



# Raymond A. Mason School of Business

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## EPISODE 74: ROBBIE BACH – XBOX REVISITED

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### Ken White

From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening. Few people in the technology space have had careers as interesting and successful as Robbie Bach. In 1988 Bach joined Microsoft, where he began a 22-year tenure there, first in marketing, then in management, and then in leadership in the marketing space. He helped the once little-known Microsoft Office become the dominant player in that space. Now over a billion people use it. In 1999 he became Chief Xbox Officer leading the team from its startup phase to the launch of Xbox 360 and Xbox live. Changing the gaming industry. He retired from Microsoft in 2010 as President of the entertainment and devices division. In 2015 Bach wrote his book Xbox Revisited: a game plan for corporate and civic renewal. He joins us on the podcast today to discuss his experience with Xbox. The lessons learned there and his strategic framework that organizations and individuals can adopt to succeed. Here's our conversation with Robbie Bach.

### Ken White

Great to have you with us today, so thanks for joining us. And you've recently, like I guess a year ago, wrote a book Xbox Revisited: A Game Plan for Corporate and Civic Renewal. What caused you to, first of all, thank you for your time.

### Robbie Bach

Happy to be here. It's good to be here.

### Ken White

What caused you to write the book?

### Robbie Bach

Well, when I left Microsoft, I left with the idea that I wanted to get more involved in civics, and so I started to think, okay, well, how do I do that? I've got some nonprofit things I've

been engaged with. So I dedicated some more time. And then, I started paying attention to what was going on in the government space and in our community start to get a little frustrated. And when I get frustrated, I write. So I wrote a, you know, king for a day what would I do type document which was about supposed to be you know three pages ended up twelve, and I looked at it said you know I really love that twelve pages and there's not a single person in the world who's ever going to read it. And so I said if I really want people to hear this story, I have to go out and talk about it. And I have to write about it.

Ken White

Right.

Robbie Bach

So I chose to write a book which is sort of the story of Xbox but not the tell-all story of Xbox. It's Xbox from a strategy perspective and then takes those lessons to apply them in our civic and community lives.

Ken White

Yeah.

Robbie Bach

So it's really kind of a cross between a business book and a civics book.

Ken White

Right.

Robbie Bach

I mean, it was a blast to write. I learned a lot in the process, and I get the opportunity to talk about it now.

Ken White

Yeah. And thank you for coming here you'll be. You've already met with some students here on our campus and in the business school. But you'll be meeting with several hundred waiting to hear from you shortly after we're done with this, actually.

Robbie Bach

Right.

Ken White

The civic piece. Can you tell us more about that what interests you? What do you what are you looking at?

Robbie Bach

Well, I've always been sort of a person who thought, you know, how do I have impact beyond what I do for in my professional life? How do I think about how I can make the community a little bit of a better place? And so I started, you know, toying around with that idea and the boards I work on and things like that. And I was having coffee with somebody, and they said, well, what is it you're actually doing? I said well, it's sort of civic engineering. And that became a phrase that meant something to me. And so I started thinking about ways I could do civic engineering and really help organizations and people and leaders think about the things going on the community in a different way. And I took a lot of those lessons from Xbox and started to apply them in my speaking, in my writing, my blog work, and my board work.

Ken White

Yeah. Civically speaking, what activities are you doing?

Robbie Bach

Well, the things I'm involved with I'm very involved in Boys and Girls Clubs of America. I've been on that national board now for 11 years. I've been on the local board for almost 20 years. I've been involved in their strategy work. I'm involved in their national governance work and their technology work, and that's passion to me because it's about the audience I care about the most, which is kids.

Ken White

Yeah, great.

Robbie Bach

Which is a really great audience and an audience in great need in the country. I'm involved in another organization called Year Up, which is an organization started by Gerald Chertavian in Boston. They're in about 15 cities cross country. They do vocational training in a very special way for kids who have graduated from high school but who aren't probably going to go to William & Mary.

Ken White

Yeah.

