



THE HENRY FORD

COLLECTING INNOVATION TODAY

TRANSCRIPT OF A VIDEO ORAL HISTORY

INTERVIEW WITH

PIERRE OMIDYAR

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EBAY HEADQUARTERS

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BARRY HURD:

01:00:36:00 Let me just, in general, I mean, is there like a big transition taking place here this week? I mean, there's.., Meg's leavin', a new guy's comin' in, you're here. I mean, just what's goin' on with that..

PIERRE OMIDYAR:

01:00:46:00 I mean, this week, this is actually, so, you know, part of our regular board calendar, actually. So a big board meeting, and the team really, you know, has a big push to get to the board meeting. It's a sort of big, big production for them, obviously, getting all the ducks in a row and so forth.

01:01:02:00 So we've got that. And that's just ahead of earnings next week. So that's the usual stuff that's going on. And then on top of it, obviously Meg is transitioning out. But she's been, you know, that was announced in January. And so yeah, and so she and John have been transitioning together you know, for a little

bit. And you know, they will, and then, I mean, I think technically the end of the month is when the effective date of the transition takes place. As these things go, it's really about the announcement and then how people start to behave right after that.

PIERRE OMIDYAR:

01:01:38:00 Yeah, exactly. Yeah, yeah. So..

BARRY HURD:

01:01:39:00 How are they going to behave themselves?

(LAUGHTER)

PIERRE OMIDYAR:

01:01:40:00 No, no, no. They're I think, great. I mean, John is very well respected in the organization. And he's making some good changes, focusing on some of the strategic stuff we gotta focus on. And yeah, so it's good stuff.

BARRY HURD:

01:01:57:00 Right, right, yeah. Let's cut.

PIERRE OMIDYAR:

01:01:57:00 ...my very first computer, very original one that had the signatures on the inside cover. It was

actually the first computer that I.., 'cause it came out in '84, which was the year I graduated from high school. So I think it came out in January '84, so I was a high school senior. And it was the first computer that I paid a significant portion of. My parents still helped. It was like a two and a half thousand dollar computer. And it was great, a really neat machine. I don't have it anymore.

BARRY HURD:

01:02:28:00 You were always a gadget freak, though, right?

PIERRE OMIDYAR:

01:02:30:00 Yeah, yup.

BARRY HURD:

01:02:31:00 What gadgets are you playing with now? You taking anything apart now?

PIERRE OMIDYAR:

01:02:34:00 I'm not taking anything apart. No, no.

(LAUGHTER) Not taking anything apart. The iPhone is very cool. And actually my daughter, for her seventh birthday, just got a Nintendo DS Light, a little handheld videogame thing, which was pretty

cool. I was like, "I think you're too young for that. I'm gonna have to hang onto that myself."
So. (LAUGHTER)

BARRY HURD:

01:02:53:00 Okay, well, take us back to that, if you can remember, to the weekend that you sat down with the great Tell us what you were thinking, but try to paint the time for us. 'Cause imagine that it's kinda contemporary still for us...

PIERRE OMIDYAR:

01:03:07:00 Right.

BARRY HURD:

01:03:07:00 ...but 50, 100 years from now, I mean, set the scene a little, what you were thinking as you sat there and..

PIERRE OMIDYAR:

01:03:12:00 Okay. (LAUGHTER)

BARRY HURD:

01:03:13:00 ...started playing with those, that Perl script.

PIERRE OMIDYAR:

01:03:15:00 Right, okay. (LAUGHTER) All right, this'll be interesting. Because actually trying to think

about it, I'm not gonna even go there to think about the world will be like in a hundred years. But, let's see, so this was towards the middle of the end of 1995. And it was a couple years into really the beginning of the web revolution.

01:03:36:00

And so if you remember, the web browser and the original web protocols were invented in '93 on top of this internet infrastructure that had been around since the late '60s. And right in the beginning of '95, the web protocols had been upgraded or somebody had invented a set of protocols that allowed for interaction.

