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An Assignment On

Microsoft

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Microsoft

⇒ Introduction

In the era of 21 decades, the world has become digitalized day by day. Several innovations have come out in the world. Among them, Technology is one of the major revolutionary innovations. For these Revolutionary innovations, the life of human beings has become hassle-free day by day. And backend of this revolutionary innovation “supply chain management” plays an essential role for the world. The supply chain works from the backend of a company and helps the company with the appropriate production and delivery. All the consumers are included in the process of supply chain management for the components of the production and delivery. From the thousands of ISIC-selected revolutionary innovative companies, I have chosen ‘Microsoft Company’ for this assignment. Microsoft Company is an Information Communication Technology (ICT) based company. For the Logistics of supply chain management, this company also comes out in the marketplace. However, an overview of the company’s activities in the supply chain will also be provided to analyze how these activities accept the companies’ competitive strategy.

For this cause, the logistics of supply chain management by the company will also be assessed by taking innovation from the location of its facilities, inventory, information communication technology, sourcing, and so on. In the end, it can be said that it is the innovative technology-based company evaluated by the logistics of supply chain management with the process of implementation. That’s way, an overall realization of how this supply chain management is significant for Microsoft will be capable for their more innovation for the generation of the human being.

⇒ Background of the company and an overview of its activities.

Microsoft is a multinational computer technology corporation. Microsoft was founded on April 4, 1975, by Bill Gates and Paul Allen in Albuquerque, New Mexico. Its current best-selling products are the Microsoft

Windows operating system; Microsoft Office, a suite of productivity software; Xbox, a line of entertainment of games, music, and video; Bing, a line of search engines; and Microsoft Azure, a cloud services platform.

In 1980, Microsoft formed a partnership with IBM to bundle Microsoft's operating system with IBM computers; with that deal, IBM paid Microsoft a royalty for every sale. In 1985, IBM requested Microsoft to develop a new operating system for their computers called OS/2. Microsoft produced that operating system but also continued to sell their alternative, which proved to be in direct competition with OS/2. Microsoft Windows eventually overshadowed OS/2 in terms of sales. When Microsoft launched several versions of Microsoft Windows in the 1990s, they had captured over 90% market share of the world's personal computers. As of June 30, 2015, Microsoft has global annual revenue of US\$86.83 Billion and 128,076 employees worldwide. It develops, manufactures, licenses, and supports a wide range of software products for computing devices. (Wikipedia, 2016)

Microsoft Corporation is a technology company. The Company develops and supports a range of software products, services, devices, and solutions. The Company's segments include Productivity and Business Processes, Intelligent Cloud, and More Personal Computing. The Company's products include operating systems; cross-device productivity applications; server applications; business solution applications; desktop and server management tools; software development tools; and video games. It also designs, manufactures, and sells devices, including personal computers (PCs), tablets, gaming and entertainment consoles, other intelligent devices, and related accessories. It offers an array of services, including cloud-based solutions that provide customers with software, services, platforms, and content, and it provides solution support and consulting services. It markets and distributes its products and services through original equipment manufacturers, direct, and distributors, and resellers. Last June 24, 2021, Microsoft Launch their windows operating system "Windows 11". (Microsoft, 2021)

⇒ **A critical analysis of the company's values/supply chain and how this supply chain fits the company's competitive strategy.**

Microsoft supply chain analysis is an analytical framework that assists in identifying business activities that can create value and competitive advantage for the business. Figure 1 below illustrates the essence of Microsoft's value chain analysis.

