter immensely.** Office arose out of an era when typewriters were being replaced. Thus, the frame of reference was replacing something you put a huge amount of thought and time into *before* it was distributed. Even the most important business documents are now created at odd hours, on the road, and on short notice. Formatting and presentation are a distant second to brevity and timeliness. Meetings, notes, ad hoc collaboration are "in the moment" and dynamic—these need new tools and new ways of thinking about them.
- **Tweaking is so last century.** Tweaking by enthusiasts and tweaking by the enterprise on behalf of others is not only impossible to design for it runs completely counter to being a consumer device or global scale service. Of course there is customization, even lots of it. But the notion of replacing components of the system, customizing core aspects of the experience, or introducing variability that drains power ("I know the downside, just let me do it anyway") won't work. Enterprises need security and a myriad of other capabilities, but they are not going to pre-customize toolbars, color themes, or arrange start menus for their "users" who readily access the internet from their own devices. This extends to scenarios such as managing files, adjusting OS parameters, or even organizing storage.
- **Business models will change, rapidly and dramatically.** Apple's vertical integration, Amazon's services first, Google's ad-supported are all models that run counter to Microsoft's high volume, pure-play software. There's no one answer, but the answer is not likely to look like what we currently have. Clinging to an existing model might ultimately only delay the inevitable. As we move forward we must avoid a lack of clarity across teams or hoping to have our cake and eat it too—competitors are making free or break-even software and services at every turn in order to support the value they believe is unique. Clarity of where we are supporting and where we are profiting is essential to collaboration.
- **Integration vertically will be painful for Microsoft but at the same time competitors are not perfect.** Microsoft went through the overdone "integrated innovation" phase and recovering from that we talked about "innovate then integrate". We have learned much about how to plan and execute, about how to define features and scenarios, and about how to do new things in new ways. We can put this to work. The reality is that Google and Apple are far from perfect, no matter how bright the glow of their halos. Anyone who uses an iPhone or iPad can tell you about their challenges (just ask the person using an iPad and MacBook at the same time, or the travails of .mac to iTools to MobileMe to iCloud). We are all familiar with the awkwardness of trying to rely entirely on the Google model of getting work done and developers can offer great clarity on the various platform inconsistencies. At the same time, our horizontal model in current form does not appear sustainable and we will need to solve more of the customer problem than we currently solve.

How does this really work in practice? It means that we are saying our point of view is a unique expression of these beliefs. It does not have to be wildly different than what other's do. The differentiation is in the way things are brought together and our points of emphasis—all companies are looking at the same problem space and work with the same raw materials. In *Business @ the Speed of Thought*, I recall Bill talked about the way that the *Big Three* automakers were all building cars, using the same materials, the same physics, and even people from the same schools with the same training. What distinguished their relative success or failure (in aggregate or for specific models) was not the ingredients but the choices about how and when to apply those ingredients. Everyone building products now will use the internet, focus on consumers, integrate services, provide an app store and platform, and so on. Our developers have access to the same tools and we hire from the same places.

Making good choices that consumers find exciting and businesses need is the art of product development in this new era—that is our point of view. Microsoft builds products consumers will love and solves substantial problems for businesses. We do not build consumer products that businesses tolerate or build business products that consumers are forced to use. And we certainly don't just pretend that one or another doesn't exist with unique needs.

We will do this by unleashing our intellectual capabilities, but not constraining things *a priori*. We don't want a Memory Stick in everything we do. We don't have a single architectural picture we will all work from. We won't even need to use the same process. But we will need to do what is counter-intuitive, which is to relax constraints—compatibility, financial, functionality—so we can move forward. We will need to stop things that don't fit above and avoid dabbling in some of this and some of that, thinking we can glue this approach on business as usual so long as our ask for more resources is granted. No one is going to do a better Windows desktop any time soon, just as no one was going to do better pivot tables than Excel had, so we shouldn't invest more in defending those or resourcing those at historic levels. But only we can define a new view of productivity, information sharing, or enterprise asset management.

Ultimately, Bill Gates was exceedingly right about the power of software. He was so right that software is everywhere now and that you literally can't be a business if you are not world-class competent at software. Just 15 years ago, no one would have thought that being the leading retailer meant you had to build PCs and essentially give them away to get people to buy stuff from your "store". Similarly, no one would have thought that to be the leading movie rental outlet you would also be the leading consumer of internet bandwidth in the US. Or even that the most exciting advertiser would simply be a search engine or web site for showing your friends what you like. Software is so abundant that it is in relative surplus, which means differentiating software is more challenging than ever.

We have all the ingredients to make a transition. We simply need to free ourselves of some of our constraints and tap the potential of our people. There's much to do, but we're on a path. Our biggest risk is the past and our attachment to it. Our biggest opportunity is right before our eyes.

# # # # #