01:04:01:00

So, if you're sitting at your computer and you're accessing a website, the website could actually interact based on who you were, what information you were sending. It could send you custom information. This was a big novel thing back in 1995. And so I had been looking for an excuse to experiment with these new protocols with the web and think about how to create new things. And I

had all sorts of interests in markets, in the theory of markets and theory of efficient markets.

01:04:35:00

But anyway, make a long story short, I fast-forward to Labor Day Weekend of 1995. I sat down at my computer and started writing a script, a Perl script to create a very basic auction mechanism. And the code was really simple. It just, it allowed you to list an item for sale.

01:04:55:00

It could have a title and a description and a starting price. And you could also see a list of all the items that were listed. Obviously, that was important. And then you could bid on an item. And obviously that was important, too. And it didn't take very long. It took really just a weekend of work. And I was working, you know, pretty much all day and all that weekend. And I think it was Labor Day of 1995, September 4th or 5th, '95, that I was able to, that morning to basically turn it on. I'd had it uploaded to

my internet service provider, so it was publicly available, turned it on and that was Auction Web.

BARRY HURD:

01:05:31:00

Now later, we all know this is a great innovation. But at the time on Labor Day of 1995 you're just messin' around?

PIERRE OMIDYAR:

01:05:38:00

Yeah, it was, I mean, really just an experiment. I mean, you know, I didn't set out to create a company or anything like that. I had a day job. I was working in developer services at a company called General Magic, which was a really cool name, I thought. Unfortunately, the company doesn't exist anymore.

01:05:56:00

But anyway, so I had, that was where I had my day job. And so I just wanted to experiment with these, this new interactive technology. I mean, for the first time you could imagine a world where people, as long as they had a computer connected to the internet, they could all be basically, virtually in the same place by

connecting to the same server. And having a server understand who they were, where they were coming from, they could really be in the same place. So I took that inspiration, sat down and wrote the code and yeah, and then went from there.

BARRY HURD:

01:06:32:00

But were you sort of aware of this community thing that you were forming? Did that, I mean, we're trying to figure out that process of innovation. Is it driven by being innovative or or is it just curiosity? Or can you..

PIERRE OMIDYAR:

01:06:44:00

Right.

BARRY HURD:

01:06:44:00

..sorta give us some insight into that 'cause you're an innovator, but was it that or something else that drove you that we later called innovation?

PIERRE OMIDYAR:

01:06:52:00

Well, yeah. So it was definitely not, I didn't sit down and say, "Hey, I'm gonna be innovative

today." I was really trying to experiment with new tools. I mean, I'm a software engineer. So, basically the latest, coolest shiny toy at the time was the web; was interactivity. And the way I expressed my creativity was through writing code.

01:07:16:00

And so, on the web at the time actually, there was something called the Usenet Network or Usenet Groups. And it was a place where people went and they had discussions. But they also could do business with one another. And they could list items and they could say, "Hey, I've got a old TV set. Anybody wanna come by and pick it up?" Or, you know, an old camera, or, "I wanna upgrade," or, "I'm looking for this lens," or whatever. And they could interact with each other.

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And that's the system that existed actually for years before even the web was invented. What the web really let you do was actually bring all those folks into the same place at the same time

and do something cool there. So, in terms of the process that I went through thinking about that, all I really wanted to do was make the process of buying and selling more efficient than it was.

01:08:14:00

You know, if you think about the way the newsgroups worked, it was, you say, "Hey, I've got something to sell. And, you know, I'll take \$100 or best offer, whatever." Kinda like classified ads. And I said, "Well, listen, we've got the web. I can create an interactive application here. I can create an auction mechanism. Let me just do that and make that available to the people who are already doing business, who are already buying and selling on Usenet, and then just see what happens." And that was, honestly, it was sort of a nights and weekends kind of labor in the beginning. And that's how it got started.

BARRY HURD:

01:08:53:00

You say you were kind of playing with, it sounds like you're more driven, something was driving

you to really wanna do all that.

