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**Qn 1a) Describe Microsoft’s Mission statement.**

Microsoft’s Mission Statement is “to empower every person and every organization on the planet to achieve more.” With more companies adapting to digitalization, Microsoft provides the necessary platforms and tools for businesses to thrive further by being more productive, effective and efficient. For instance, Microsoft has influenced the human outcomes in healthcare and education services through cloud computing and Artificial Intelligence (AI).

**Qn 1b) Microsoft did not explicitly state their Vision statement. Based on the Shareholder Letter, discuss what Microsoft’s vision was for 2020 in your opinion.**

Based on the Shareholder Letter, in my opinion, Microsoft’s vision for 2020 is to provide an indicative direction for organisations to develop towards the future. This is in line with the firm’s mission statement of empowering organisations to achieve more. As a result, Microsoft have been collaborating with their clients and partners to assist them in developing their own digital capabilities through innovation to avoid them being over-reliant on their platforms and tools. Microsoft’s strong commitment in their vision statement enabled them to build trust and widen their partnerships with their existing customers. This allows them to extend the cloud agreements with their customers and continuously improve their technology eco-system for better productivity.

**Qn 1c) Explain Microsoft’s strategic themes. Name the strategic themes and provide a brief description of each of the strategic theme.**

Microsoft’s four strategic themes are namely Technology Breakthrough and its Progress, Trust, Environmental and Social Responsibility and Culture.

By aligning with their mission and vision statement, Microsoft hopes to transform the businesses of their clients through technology infrastructures, data, Artificial Intelligence (AI), business applications, transformation in the workplace and lastly through gaming platforms. Microsoft developed applications such as GitHub and Visual Studio to serve as code-editing tools to assist businesses with their programming languages. As part of cloud storage initiatives, Azure serves as the brainchild of Artificial Intelligence (AI) with unlimited storage space for businesses to store their data. Furthermore, Dynamics 365 and software such as Power BI helps businesses to create an effective workflow system where they are able to receive digital feedback from one device to the other. For businesses to adapt to mobility, Microsoft 365 assists businesses to integrate data across multiple devices. Lastly, with more consumers in the gaming platform, Microsoft utilised their Game Stack software to produce and deliver high-quality gaming experience for consumers.

However, great opportunities comes with great responsibility. In order for Microsoft to empower their customers, they have to earn and sustain their trust by developing successful business models where their clients are not over-reliant solely on Microsoft’s technology. Hence, Microsoft formed up three pillars namely Privacy, Cybersecurity and responsible AI to achieve maximum customer satisfaction with their services and technologies. With Privacy as the main pillar, Microsoft defined their principles clearly by working with the government bodies such as the European Union’s General Data Protection Regulation (GDPR) to ensure that they manage their client’s database responsibly. Furthermore, to ensure that the data is stored safely, Microsoft focused on cybersecurity by offering end-to-end security. Microsoft collaborated with government entities to counter cybersecurity threats and ensure their platforms are safe and secured. Lastly, by building a responsible AI through humanitarian and cultural initiatives, Microsoft hopes to address the ongoing concerns pertaining to the society by targeting on facial recognition technology as all sectors in the industry will have to play a huge role in implementing such complex technology.

In the hopes of fostering a sustainable future apart from the three main pillars imposed, Microsoft worked closely with their Regulatory and Public Policy Committee to tackle challenges on climate change by introducing digital transformations and reducing carbon footprints. As such, Microsoft have worked extensively with government entities and other organisations through their operations and technological investments to promote environmental and corporate social responsibility. One such example involves using renewable energy with zero-waste operations in Microsoft’s datacentres.

Lastly, without having a proper culture in the workplace, Microsoft would not be able to uphold to their mission and vision statements. As a result, Microsoft ensured they prioritize gender and ethnic diversity in their organisation by recognising the importance of physical, emotional and financial well-being of their employees. Hence, by having diverse employees in the workforce, they were able to listen and understand the needs of the customers better before serving them with pride.

**Qn 1d) What are some of the challenges that may be faced in each of the four stages of data visualisation process? Illustrate the answer with respect to the above case.**

Despite the benefits of data visualisation process, they may impose a few challenges to organizations in each of the four stages namely: Data Collection and Storage, Data Pre-processing, Graphics Engine and Human Visual and Cognitive Processing.

Firstly, the procedures taken by Microsoft to cope with the growing data collection by offering comprehensive cloud storage facilities such as Azure Data Factory and Power BI may cause their clients to overlook certain data when planning projects. By having data retrofitted, companies produce non-actionable dashboards and abnormal charts without exploratory analysis. Hence, Microsoft have to ensure that their clients must be knowledgeable and understand that data collection upfront is the key in successfully creating impressive project designs.

Secondly, Microsoft’s attempt to include more features on an existing software such as Power BI, Power Apps and Flow across their power platform may prove to be redundant to certain organisations. As much as they are beneficial in terms of producing an efficient workflow in organisations, the knowledgeable users will prioritize the feature list and limit them to ones they occasionally use to prevent the cognitive load from increasing. Hence, the users will be able to process data and transform them into something understandable in the pre-processing stage.