Robbie Bach

Probably aren't going to go to a four-year college, and then the third thing, I'm very involved in sports. I love sports, so I'm on the board of the U.S. Olympic Committee.

Ken White

Yeah.

Robbie Bach

Which is a different type of civic activity. It's more of a patriotism angle on civics, but sport is life for me, and life is sport, and I can learn lessons from that and hopefully apply those lessons.

Ken White

Tennis that's your sport, right?

Robbie Bach

I grew up playing tennis. I grew up playing tennis. I loved it. Actually, basketball's my fort of passion for long reasons. I didn't play basketball mostly because I wasn't good enough. But I was a good tennis player in college, and my son was a basketball player played professionally overseas for three years. My daughters played soccer. My brothers were both Division 1 athletes, so there's a long line of Bach

Ken White

Yeah.

Robbie Bach

athletics that runs through what we do.

Ken White

There's probably a football game on Thanksgiving, isn't there?

Robbie Bach

There well yeah, it's probably there's some kind of competition, and now it's golf. We're all old enough where now it's golf.

Ken White

Yeah.

Robbie Bach

But there's always a Bach family competition.

Ken White

When you think back on the days in Xbox, and I know our students, that's what they want to hear about. They talk so much about it. What was special about that time as you because you've had time enough to reflect on that.

Robbie Bach

Yeah, I think, ultimately, what I took away from it was so many lessons I learned. You know I started there. I'd been at Microsoft what 12 years. I'd gone to business school. I did well before business school. I thought, you know, hey, I'm a pretty good leader. I know what to do and how to do it. And then the first three or four years of Xbox was the most humbling experience of my entire life. And you just realize that things are way more complicated than you think, and to deal with that complexity. You actually have to think in a very simple way. And it took me a long time to understand that dealing with complexity requires simplicity. And I learned so much about managing people, working with others, thinking about innovation. All these things happen through what was a three dark years and then, let's say, seven light years of exciting work.

Ken White

Yeah.

Robbie Bach

So Xbox, for me, was a journey.

Ken White

I'll bet most leaders probably will describe their experience quite similar. There were some dark years and some great years. On that not-so-great time. What keeps you going? How do you stay positive?

Robbie Bach

Well, I think there's a couple of things one. I am a this comes from the sports world. I'm a very competitive person. I really I tell people I hate losing. It's to me. It's just I, you know, I want to win, and I don't mean that in an evil competitive sort of way, but I thrive on doing things well. And so part of it is just a competitive spirit and a competitive drive. The other thing is for reasons in my life, you go through experiences where you have to persevere, and you learn the power of perseverance. And it's something, you know, I've tried to teach with my kids. You know they've had a fortunate upbringing and certainly in the grand scheme of kids across the country. And you try to teach about perseverance and what it means to overcome obstacles, and the Xbox experience to me was just another example in my life of lots of obstacles. We're going to get past it to the green pasture on the other

side. And the team, in fact, really came together in a way that demonstrated that perseverance can carry the day.

Ken White

The competition theme and leadership is just amazing. We just did a podcast recorded one yesterday with John Hewitt, who is the CEO of Liberty Tax. Before that, it was Jackson Hewitt Tax. A huge forty-seven years in the tax world. His book is called I Compete. It's all about competition, right? And he said that's it. That's what makes my heart beat and the blood flow. It's all about winning and competing, and that's important. It seems like it's a pretty important ingredient for a leader.

Robbie Bach

Well, it is, and I think that the challenge for a leader is how do you compete and do it right. And there is a subtle balance I know lots of people who are hyper-competitive, who ultimately, I respect them for what they accomplished, and I don't always respect how they did it. And so, for me, the constant challenge is how do you harness your competitive nature but drive it in a way that is what I think of as doing the right thing. How do you treat people the right way? People may not like you as a leader, they may not love you as a leader, but do they respect you as a leader? And that, to me, has been the hard balance of trying to find that ability for people to respect what I do, even when they disagree with the decision itself.

Ken White

Right. And I assume some of that is on-the-job training.