PIERRE OMIDYAR:

01:08:58:00

Well, I think, I mean, the thing that was driving me in the beginning was the idea to use new tools; you know, new technology, and try to do something new with it. And the idea to do something first, frankly, was also to try to create something as a first person to try to do it.

01:09:19:00

And I saw kind of an obvious application of the technology to this problem. So, I wanted to be, you know, I was driven, you know, I was a young guy. I was driven to be one of the first to go try that out, so I went and did that. And then the great thing about the web you know, especially in those days and still today, is that once you put something out there, you start getting feedback right away from people.

01:09:40:00

And that feedback, positive and negative really drives you to do better, you know, to say, "Okay,

great, we've made a mistake doing that. Let's get it better." Or, "You need this feature, this functionality to solve your problem. Let's do that." And you get really excited, actually innovating and creating and co-creating with people, because of this really cool interactive medium.

BARRY HURD:

01:10:02:00 So the community actually helps drive your own passion for being innovative.

PIERRE OMIDYAR:

01:10:06:00 Absolutely, absolutely. Yeah, yeah, yeah. And actually, I've only said with eBay that the best ideas came from the community, that really was the innovation that came from the community. And I think that's still true. And it's true of a lot of the really cool companies out there today. They're the ones that are the most plugged into the people they're serving and take the great ideas from the community and implement them.

BARRY HURD:

01:10:33:00 Okay, we're just doing kind of a nuts and bolts

of history. You're now taking... The weekend's over and now the thing starts to grow. Just, I don't wanna say quickly, but condense that a little and take us through how we kinda wound up with this world-changing...

PIERRE OMIDYAR:

01:10:47:00 I'll take you through the next 10, 15 years, real quickly?

BARRY HURD:

01:10:49:00 Yeah, okay. (LAUGHTER)

PIERRE OMIDYAR:

01:10:49:00 Right. Right. (LAUGHTER) Should I stop along the way?

PIERRE OMIDYAR:

01:10:57:00 Well, gee, let's see. Well yeah, so later..

PIERRE OMIDYAR:

01:11:11:00 So, I had really just created this site as an experiment, you know. I had a day job, did that over Labor Day Weekend, put it out there. It took about a month for people to start finding out about it and to start using it. But once

they did, about a month into it the volume started picking up, you know, very, very quickly.

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Within about six months, I had had to upgrade my service provider account because the little \$30 a month account that I was running the thing on, you know, it was exceeding its capacity. So they upgraded me to a \$250 a month account and then a \$500 a month account. So I had to create a revenue model. I did that within the first six months to actually start bringing revenue in, to start charging for the thing.

01:11:57:00

Almost a year later, by August of '96 I had found somebody to help me build the company, to work with as my original partner. That was Jeff Skoll. And we had both quit our day jobs and devoted ourselves full-time to building that company. About a year after that, almost a year, by the middle of '97 we hooked up with Benchmark Capital and brought Bob Kagel on board, who's a great venture capitalist, and just provided some

fantastic strategic insight for us and guidance as we built the company.

01:12:35:00

That was September of '97. We actually took the investment from Benchmark and put it in the bank. We never touched it. We didn't need the money. We were profitable from day one, actually, from the moment we started charging.

BARRY HURD:

01:12:47:00

Were you surprised at how successful this was?

PIERRE OMIDYAR:

01:12:50:00

I was just, yeah, I was shocked. But during that first two year period, we didn't have time to be surprised. We were growing 20 to 50 percent every month, every single month. And some months were 70 percent. But on that, for two years, sustained growth like that, I don't think anybody's, you know, ever done that.

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And it was terrifying, you know. It was exhilarating and terrifying at the same time. Because at any moment, the whole system could've

just come crashing down. And we were racing to stay ahead of the demand. And it was pretty challenging.

01:13:24:00

So anyway, then the next milestone really was September of '98. And it was three years after creating the thing. That was our IPO. Took the company public. And then really began a dramatic sort of global expansion. And, you know, now 2008, 10 years after the IPO, you know, there's 250, 300 million users throughout the world, just an incredible amount of volume of transactions going through there, and you know, lots of people making a living, you know, trading on the original eBay. The business has expanded to include, you know, PayPal, this payment system that's a key part of it; includes Skype, which is a communication platform, so really, really neat stuff.

