



Michael Dell
Consumer Electronics Association Digital Patriots Award
Washington, DC

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(Begin video segment.)

ANNOUNCER: A tireless innovator and technology pioneer, Michael Dell has played a huge role in ushering in the personal computer revolution. Guided by a firm belief in empowering consumers through technology, Dell has grown his company from a one-person operation in his University of Texas dorm room to a world leader in the modern digital economy.

In 1992, he and his wife established the Michael and Susan Dell Foundation to improve the lives and futures of children throughout the world.

A natural leader, philanthropist and technology icon, Michael Dell is a true Digital Patriot, and an inspiration to the innovators of tomorrow.

REP. JOE BARTON (Texas): Well, Michael Dell is a great Texan. Back in 1984, I decided to run for Congress, and while I was doing something foolish like that, he decided to start a company. And he had an idea, and it was to develop, sell, and market the personal computer directly to the people, and that is a powerful idea.

PAUL S. OTELLINI (President and CEO, Intel Corporation): If Michael hadn't invented the direct model, I think the business would be much smaller, PCs would still be much more expensive, and they would be available to fewer people around the world. You know, much like the Model T made the automobile affordable for the masses, Michael did the same thing for computing.

MEG WHITMAN (President and CEO, eBay Inc.): Computing and the Internet have been the seismic shift of our generation. I mean, it is as powerful as the Industrial Revolution was at the turn of the century in terms of its impact on society, on education, on healthcare, on every major aspect of society. And Dell and Michael himself have been at the forefront of that revolution. How many people do you know that have a Dell Computer or a Dell laptop? Practically everybody.

REP. RICK BOUCHER (Virginia): Michael Dell is a pioneer in something that is very important, and that is the use of the Web to enable people to order computers that are customized to their particular needs, using a Web site in order to carry out that function. Michael Dell pioneered that concept. He's forever going to be remembered for that tremendous contribution to electronic commerce.



GARY SHAPIRO (President and CEO, CEA): Michael Dell has lived the American dream. He's proven that a good idea, a better way of creating products, a way of innovating, even if it's in terms of logistic and branding and marketing and coming out with great products, can make a difference.

SEN. JOHN ENSIGN (Nevada): Michael Dell, first of all, is a brilliant businessman, but what also impressed me is he is figuring out ways that he can keep jobs in America. He's looking for innovative, technological solutions that can keep those jobs here using technology to keep the labor costs down, but still make America competitive, and I have a great deal of respect for him as a businessman and as an American.

BILL GATES (Chairman, Microsoft): Well, Dell has really been a pioneer in simplifying technology, making it easy to pick configurations, simplifying the supply chain, getting great value for users, pre-configuring systems, really taking what was a complex thing for users and always driving for improvement and simplicity.

SEN. KAY BAILEY HUTCHINSON (Texas): If there's one contribution that Michael Dell has made outside of technology, it is to increase the quality of education and research in our state and nation.

STEPHEN L. JOHNSON (Administrator, U.S. EPA): Dell has set the bar high by helping consumers make smarter electronics choices. A partner in EPA's Energy Star program, Dell has been advancing energy efficiency in computers for nearly two decades. Dell is working toward an ambitious goal to recover and recycle 275 million pounds of customer equipment by the year 2009.

ERIC SCHMIDT (Chairman and CEO, Google, Inc.): Michael is both a visionary and a human being. In the visionary role he changed the industry. As a human being he works with people to make it happen. It is that combination that I think makes him so effective.

MEG WHITMAN: So, Michael has done what I think the whole world and country hope that successful entrepreneurs will do, which is ultimately give back to society, and I think the Susan and Michael Dell Foundation is exemplary. They have built a very sizable foundation that is doing what generations of entrepreneurs and successful businesspeople have done to help make the world a better place, and I admire them for that.

REP. DARRELL ISSA (California): Michael Dell has from the very beginning been somebody who looked beyond just his company. Whether it was his involvement in the associations as a way of giving back, or now his tremendous philanthropy, he has, in fact, been somebody who understands that money is a gift to you entrusted for you to do something with it, and he's done a great deal of good with it, and I look forward to him doing even more.

GARY SHAPIRO: He's a corporate leader, a business leader, an environmental leader, but he's also a fierce competitor. He is truly an innovator in American society, and he is a Digital Patriot.



(End video. Applause.)