Robbie Bach

It's almost all on-the-job training, and you know you have to when I tell people who are early in their career everything you're doing right now is learning. And if you stop learning in your job, it's time to be in a different job, and you're going to look back 15 years from now and not realize the important lessons you learned along the way, and suddenly you'll for whatever reason you'll pause to reflect, and you'll go wow I learned that eight years ago and I'm applying it now without even thinking about it. In many respects, Xbox was that for me. I had ten years learning. I got down, and I went to write this book, and I said, wow, I actually I could actually fill 200 pages.

Ken White

Yeah.

Robbie Bach

Right. I probably had more, and the editor cut some of it. Right, I can do this.

Ken White

Yeah, you had a real story to share.

Robbie Bach

And the story is compelling, too, because Xbox is sort of a rags to riches type thing, at least in the context of Microsoft. But there's a lot to share.

Ken White

Xbox was such a great brand, and I mean culturally important in the history of our culture. Did you know it would get to that point?

Robbie Bach

No.

Ken White

You couldn't imagine.

Robbie Bach

No, you know, when we started Xbox, it started, you know not, not to our topic on competition. It started because Microsoft saw Sony moving into the living room with what they called a computer. And for Microsoft, you know our mantra, our purpose statement computer on every desk and in every home running Microsoft software. The living room was a place we should be. And so it started in the spirit of competition. It didn't start in the spirit of cultural icon, living entertainment experience, all those things that it created, but it started in that spirit of competition, and then from that, you have to develop a purpose. You have to say, okay, well, the purpose can't just be to compete with Sony. There has to be a broader mission, a broader vision for what we want to do.

Ken White

When you look at technology today and the culture today. What do you think? Is this where you thought we would be? Are there some surprises for you?

Robbie Bach

I think the thing that I reflect on is not so much did I know we were going to be here versus there. I'm not that good. And frankly, I don't think very many people are that good. What I more find is that the one constant you find is technology, and advancement evolves our culture with it. And our culture has to evolve over time as well. I get a lot of questions about is video games bad for you. I get a lot of questions about, you know, texting and screen time and those things, and all of those things are the 80 percent good and the 20 percent bad. And the question is how do you meld them into your life in a way where you

maximize the benefit we get from it which is hugely powerful and transformative without having the impact of the negative, and it's the same thing in culture. Unfortunately, culture isn't something a specific individual can contain. It's how our social world contains, and if you look at what goes on in social media now, that's a cultural revolution.

Ken White

No doubt.

Robbie Bach

And we are struggling as a country and as a world dealing with that cultural revolution. The technology is not bad.

Ken White

Right.

Robbie Bach

Don't blame Facebook, right? This is a human cultural phenomenon, and we have to figure out how to deal with it.

Ken White

Yeah, no. And I teach in and study communication, and it's just fascinating.

Robbie Bach

Oh yeah. It's a discipline. It's amazing.

Ken White

How it's affected right.

Robbie Bach

Yeah.

Ken White

How it's affected communication. Yeah, I remember reading a piece in the 20s written about radio and how radio was going to ruin our interpersonal skills. We're going to talk to each other anymore because we're sitting on the living room floor staring at that box that where that sound comes out.



Robbie Bach

Well, there's a political science professor at University Washington who does this cycles of great transition and change in our country. And one of the pieces of his framework is technology, major technology shifts, and innovation. Radio is one, T.V. is another, the Internet is the third.

Ken White

There it is, yeah.

Robbie Bach

And we're dealing with that in real-time.

Ken White

Yeah, we sure are, and fast.

Robbie Bach

Well yeah, and the pace of change has accelerated.

Ken White

No doubt.

Ken White

We'll continue our conversation with Robbie Bach in just a minute. Our podcast is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. If you're looking to expand your business leadership skills, the Center for Corporate Education has a terrific program for you. The certificate in business management is a five-day program that runs from April 10th through the 14th here at William & Mary. Each eight-hour day will be dedicated to one important facet of business, including communication, managerial accounting, business strategy, operational effectiveness, and executive leadership. The program helps you broaden your professional skills and helps you think and lead strategically and successfully. For more information, visit [wmleadership.com](http://wmleadership.com). Now back to our conversation with Robbie Bach, author of Xbox Revisited a game plan for corporate and civic renewal.