BARRY HURD:

01:14:15:00

Okay, and what...

PIERRE OMIDYAR:

01:14:16:00 None of which will be relevant in 50 years probably. (LAUGHTER)

BARRY HURD:

01:14:18:00 Well, you never know. Who knows? One of the things that probably will be relevant forever is how you got the people themselves, the community, to sort of police themselves and make it all happen. Did you know that was gonna happen? Tell us a little bit about that. We'll pause after this question, but take me through that. That musta been like, "Aha."

PIERRE OMIDYAR:

01:14:36:00 Yeah, so the feedback form. Yeah, I sort of skipped that in the..

BARRY HURD:

01:14:41:00 That's like your...

PIERRE OMIDYAR:

01:14:41:00 ...in the thing.

BARRY HURD:

01:14:42:00 ...isn't that maybe the thing that'll last forever?

PIERRE OMIDYAR:

01:14:44:00

Yeah, I think so. So, what was happening was in those early days, I had, so I was just running this thing really like a hobby, right? And so I had my day job. And what started happening is, people were doing business on this site. You know, they were meeting each other. They were bidding on items and doing transactions.

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But then what started happening is they started e-mailing me sometimes. And they would say, "You know, this person hasn't come through," or, "You know, I sent him the money, he didn't send me the item," or, "This..." or somebody else would send me an e-mail saying, "You know, this person promised to buy my item, but he didn't pay for it." And I found myself, they'd send me e-mails, so I found myself in a position of trying to arbitrate between folks and say, "Well, you know, gee, maybe you should listen."

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And that was just actually overwhelming. I

couldn't do that. It wasn't even my day job and, you know, much less thinking about actually scaling that. So, it was actually in February of '96 I came up with the idea of creating this, the feedback form.

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And basically what that was to encourage people to give each other feedback based on, "How did their transaction go," based on, you know, "How-- how did your transaction go?" And since I was getting all these complaints, I assumed that it would be mostly negative, that, you know, it was a forum for people to give each other negative feedback.

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But when I put it out there, because I'm a programmer, I was a software engineer by trade, I naturally said, "Well listen, if there's gonna be negative, there has to be positive. You know, you can't just do a negative and without positive. So if there's gonna be positive, then how do I describe that to the community?"

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And so I wrote this little letter to the community in February of '96, announcing the feedback forum. And basically in it, I said, "Hey listen, you know, people are basically good. We all try to do a good job. We all try to do our best. But sometimes things don't work out. It'd be great, you know, let's give each other the benefit of the doubt. But if you're having, you know, if you're having real problems with somebody, now there's a feedback forum, you know, basically you don't have to complain to me, but there's a feedback forum.

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"If your complaint is worthy of complaint, then you should do it publicly, you know, and complain in a public forum. But while you're at it, also think about giving praise where praise is due. If somebody does something nice for you, wouldn't it be nice in this world if we could actually start recognizing that? And you know, let's give each other praise where praise is due."

01:17:14:00

And so I sent that out there. And I thought for sure that it would be conventional wisdom. You know, you get 10 times as many complaints as praise. But then this magic thing happened. And, you know, we found that when you give somebody the opportunity to give praise, to give positive feedback when it's well-deserved, well people love to do that. It's very gratifying yourself to be able to give praise to somebody else. And so anyway, so the feedback forum is just a remarkable, incredibly gratifying testament to human nature and the fundamental goodness of human nature.

BARRY HURD:

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Did you feel, though, that you like, unlocked one of the secrets of nature there? Weren't you like, amazed?

PIERRE OMIDYAR:

01:17:53:00

I was pretty tickled with that. You know, and it was such a simple mechanism, just this really simple mechanism. But basically what it did was

it just gave people the opportunity to give praise where praise was due, and sure, you know, a place to complain if it's appropriate. But the fact that the people, you know, were willing to do that, to take that effort to give praise, was totally unexpected, incredibly gratifying, just wonderful.