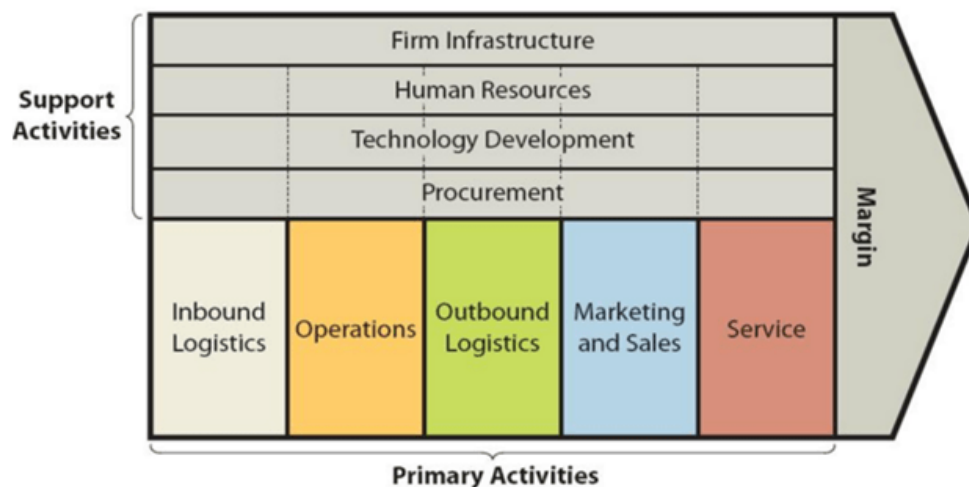


Figure 1: Microsoft supply Chain Analysis.

Microsoft Primary Activities

Microsoft Inbound logistics

Microsoft contracts with multiple suppliers internationally. Accordingly, the company has to maintain highly complicated supply-chain operations without any disruptions. All suppliers must adhere to the Microsoft Supplier Code of Conduct and The Microsoft Supplier Requirements. The main sources of value for Microsoft inbound logistics include the economies of scale, presence of strategic relationships with suppliers, and in-depth knowledge of supply-chain management practices due to selling relevant software i.e. Microsoft Dynamics AX.

Microsoft Operations

Microsoft Corporation business is divided into the following three operating segments:

1. Productivity and Business Processes: This segment comprises Microsoft products and services related to productivity, communication, and information services. The segment comprises a range of devices and platforms such as Office Commercial, Office Consumer LinkedIn, and Dynamics.

2. Intelligent Cloud: This operating segment includes public, private, and hybrid server products and cloud services that can power modern business. Intelligent Cloud segment comprises server products such as SQL Server, Windows Server, Visual Studio, System Center, and related CALs, and Azure, as well as, Enterprise Services, such as Support Services and Microsoft Consulting Services.

Microsoft Outbound Logistics

- a. Distributors and resellers:** Distributors and resellers of Microsoft products and services include retail outlets, such as Wal-Mart, Dixons, and Microsoft retail stores, as well as, license solutions partners (“LSPs”), web agencies, and developers, and others.
- b. Online sales:** Microsoft provides online content services to consumers through Bing, MSN portals and channels, Office 365, Xbox Live, Outlook.com, One Drive, Skype, and Windows Store. An additional range of services delivered by Microsoft online includes an online advertising platform with offerings for advertisers and publishers, as well as Microsoft Developer Network subscription content and updates.
- c. Microsoft Stores.** There are 116 Microsoft stores worldwide: 106 stores in the USA, 8 stores in Canada, 1 store in Australia, and 1

store in Puerto Rico. Similar to Apple Store, in Microsoft stores, customers have an opportunity to use products helpful 'technical advisers' in stores are happy to assist.

Microsoft Marketing and Sales

The brand marketing message is closely associated with the values of effectiveness, efficiency, and convenience in dealing with a wide range of professional and personal tasks. Microsoft uses licensing method to sell its products and services and organizations can choose from the following forms of licensing depending on their size, scope of operations, and resources:

- Enterprise Agreement Licensing
- Microsoft Product and Services Agreement Licensing
- Select Plus Licensing
- Open Licensing

Sales and marketing expenses increased USD2.0 billion or 13% in 2018 compared to the previous year, primarily due to LinkedIn expenses and investments in a commercial sales capacity, offset in part by a decrease in Windows marketing expenses.

Microsoft Service

Service primary activity within the framework of value chain analysis refers to support provided to customers after the sales. Microsoft attempts to maintain the highest level of customer services pre-purchase, during the purchase, and after the purchase. A sophisticated online answer desk offers timely customer services in the areas of account and billing, technical support, setup, and installation support, and buying advice. (Dudovskiy, 2019)

Microsoft Corporation's strategy creates a competitive advantage while enabling the business to maintain a broad market scope. On the other hand, market penetration is used as the main intensive growth strategy to

support Microsoft's growth in a highly competitive global computer hardware and software market.