Ken White

You talked briefly about your friend in Washington about framework. You, too, shared your strategic framework in the book the three-piece strategic framework.

Robbie Bach

Yeah.

Ken White

And that could be used in business and in civic endeavors. Can you talk about that?

Robbie Bach

Yeah, and it's a business framework. It's a civic framework. It's also turns out to be a really powerful personal framework. I have my own 3P framework for what I do.

Ken White

Yeah.

Robbie Bach

And how I think about myself in my life and the basic idea of the 3P framework is if you have something complicated, something you're trying to figure out, something you're trying to pursue, can you in three pages tell me a one-sentence purpose no ands no ors no commas no dash lines a one crisp sense purpose. Can you give me five principles for how you're going to operate to make that happen? This is about culture and decision-making, and working with others. And can you give me five priorities that you're actually going to do and only five and write that in three pages? Now it turns out you think three pages one sentence purpose that's basically three pages for principles and priorities that should be easy. It's really hard.

Ken White

I can imagine.

Robbie Bach

It's really difficult. The one-sentence purpose statement is brutal. Principles are hard to nail down and be precise with, and priorities go on endlessly because people struggle to make choices.

Ken White

How dynamic is it?

Robbie Bach

Well, so the interesting thing that's what's interesting about it when I do a 3P framework purpose needs to last. I mean, purpose, if it's ephemeral, isn't really a purpose. Right.

Ken White

That's true.

Robbie Bach

I mean, purpose seems to be a direction. It's a north star, and it can move a little bit, but you really want that. And principles are somewhat the same way, right? If you're a principled person or you're going to operate a business with principles, you can't be changing them all the time. Now priorities, on the other hand, are the connection between the framework and the operating plan because priorities you should be reviewing every year or even every six months in a fast-moving business, and you'll have five priorities. And after a period of time, you'll say how did we do on the metrics? How did we do in achieving those priorities? What's changed in the market? What do we need to do differently? And then, you'll set up the next set of five priorities, and that leads to an operating plan which is budget, resources, tactics, all the things it does to run a business or pursue an objective. And so you've end up with this cycle where every year you double check the purpose, you make sure you live by your principles, you adjust your priorities, you produce an operating plan. And I've done this with nonprofits. I've done it with governments. I've done it in business. I do it my personal life. It's not complicated. It's not rocket science. There's no its sad say this at an institution. There's no educational research that's been done on the principle on the idea, but I can tell you from experience it works.

Ken White

It works, yeah, in all those various settings.

Robbie Bach

Yeah, and in part, because it's simple in part because, in some ways, it's common sense decide where you're going to go, decide how you're gonna get there, and decide what you're going to do to make it happen.

Ken White

So when you work with an organization, how long does it take them to do that?

Robbie Bach

Depends on the organization. It really does depend on the organization, you know. So I've done this as an example with a family-run business.

Ken White

Oh yeah.

Robbie Bach

So that took a little longer. You've got five individual family members who were owners of the business. They haven't been on the same strategic page for a little while. There's a lot of discussion that has to go on in the future and what happens. You're thinking

multigenerational people have different ideas about where things would go. That was three off sites of a day each. I can do work in a different business setting. I'm a co-owner of a small gluten-free pasta company called Manini's, and you know my partner and I wrote that in two or three exchanges. I put a draft he sent it back to me. We went back and forth. So it really depends on the context. It also depends on where the organization has been historically.

Ken White

Sure.

Robbie Bach

So I'm doing work with the boys and girls clubs of America. There's been Boys and Girls Clubs around for 150 years, and the federation is over 100 years old, and it's eleven hundred independently owned and operated clubs. So when you're driving strategic change, that's not a, you know, three-email process. It's not a three-meeting process. It's a 18-month process. And that's just the way it works.