BARRY HURD:

01:18:19:00 And probably the way you put it together could not have happened without the technology, right?

PIERRE OMIDYAR:

01:18:24:00 Well, you know, here's the crazy thing, is that it is an incredibly simplistic and simple model. I mean, it is simple and simplistic. You know, the original feedback forum was very simple. It was, "Make a positive comment, make a negative comment or neutral." The programmer, you know, if there's a one and a minus one, there has to be a zero.

01:18:42:00 So, you know, it was really, really simple and simplistic. Your comment was limited to 80

characters. Eighty characters, by the way, was the width of a CRT screen in the old days. Well, 80's a good number, so 80 characters. That's where that number comes from. And anyway, so really simplistic, nothing innovative there at all.

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And it just had this incredibly powerful thing from a human perspective. But then also from a business perspective it was really the thing that allowed eBay to succeed, because it gave people a chance, a way to know that they could actually trust a complete stranger.

BARRY HURD:

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Maybe that one, you said it was nothing innovative. Maybe your memory's failing you here.

PIERRE OMIDYAR:

01:19:18:00

Yeah, no, no, no. I mean, honestly, at the time it was to solve a practical problem that I had, which is that I couldn't manage all the complaints myself. That was it. I didn't set...

BARRY HURD:

01:19:26:00 It turned out to be this magic trick.

PIERRE OMIDYAR:

01:19:28:00 It turned out to be this magic thing, yeah.

BARRY HURD:

01:19:56:00 Okay, all those things that'll never be madly(?)
about, but let's tell them.

PIERRE OMIDYAR:

01:20:00:00 Yeah, exactly, exactly, exactly.

BARRY HURD:

01:20:02:00 So it's what? Is it '98? When did this stuff
happen?

PIERRE OMIDYAR:

01:20:04:00 So in '97, we hooked up with Benchmark Capital,
brought them on as a strategic partner. And
actually, one of the real reasons to do that was
to help build up the team as well. And so we
started recruiting. And we, by the end of '97,
actually, so by fall of '97 we said, "Listen,
we're gonna find a real CEO here."

01:20:27:00 You know, I knew that if I built the company to a

certain level, that I was not the one to take it sort of to the next level. And it looked like the company was, and clearly the company was successful, it was growing fast, it needed a professional CEO. So by the fall of '97, we started, retained a search, professional search for CEOs.

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And it was really great. One of the things I remember from that time is, a process you go through as the recruiter goes through a list of names, and he had collected maybe 150 names of potential folks and going through them really quickly, like, you know, "These people are good or bad," or this sort of thing and he read Meg's name, Meg Whitman, and this was over the phone, and Bob said, Bob Kagle said, "Oh, Meg? She's great. We'll never get her."

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And then we went to the next name and so forth. So, of course, that stuck in my mind. And, you know, not liking to not be able to have something

that I want, you know, I focused in on that. But anyway, so we went through that whole process. And were able to actually get Meg to come talk to us and interview and decided to connect with her. And so she came on full-time in March of 1998.

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That was about six months before we went public. We went public in September of '98. And so, when we brought her on, I'd always thought to myself that I would personally, sort of stick around for up to a year of transition, basically transitioning over to her, and then that I would actually kinda exit from the business and, you know, give her the room to build the business as she saw fit.

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And so I basically stuck to that. I did that. So by March of '99, having spent a year in the office and transitioning, although she was in charge from day one, then I turned my attention to other things. I left the office, in fact, moved out of the country, not only out of the

office but out of the country, moved the family to Paris, which is where I was born. I have family there and decided to try to make a life living in Paris, part of the time, and then started building a family, you know, got married in the early part of '99, started having kids and focused on that on the one hand, and then focused on our philanthropy on the other hand.