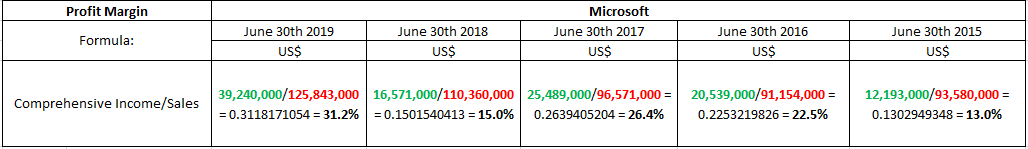
Furthermore, the cool infusion of Artificial Intelligence (AI) across Microsoft 365 to smoothen the workload of companies may drive self-satisfaction of employees over visualisations. No doubt, Workplace Analytics and Microsoft Search helps people work smarter, end users may use their own initiatives to create their own visualization examples. This adjustment may alienate other users and cause havoc on the entire project if not given strict instructions to adhere.

Lastly, Microsoft’s aim to digitalize physical spaces and interactions may impose problems for employees of certain organisations. No doubt, the software such as Microsoft 365, Dynamics 365 and Azure mixed-reality services provides the right information to the end users at the right time; companies neglect the end users when delegating tasks. The failure to utilise the visual dashboards caused problems for users with cognitive ability to interpret and visualise data. Hence, it is advisable for companies to integrate the end users by gathering their perspectives to ensure that it can incorporate into the dashboards.

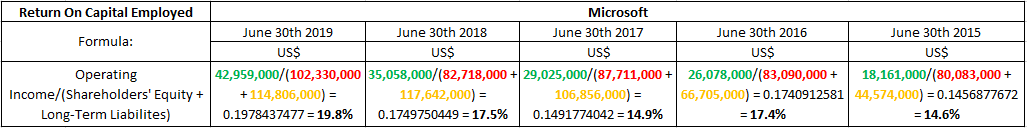
**Qn 1e) Identify at least *two (2)* interesting points from the data in Microsoft’s 2019 Annual Report. For each interesting point you discovered, summarise the data in your report, and explain why you think this point is interesting; discuss whether this point is good or bad to the company, and make recommendations accordingly.**

Based on the major financial highlights listed in Microsoft’s 2019 Annual Report, it is evident that Microsoft’s overall performance has been improving progressively over the past four years. However, as part of the analysis of Microsoft, ratios such as Profit Margin and Return on Capital Employed will be utilised in this scenario to examine how successful Microsoft converts their balances to yield profits. In addition, it also assists them in determining the effectiveness in employing their capital through profit margin for the long-term sustenance of the organization

Firstly, Profit Margin serves as indication if Microsoft actually gains profits or suffers a loss for every dollar of sales. Furthermore, it assist in addressing operational concerns by analysing the changes in performances throughout the 4-year period. The greater the results, the more favourable is it for Microsoft. As shown in the table below, Microsoft has been remarkably generating positive profit margins at an average of US$21.62 for every dollar of sales. Based on Microsoft’s 4-year trend analysis between revenue and profits, they have successfully regulated their expenses with the robust growth of revenue during the stint. This is an interesting point to note as the positive implications of Tax Cuts and Jobs Act (TCJA) caused the revenue in 2019 to increase by two times as compared to the previous year. Despite the stringent changes in the US taxation laws affecting the overall business, Microsoft successfully managed cover their losses and generated higher operating income by transferring certain intangible assets held by their foreign subsidiaries. This overall benefits the business by generating higher profit margin.



Secondly, Return on Capital Employed (ROCE) serves as a performance measure for Microsoft to determine their effectiveness in utilising their capital by aiding with Profit Margin as illustrated above. Similarly, the bigger the results, the more favourable is it for Microsoft. As highlighted in the table below, Microsoft has been spawning positive profits amounting to US$16.84 for every US$1 of capital employed. Furthermore, Microsoft achieved the largest increase in profits per capital employed in 2019 due to the rise in equity attributable to shareholders. This is another interesting point to note as the revised Share Repurchase programme in 2016 by Microsoft’s board of directors, enabled them to repurchase shares of up to US$80million, an increase of US$40million in 2013. Hence, they were able to purchase 150 shares in 2019 with largest being in the second quarter despite retaining their US$11.4million of the 2016 shares. These overall benefits the business by increasing the total shareholder’s equity and generating higher returns on capital employed.



By embracing all the financial ratios above, Microsoft’s positive profit margins and returns predominantly in 2019 proves that the management has to strengthen their customer relationships and continue investing in the expanding markets for their revenues to increase. This aligns with their mission and vision statements of empowering and directing their customers towards a better future. Microsoft hopes with the innovation across the cloud and edge will assist in reviving their revenues comprehensively.