GARY SHAPIRO: Ladies and gentlemen, I present to you Digital Patriot Michael Dell. (Applause.)

MICHAEL DELL: Thank you very much, Gary, and thanks to the entire Consumer Electronics Association for really continuing to push the envelope and celebrate innovation.

As an organization, you do a great deal to encourage our industry to continue to push the envelope, and you really spotlight the kind of innovations that we can all build on. You're a great resource to our industry and I'm proud to work alongside you.

It's a real privilege for me to be here tonight. Besides two other American patriots among us, and there are several others here tonight, Senator John Sununu of New Hampshire and Congressman Zoe Lofgren of California, I know both of you have focused on technology innovation and how it can change and should be used in our society. The discussions that you're involved in, the debates and decisions that you are a part of are important to all of us in the technology industry, and more importantly they affect the world that our children will someday lead.

Now, Senator Sununu learned the art of effective advocacy long before he went into politics. I guess that's what happens when you have seven brothers and sisters. Today, he's among the Senate's most respected voices on many issues that matter to us most, like technology, free and open markets, and, of course, innovation.

And Congressman Lofgren represents one of the more tech savvy districts in the country. She certainly shares her Senate colleague's passion and expertise on these complex subjects, and she's been a vocal voice from issues ranging from Spam to online predators.

So, I'm definitely in very good company here this evening.

I first had a chance to use a computer in the 7th grade in my public junior high school in Houston, Texas, and I became pretty fascinated with what this new tool could bring. And then when I was 15, I bought my first computer, and I quickly took it apart, because I wanted to know exactly how it worked.

And as a user, as a customer, I noticed a few things. The first thing I noticed is that it took way too long for the technology to get from where it was developed to the end customer, often one year or more. The second thing I noticed was that the companies that were selling computers through at the time the corner stores were inefficient and sold the products at pretty massive markups. The third thing I noticed was that the people selling the products often knew almost nothing about them, and worse yet, they couldn't provide much service or support. Now, other people may have had different experiences, but that's what I saw.



So, to me it all looked like a great opportunity. So, in 1984, at the end of my freshman year at the University of Texas I started our company. And my idea was pretty simple: It was to sell computers directly to customers. And I was lucky to be here in America where new ideas can thrive, even from 19-year old college dropouts. (Applause.)

So, here we are 23 years later, and it's working out pretty well so far. (Laughter.) It's a good start, as my dad would say. We sell nearly 40 million computer systems each year. We work with about 90 percent of the Fortune 500, and we interact with more than 3 million customers every day. So, we get a lot of feedback on everything we do, and I'm sure our elected officials in this room probably know a little bit of what that's like.

I'm a big believer in the power of relationships and community. Now, of course, we built our business on the power of relationships with customers, and now we're using technology to tap into the power of the collective ideas of our expanding community of users. We have a blog site called Direct2Dell, which gets about 2.5 million page views per month.

And we recently launched a new, very interesting Web site called DellIdeaStorm. Now, the way this works is customers go online and they submit ideas about what Dell should be doing with our products and services. And believe me, they have lots of ideas. Other customers can vote on those ideas and also provide comments. And so it's really amazing to see the community participation online and in real time. And then our team is constantly considering the best and most popular ideas, and we've already implemented a few of the very best ones.

Now, today there are about 1 billion people online in the world using PCs, and about 500,000 more are coming online every single day. So, we're going to be at about 2 billion people not too long, just before we know it.

And we've been thinking a lot about those next billion customers. Now, most of them live in fastest growing and emerging market economies like Brazil, Russia, India, China, Eastern Europe, former Soviet republics. And I was in Asia last week, and I had a chance to visit India and China while I was there. And the energy in those countries is just amazing. They're seeing explosive growth in their economies, and the appetite for technology, the kind of technology we create here in the U.S. is huge.

In China I announced a new desktop computer for first-time PC buyers and new PC users that lets you get online, you can do e-mail, run productivity applications, listen to music. Importantly, it starts at around \$335 U.S. And Chinese customers who wouldn't otherwise be able to get online can now afford to, and that's pretty exciting. We're now looking at other fast growing markets where we can take a product similar to that into.

So, it's pretty exciting to think what will happen when the online population doubles from 1 billion to 2 billion in just the next several years. And the digital content that 2 billion people will generate could be pretty endless. IDC just reported that the world generated 161 exabytes of digital information last year.