BARRY HURD:

01:22:51:00

You know, I'm gonna ask you about that a little bit later. I wanna go back to this thing, in one of the interviews, you know, the million interviews, you said this thing that I thought was just amazing. You said a lotta people just talk themselves out of their best ideas or they go ask a mentor for advice and the mentor talks them out. Now that's sort of this collecting innovation. How do people who have the potential to be innovators nurture and bring their ideas, it's one of the little bit heavy questions, but can you tell us about that?

PIERRE OMIDYAR:

01:23:16:00

Yeah. I mean, the advice I always give to folks, to entrepreneurs when asked, is about this very topic, is, you know, "There's something about an entrepreneur that is somewhat sort of anti-establishment, somewhat disrespectful of the previous generation. And although that can grate people the wrong way a little bit, that's a really important element actually."

01:23:46:00

You know, you need to be passionate about what you wanna work on and don't take no for an answer when people out there are giving you advice and saying, "No, this will never work." I mean, you know, you look at eBay, the idea that in 1995 that you could create something over the internet, which is this brand new thing that nobody, you know, was really using at the time except for scientists and academics, and it would be a place where strangers could actually do business with one another, could actually like, exchange merchandise for money without ever

meeting? You know, and the notion that people could actually buy and sell cars over the internet, I mean, that's crazy, right?

BARRY HURD:

01:24:29:00 Right.

PIERRE OMIDYAR:

01:24:30:00 Yeah, it's totally crazy. So, in fact, lots of lots of people have told me that was crazy. And I didn't, you know, I have to say, I didn't have this vision, "Oh, it's gonna take over the world. It's gonna be this fantastic thing overnight." I didn't have that kinda delusion either. But I did say, "You know what? There's something worth trying here. It's not crazy." And so a little bit of disrespect of the elders, of what came before you, I think is important. Of course, now that I'm 40, you know I turned 40 this year, I think respecting your elders is not a bad thing, yeah.

BARRY HURD:

01:25:01:00 Now you're hearing the voice of the elders saying..

PIERRE OMIDYAR:

01:25:03:00 Exactly.

BARRY HURD:

01:25:05:00 Now, I don't know if you're being self-revelatory or not, but, I mean, are you like an iconoclast, you're kind of against the establishment, that type...

PIERRE OMIDYAR:

01:25:12:00 Well...

BARRY HURD:

01:25:13:00 ..of that did not(?)

PIERRE OMIDYAR:

01:25:14:00 Not so much. I mean, and I only sort of, I was only as, I sort of had, I'd say I was sort of middle of the spectrum here. You know, there are people who are so anti-establishment that they don't learn from the past, right? And I think so, and that's a mistake, I think.

01:25:35:00 And so, you know, what I really tried to do was learn as much as possible from the people that came before me, have respect for at least the

motivations of the people that come before me and people in the establishment. I mean, one of the key things that we did at eBay, which of course won't matter to anybody actually seeing this recording, is that I decided that we should really be proactive and be friends with law enforcement, that actually law enforcement, you know, which is the most establishment thing you can think of, that it was really important for us to be on good terms with law enforcement. Help them help us get rid of the bad guys, that sort of thing.

01:26:10:00

And I think if you were truly anti-establishment to an extreme, you never would've done that. There have been companies in the internet era that have been that kind of anti-establishment. And I think they're, they've been wrong and they've been proven wrong.

BARRY HURD:

01:26:28:00

Have you reached that point where you can sort of figure out what's driving or, what I mean, when

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you're 25 and somebody asks you, you know, you don't know. But as different phases, life stages go by, have you sort of thought about this as you're sitting around? This doesn't happen to a lot of people, what you've been through.

PIERRE OMIDYAR:

01:26:48:00

Well, you know, I mean, for me, I, you know, listen. I mean, I can only speak for myself. But the ability to work with technology, first of all, is just a great thing. I mean, so it's a way to express yourself, to take vision that you have, you know, in your mind, and actually translate it into reality. That's really cool, very, really rewarding creative process.

01:27:13:00

And, you know, you get immediate feedback, like I said earlier, positive or negative. And that really fuels, also, the creative process. That's very cool. But for me, one thing that I've noticed, is that when I identify a need and something innovative..

