

INTERVIEW WITH SKYPE COO SCOTT DURCHSLAG

You have recently arrived in the Grand Duchy as Chief Operating Officer of Skype. What makes Skype special to you?

I have the privilege of being the Chief Operating Officer for Skype globally and I get to wake up every day thinking about how to create more delightful customer experiences on our consumer, business, and mobile products; market one of the most amazing brands ever created to people in the Americas, EMEA, and Asia-Pacific; and scale up the operations of a very rapidly growing business that needs to attract, develop, and retain exceptional talent, Skype is very special because we touch the lives of nearly half a billion people in nearly every country on the planet by enabling their conversations with family, friends, colleagues, and customers. Every day I hear incredibly moving stories how Skype connected loved ones separated by space and time or companies that could not cost-effectively compete without us. Skype was born with a mission to enable the world's conversations and, if the user has a good internet connection, many of them are now happening with higher quality audio than a landline telephone or high resolution video that is so good it is used on television broadcasts every day. Most importantly, Skype is special because its users and its employees are so passionate about us and each other. This is something we will never take for granted.

Skype's headquarters are now located in Luxembourg. What are, in your opinion, the key advantages of this location?

We could have put Skype's global headquarters anywhere in the world but we chose Luxembourg for three reasons. First, Skype was founded as a European company and Luxembourg lies in the heart of Europe which is also our biggest region in terms of the number of Skype users. Second, the government understands and appreciates the unique needs of a worldwide technology company like Skype which creates an excellent environment that continues to nurture our growth. This includes the laws, policies, regulations, and infrastructure we need but also comprises the accessibility and pragmatism of very capable leadership. Third, Luxembourg is a wonderful place to live and work so our people love raising their families here. Besides me, our top execu-

tives in finance, human resources, communications, and business operations all reside here and we are growing so quickly here we now have to move offices to get enough space.

Ebay acquired Skype in 2005 and has announced that it will sell about 65% to a group of US investors headed by Silver Lake. Will this decision have an influence on Skype's strategic orientation?

Ebay concluded there were not significant synergies between their core business and Skype so our strategic orientation has been independent for some time. Skype's business is on a trajectory to double revenues by 2011 and we will stay focused on delighting our customers while building the world's best communications software company. I believe our new owners will help further accelerate our growth through their capital, relationships, and expertise in newer areas such as Skype for Business.



Scott Durchslag

How do you see Skype's market position as compared to other telecommunications companies?

According to Telegeography, nearly 10% of the world's conversations are with Skype so we are a significant player in telecommunications. We believe the future is about video communications and about software that enables consumers to communicate on any device, on any

network, any time. Skype allows our customers to see and hear their friends and family on their PC, laptop, netbook, mobile phone, PSP, cordless phone—ultimately any consumer electronics device connected to the internet.

You have a most interesting CV: you've traveled through war-torn Yugoslavia as a freelance journalist, scaled Mount Everest, have extensive business experience in Asia. What accomplishment are you most proud of?

Professionally, my best moment was probably becoming a partner of McKinsey & Company only four years after joining the Firm. But I am proudest of marrying my wife Toby and being Dad to our five year old daughter Madison and two year old son Lincoln. They awe and humble me every day in ways that make everything else I have ever done pale in comparison. They make the journey better than reaching any destination.

What should young people who are preparing themselves for their work life be aware of in a globalized world?

First, it is important to develop yourself broadly and not overspecialize too quickly. There will be plenty of time for that, but I believe in a liberal arts education, grounded in reading the great books of our civilization, across the humanities, social sciences, physical sciences, and biological sciences. Once you have a broad foundation that engenders a love of life-long learning, then go deep in a specific discipline, field of knowledge like engineering, or profession like medicine or law. Second, make career choices based on the values, vision, and mentorship of the leadership at the company or institution you are joining. This is far more important than role, title, compensation, or perceived popularity of industry or company and never more so than early in a career. Third, travel early and often as there is no better way to learn about the world and about people than getting as far out of your comfort zone as possible.

I started travelling right out of high school, at every break I could. I knew I had the time but not the money so that forced me into experiencing extreme situations where I had unique opportunities to see people as they really are, without the masks and filters worn in comfortable places. I realized back then I might later have the money to travel more comfortably, but I would never get the time it took to do well. Finally, get the opportunity to live and work in a very different culture. I did it in Asia which was as different from where I grew up outside of Chicago as possible but I can see that I could also have done it here in Europe. I am trying to more deeply connect here in Luxembourg, looking for opportunities like serving on the Board of a Luxembourg

company or getting involved in Am Cham and the International School of Luxembourg.

What do you enjoy doing to unwind from your busy schedule?

I enjoy sailing, hiking in the forest, and travelling around the area on weekends. But nothing rejuvenates me more than spending time with Madison, Lincoln, and Toby.

Mr. Durchslag, we thank you for this interview!

ABOUT... SCOTT DURCHSLAG

As COO, Scott Durchslag is responsible for leading Skype's operations, as well as for overseeing the company's design, products, marketing, payments and customer care activities. He manages Skype's consumer, business, and mobile business units and its Americas, EMEA and Asia-Pacific regions.

Scott brings 20 years of experience working for Fortune 100 technology companies, startups, and professional services organizations. Prior to joining Skype in 2008, he spent five years at Motorola on the management team of its mobile devices business. Most recently, he served as corporate vice president of global product & experience invention. He was also general manager of South Asia and chief strategy officer of the personal communications sector where he architected the turnaround strategy that doubled market share and revenues between 2002 and 2007.

Earlier, Scott was involved in Grand Central, a Silicon Valley enterprise software startup and was one of the early thought leaders on Web services at The Chasm Group. He was also a partner at McKinsey & Company where he served technology clients in the firm's New York and China offices.

He graduated Phi Beta Kappa from the University of Chicago and received his MBA from the Harvard Business School.