Microsoft Corporation's strategy for competitive advantage is aligned with the company's intensive strategies for growth. Such alignment optimizes organizational performance, on the other hand, a company's intensive strategies for growth present the approaches used to ensure business growth and development. In this case, Microsoft's intensive growth strategies currently prioritize market penetration. (GREGORY, 2017)

⇒ **An evaluation of the company's global operations in terms of location of its facilities, transportation, inventory, sourcing/outsourcing operations, and information technology, etc.**

The supply chain of Microsoft is influenced by various factors and the company considers these major factors appropriately. The drivers of the overall supply chain of the company in the global operations include facilities, transportation, inventory, sourcing or outsourcing, and information technology. Given the following sections:

Facilities: Microsoft Corporation is a great revolutionary innovation for the world. This corporation ensures better technology for the consumers in the market. The operations of the Microsoft corporation include Bing, MSN portals and channels, Office 365, Xbox Live, Outlook.com, One Drive, Skype, and Windows Store, Visual Studio, MS Word, MS PowerPoint, MS Access, MS Database, MS Excel, etc. The company has production facilities situated in countries like the USA, Brazil, Sweden, Russia, India, Thailand, Australia, China, Iran, Taiwan, and Malaysia, and so on.

Transportation: Microsoft is a technology-based company. For this cause, this company has no transportation costs. Because these companies most of the product is software. And this software has been transporting through the online using internet. Easily, the product of Microsoft company transportable from anywhere in the world using the Internet. For the

success of this company, the transportation system plays an essential role for the Microsoft Corporation.

Inventory: Microsoft Corporation has a Microsoft store for the inventory in the world. And this company has several types of web applications for the inventory to the customers. There have thousands of Web Developers for developing innovative software for the whole world.

Information: Information is necessary for many businesses whether small, medium, or large, and the necessity of the information depends on a variety of uses. For example, in the case of proper planning in the business, senior managers will require information to facilitate this planning. However, middle-level management relies on detailed systems of information to properly control and monitor various activities in the business. The Microsoft Company applies Management Information Systems (MIS) in dealing with the internal affairs of the company. An Office Automation System (OAS) improves the productivity of employees who need to process data and information (Bill 2006). The Microsoft Company deals with several software systems and the use of OAS becomes handy since it enhances employees' productivity. Employees can work from their own homes, as well as other areas at their convenience. Apart from these two systems of information, the other system of information applicable by the Microsoft Company is the use of Decision Support Systems commonly known as DSS? (MAINGI, 2011)

Pricing: Microsoft uses modern pricing techniques. You can add your credit card, debit card, bank account, PayPal account, or mobile phone as a new payment method for your Microsoft account. The payment method will then show up as an option during the checkout step for your next Microsoft Store online purchase. (Microsoft, Add a payment method, 2021)

⇒ **An evaluation of how the company managed the trade-off between efficiency and responsiveness in implementing its global logistics operations.**

As a business leader, you are constantly looking for ways to improve your business. If you are in the technology-based business or distribution business, the Supply Chain is where a majority of your costs are and is also where a majority of your opportunities are and you know it. (Patterson, 2019). Efficiency is a perennial business buzzword. After all, it describes the very best of business practices across the board. Efficient production means making products without wasting materials, natural resources, or man-hours. Efficient advertising means targeted ad campaigns that make the very most of your marketing dollars. And while efficiency may be a well-worn term, the digital age has seen a new buzzword rise to prominence: responsiveness. Responsiveness allows businesses to act and react swiftly to change—both internally and in the marketplace. (aero, 2014)

⇒ **Conclusion**

No doubts that Microsoft Corporation is a great revolutionary innovative international Company. But at the end of this discussion, it can be said that several factors can affect the business of the companies. It is quite difficult to say that companies maintain their relevance in the online market considering the advancement of science and technology. At the end of the day, these types of companies help to digitalized the world and make people's life easy and comfortable, and also hassle-free.

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