PIERRE OMIDYAR:

01:27:44:00

Yeah, so I think, you know, when I identify a need and I see a particular innovative way to address that need, I'm actually just driven to go and build that thing. And if I can't build it myself to convince somebody else to go do it. Because I think it's, they're, it's just I mean, I don't know. It's perhaps the way I'm wired, but the gratification of going off and trying something, trying something new that addresses a need that has, you know, a theory about how you're gonna solve that, it's just really cool. And that's the thing that's always driven me.

BARRY HURD:

01:28:20:00

Well, relate that to your Network now, 'cause that sorta leads in, it's nice, I'm gonna go back and I'm not gonna go back fifty years.

(LAUGHTER) Tell me, I mean, did that enterprise, tell me about that, what it's done, what some of the successes are, the challenges, and how that whole social network is putting tools in people's hands. Tell me about that.

PIERRE OMIDYAR:

01:28:36:00

Yeah, so I think when, you know, when I turn my attention to philanthropy, and really, philanthropy really defined in its original sense, which is sort of, you know, a love of humankind and trying to make the world a better place, definitely, I saw the opportunity to try to bring all sectors of society together and solve, you know, big problems.

01:29:00:00

And what I decided to focus on, and what my wife and I decided to focus on was really this notion of empowering individuals and helping individuals make a difference. You know, I saw that happen at eBay. I saw that when you give people the tools they need to be successful by, you're basically creating opportunity for them to make success however they define it.

01:29:24:00

And that is an incredibly powerful thing, not just for them individually but for their families, for their communities, for, you know,

broader societies. So with Omidyar Network, that's what we try to do also. We're trying basically trying to create opportunity by giving people the tools they need to be successful to, you know, pursue their ambitions and so forth.

01:29:44:00

And to do that in a way that's not constrained by the traditional views of philanthropy which have been really this notion of non-profit grant making. You know, the idea traditionally was, you go to the business world, you make a lot of money and then when you're tired of doing that you retire from that and then you start giving it away creating foundations and, you know, whatnot. And that will be your legacy. And I had sort of, I'm too young to be thinking about that path, and so really tried to think about being more active and innovative and creative in the pursuit of philanthropy.

BARRY HURD:

01:30:30:00

And do, are there any little success stories or big ones you can tell us about now in 2008 that...

PIERRE OMIDYAR:

01:30:35:00

Well, I think the big thing right now for us and for the sector is really this field of microfinance. And it is really squarely focused on creating opportunity for individuals, typically very poor women, heads of households in the developing world. And basically the model is really simple.

01:30:56:00

You give them a little bit of capital to create a micro enterprise or to scale a micro enterprise that they're working on. And you're actually lending them (LAUGHTER) sorry, I said you give them, you know, you're actually lending them a little bit of capital. And by holding them accountable for paying that back you are also teaching them basic business skills that they can use in their own micro enterprise, creating economic opportunity. They improve the quality of their lives and then that of their own families and their neighbors and the community in the process.

BARRY HURD:

01:31:31:00 And the feedback?

BARRY HURD:

01:31:35:00 Okay, the feedback again, this is, you're happy with the process? Or...

PIERRE OMIDYAR:

01:31:38:00 Yeah, I mean, so microfinance is really exciting. It's having a lot of impact in terms of lifting people out of poverty, in terms of increasing levels of health among these folks. And it's, what's really great, is that it brings a business approach. These models are typically profitable models. They're not out there seeking to make a profit. But by making a profit, they can sustain themselves and attract more capital to scale.

BARRY HURD:

02:00:32:00 Let me know when we're rolling. And two quick questions and I was enjoying it so much I was ignoring the clock.

BARRY HURD:

02:00:40:00 A question I'm sure you've been asked a lot of times, but it changes throughout your life.

Things that inspired you, people? I mean, we all say our parents. And maybe that's still true. And you're hearing the voice of the parents more than the former. Who were some mentors or inspirational people or friends in your life?

