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Xbox co-creator Robbie Bach calls for cooperation, focus to solve community problems

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When Robbie Bach went to work for Microsoft in 1988, he was one of 3,500 employees.

When the Milwaukee native retired from the company in 2010 — having served as president of Microsoft’s Entertainment & Devices division, the unit responsible for creating the Xbox game system and Microsoft TV — the company employed 100,000.

On Thursday, Bach was in Madison, reading “Goodnight Moon” to preschoolers, meeting with UW-Madison students and staff, greeting teens in the Boys & Girls Club of Dane County, speaking to members of the Fitchburg Chamber of Commerce, and convening with local entrepreneurs.

His audiences may have varied but Bach’s goal was similar: “Getting people to be thoughtful about their approach to whatever problem they’re trying to solve,” he said.

Whether the dilemma is personal or professional, whether the organization is a nonprofit or a corporation, “Ask yourself: What’s the purpose of what you’re trying to do?” he said.

The son of a vice president of Joseph Schlitz Brewing Co., the 54-year-old Bach now calls himself a civic engineer. He is a member of the boards of directors of several organizations, both nonprofits and for-profits, and is on the national Board of Governors of the Boys & Girls Clubs of America.

Meeting Michael Johnson, president and CEO of the Boys & Girls Club of Dane County, at a strategy conference led Bach to come to Madison.

“Michael Johnson is incredibly passionate. He has a real care for the kids they serve in the Madison area,” Bach said in an interview the week before his visit. “I’m very impressed with his ideas on helping to get the community involved.”

Bach has written a book, “Xbox Revisited: A Game Plan for Corporate and Civic Renewal.” The book talks about Bach’s rise in Microsoft’s ranks and lessons he learned in developing and releasing the Xbox.

In a phone interview from his home in the Seattle area, Bach replayed the story of how Xbox came about.

It was 1999. Sony’s latest home video game system, PlayStation 2, was out in Japan and coming soon to the U.S. Microsoft wanted to launch a competing system.

“Our strategy was very simplistic: Produce a game console that is more powerful than anything else, that allows online gaming, and ship it by November 15, 2001,” Bach said.

There were 20 people on the development team then but they had no real direction, he said. “Because there was no strategy in place, some people would make it up on their own,” he said. Or they would ask Bach, leaving him with too many decisions and no consensus.

When the first version of Xbox came out, it had good market share but was a financial failure. Microsoft lost \$5 billion to \$7 billion on it, Bach said.

Bach was chief Xbox officer. He took several members of the team on a retreat for two days and they carefully crafted a three-page strategy, describing their purpose, principles and priorities.

“The whole idea was to be simple and short,” he said. The three-pager was explained to upper managers and to the rest of the Xbox team so everyone was on board.

When the next version of the game system, Xbox 360, was released in 2005, it earned billions of dollars and doubled its market share.

“That product was wildly successful,” Bach said. “The team was way more efficient. When you make decisions crisply and cleanly, the team knows what to do. ... Because the strategy was coordinated, we did things that made us more competitive. And consumers noticed the difference.”

A graduate of the University of North Carolina with a master’s degree in business from Stanford University, Bach said he never envisioned himself in charge of a video game business.

“I don’t play video games. Having said that, I love businesses, the way businesses operate and work,” he said. “When you leave aside the craziness that is the entertainment business, you’re left with a very interesting, complex business.”

Microsoft co-founder Bill Gates, by the way, may be the most competitive person in the world but “as a person, he’s actually quite personable and has a great sense of humor,” Bach said.

But business isn’t all that Bach is focused on now. He wants to make an impact on communities.

“What I would love to see ... is what I think of as a tripod effect — local nonprofits, local government and local businesses working together on community problems,” Bach said.

“When you can get that to happen, take a problem like the quality of education or homelessness or youth delinquency or high school graduation and say, ‘How do we mobilize the community around us?’

“When you can get those three groups to work together, communities get strong very quickly.”

About 250 game developers and entrepreneurs heard Bach speak at Madison’s Central Library. The comments brought energy to the crowd, said Scott Resnick, executive director of the proposed StartingBlock entrepreneurial hub, which co-sponsored the evening event.

“He focused on two things: How do you think through the process of innovation, take an idea or concept and make it reality, and how do you transform the Xbox lessons to the civic realm. ... It was very positive and exciting,” Resnick said.

“I didn’t expect to hear about better government,” said Matt Younkle, co-founder of Murfie, a Madison cloud-based music archiving and streaming company. “It was refreshing.”



Bach

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