So, imagine if you took 12 separate stacks of books that each extended from the earth to the sun, and that's about what we're talking about.

Now, of course, with all this additional content we're probably going to need some more bandwidth. And, unfortunately, the current infrastructure largely around DSL and cable connections we think are going to struggle increasingly to keep up with that rich content.

So, I think we can turn this challenge into an opportunity by accelerating the deployment of fiber to homes as our friends in Japan and Korea are already doing. I was in Japan also on this trip, and heard a lot about the fiber progress they're making there, which continues to be very impressive.

Now, companies like Verizon are starting to do exactly that, and they and others need our support and encouragement.

And policymakers can do their part to help this by also freeing up more spectrum. Unused television spectrum or the whitespace is ideally suited for wireless broadband, and allowing use of this spectrum by unlicensed devices would make it more cost-effective to provide wireless broadband service in rural areas, for example. It would also inspire next generation Wi-Fi services and innovations that we haven't even been able to imagine yet. (Applause.) It's okay to applaud. (Laughter.)

At the end of the day this really is about innovation and competitiveness. For the United States to remain truly competitive long term, particularly with all these new consumers and inventors coming online in the world, we need to continue to lead in innovation and technology access. And I think providing more access to true broadband -- by that I mean fiber -- will be an important part of that.

The good news is that the people in this room tonight can really help overcome these challenges. We can effect change that improves technology access for emerging markets and speeds true broadband access right here at home. And we're lucky to live in a place that gives us the freedom to really make a difference.

I've also been thinking a lot lately about how we can make a difference for our environment. Now, we know that each computer system that we sell has a fairly defined life, but what happens to that computer when it's no longer usable? So, if we as an industry produce about 250 million computers a year, and let's suppose that about half of them or about 125 million are replacement computers, then what happens to the 125 million computers that get taken out of service every year? The answer to that question is incredibly important to our environment.

So, we've set out to lead our industry in environmental responsibility. We're the first company in our industry to recycle our products and the products of our competitors for free, anywhere in the world. (Applause.)



And we're partnering with the EPA to host a consumer computer recycling event next month right here on Earth Day, right here in D.C. on Freedom Plaza near the mall. And a few months ago -- (applause.) Thank you. Please come, bring your old computers, we'll recycle them for free. (Laughter.)

At CES a few months ago, the international CES, world famous, and in January I challenged every PC manufacturer in the world to join us in providing free recycling. (Applause.) Now, my challenge has still gone unmet, but there's still time, and I'd like to renew it today to all of our friends in the industry. I believe it really is the right thing to do for our customers and, more importantly, for our planet.

We're also working to make all of our products more energy efficient. And so think about this on a global scale. Last year, we sold almost 24 million desktop computers. And if each of them had the energy saving features of our newest desktop computers, consumers, businesses would have saved about \$1.6 billion in electricity costs, and we would reduce CO2 emissions the equivalent of taking 2.5 million passenger car off the road for one year. This is pretty significant. So, when we looked at all the things we could do, the most significant thing we could do was redesign our products to use less energy.

If you want to learn more, please go to Dell.com/earth, and actually you can see a real time ticker of the savings that are occurring with these new products, both in CO2 emissions, and also in dollars.

So, these are just the savings that we can realize through smarter and better product design, but we can do more. For example, we can provide incentives for businesses and institutions to reduce their energy use. We can reward businesses for investing in energy smart products, and implement technologies like virtualization and power management software inside datacenters and companies. And when we combine energy efficient products with strategies for using less power, and we do this on a global scale, we really can accomplish some astronomical energy savings.

Our team is ready to do our part to get us there, and we're listening to our customers for new ideas. Many of them have made it clear that they want to really reduce their carbon footprints, and in response we recently launched a program called Plant a Tree for Me, which lets customers offset the carbon generated by powering their PC over its lifetime. So, customers are not only buying a notebook or a desktop computer, they're also making a contribution to plant a tree, and together we can make a big difference here.

The issues that are facing our nation are complex, from environmental to national security to our health and our economic competitiveness. But when I look at this audience, I'm confident that we have the vision, the resources, and commitment to leverage all that technology can do for our country and for the world.

I want to once again thank the CEA for this very wonderful recognition. I'm truly honored to be a Digital Patriot. (Applause.)