PIERRE OMIDYAR:

02:00:53:00

You know, it's funny. I always have trouble with that question. I always have trouble with that question because I can never identify, you know, key people. I mean, clearly my parents were critical in bringing me up and in shaping my world view and giving me the confidence to think that I could actually do stuff, you know, and actually get it done, you know, translate a vision into reality. That's clear.

02:01:17:00

But most of my inspiration really comes through, I think, a process of synthesis. You know, I talk to as many people as I can and get lots and lots of input about the world, about interesting ideas, about different approaches. And then I think what happens in this brain over here is it

all gets synthesized. I don't necessarily retain the source of any particular nugget of anything. And then I say, "Hey, well why don't we do it this way," or, "How about we take this approach?"

02:01:48:00

And so it's a very hard, it's always been hard for me to give a classic answer like, "Here's a person from history that's really inspired me," or this sorta thing. It just makes for a difficult interview, kinda interviewee relationship.

BARRY HURD:

02:02:01:00

It's an honest answer. I mean, I think we understand that. (LAUGHTER) Now, here, here's the other one. This is like, the big question. This thing's, you know, this interview's gonna last forever. This is not running once on Broadway and going away.

PIERRE OMIDYAR:

02:02:12:00

Oh great, great.

BARRY HURD:

02:02:13:00

So I know you're totally prepared for this

question. What do we wanna say, something, I don't know, I don't wanna say reveal some deep dark secret in your past, but something that we can offer to the future, maybe about innovation, something that we think will be very important and maybe something we haven't. I mean, we all know about the Pez story, which we discovered later. You know, but is there something else like that that you should put on the record now that down the road people are gonna wanna know from you directly?

PIERRE OMIDYAR:

02:02:36:00

A message to the future.

BARRY HURD:

02:02:38:00

Or something that maybe is, nobody's ever asked you. Something we could sort of have as a, to put..

PIERRE OMIDYAR:

02:02:42:00

Oh, in your back pocket to take out when you, yeah, this is, these are not the good stories. Hmmm. Gee. Hmmm. I'm gonna have to think about that for a second.

BARRY HURD:

02:02:55:00 But then just give me just a little bit more on this whole innovation process. We're collecting innovation. And what do you think about that whole process for the future of the world? Are we really at a place that's really gonna drive the world?

PIERRE OMIDYAR:

02:03:05:00 Yeah, I mean, I think, boy...

BARRY HURD:

02:03:10:00 It's a buzz word. But, I mean as much as...

PIERRE OMIDYAR:

02:03:13:00 I mean, well, no. Actually, it's really, it's really important. So, I mean, maybe I'll presume to be, rather than revealing, self-revealing, which I'm generally not that kinda person anyway. I'd, I'll presume to pontificate. (LAUGHTER)

PIERRE OMIDYAR:

02:03:31:00 How about that? And so, I mean, on innovation in general, right? Obviously innovation is really important. It's critical. So, but how it happens is not necessarily obvious. I think

really the important thing is to preserve an environment where individuals or regular people actually, can become inspired to have an impact on the world around them, to have a sense that they can have an impact on the world around them, that they have the power to make a difference and to give them the space to go and experiment, to reward experimentation and risk-taking rather than punish failure. And I think our whole system, if you're, you know, in the future there, trying to develop policy for education, trying to develop, you know, government policy for economic support and, you know, these types of things our whole system has to work together for this.

02:04:35:00

People have to be educated properly. They have to have a sound grounding in, you know, in the sciences, in the stuff that makes our world go. But they have to be embraced as individuals. And that's the part that can be really tricky, especially as this world gets more crowded and as this world gets smaller. Embracing the

individuality of a person and not forcing them to follow a certain path or fit in a certain bucket, that's gonna be a critical challenge as you go into the next generation here, as the world gets smaller. And you know, embracing that individuality. I mean, if I had to pick one thing to just let people remember in the future, is embrace individuality, empower the individual.

* * *END OF AUDIO* * *

* * *END OF TRANSCRIPT* * *