Ken White

But the fact is it works regardless of how long it takes you to get there.

Robbie Bach

Exactly.

Ken White

Yeah.

Robbie Bach

And in part, because you know you're a communications guy and partly because I can tell you the 3P framework, you know, really crisply, really easily. It's three PowerPoint slides, and you can remember. There's only five bullet points on a slide, and they're short they're crisp.

Ken White

Fantastic. You're going to talk to our MBAs in a little bit. What kind of information advice what do you share with them?

Robbie Bach

The thing I'm going to talk about tonight, which is my current theme for when I go out and talk I'm talking about change. I and my personal feeling is that historians are going to look

back on the year 2016, and they're going to see it like we see 1865 like we see 1932 white goosey 1954, like you see 1968.

Ken White

Big years.

Robbie Bach

Big years. And I think this was a big year. You know you have a populist movement that's exploding. And actually, on the left and on the right, which is very complicated, there is technology change that's going on underneath that. Culture in, not just in the United States but around the world, is evolving in a very complicated way. And so the question about change is, well, how do you not make it scary? Change scares people. People are fearful of it. And I understand that. And I think change is opportunity. In a way, 2016 tells us there's never been a better opportunity to do something amazing.

Ken White

Interesting.

Robbie Bach

And so today's discussion is about how you use strategy and a framework for innovation which I talk briefly about in the book but which I could probably write another book about. And then how leadership is the thing that drives that. And so we will go through strategy, innovation, and leadership, and then we'll do hopefully a big Q and A session.

Ken White

Yeah, great. What advice do you give to MBAs, younger people looking for a great career and a great life?

Robbie Bach

Well, if you're thinking about an MBA career, I think a couple of things. First thing is I think about portfolio. Which I know it sounds like a funny thing to say, but you should think about your career as a set of assets that you're building and a portfolio of assets you're trying to build. And even if you're somebody who's laser-focused that says, I'm going to be this. I'm going to be an MNA specialist to pick something very precise. You still need a portfolio of assets to do that. So as you think about your career, how are you building your portfolio? What does that portfolio look like? How do you get those experiences? The second thing I tell people is you better make sure you're constantly learning. If you're in a job and you're sort of repetitive, and you've done it before I launched two versions of Office, we came to the third one. I told my boss I will finish this launch and then I will do something different. I wasn't going to learn anything new. It's great business. Huge

business. Been successful. Time to do something completely different. And that led to Xbox.

Ken White

Wow, yeah.

Robbie Bach

So learning is important. The last thing I tell people is make sure you're working with people who you enjoy being with, even if the company is great and even if the job is a great job. Work is a social thing. You're around people every day. And if you're not enjoying those people. If you don't respect them. If you don't have people you like. If you're not having interesting conversations. If it's not an environment where you're comfortable, then it's time to move on. And it's stunning how many people find themselves in a period in their career where in the job where they don't like people are working with, and they're not learning, and they keep doing the job. And by the way, that means their portfolio isn't expanding either. So if you can get those things right, serendipity will take care of the rest. All the good things that happened in my professional career happened by accident. I wasn't supposed to be the guy who ran Xbox, and it ended up on my plate. That's the way things work. But good preparation gets to you to good opportunity.

Ken White

Great advice. And I know there, as I mentioned earlier, the students are really excited to hear you tonight. Thank you, Robbie. Really appreciate it.

Robbie Bach

Enjoyed it.

Ken White

That's our conversation with Robbie Bach, and that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate education can help you, and your organization get to the next level with business and leadership development programs that specifically fit your needs and get results. If you're interested in learning more about the opportunities at the Center for Corporate Education for you or your organization, visit our website at [wmleadership.com](http://wmleadership.com). Also, we'd love to hear from you regarding our podcast. Please share your comments, thoughts, or suggestions with us. Email us at [podcast@wm.edu](mailto:podcast@wm.edu). That's [podcast@wm.edu](mailto:podcast@wm.edu). Thank you to our guest this week, Robbie Bach, and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.