

TOPIC: Strategic Placement

COMMITTEE: Microsoft Board of Directors

CHARACTER: Charles H Noski

Since the beginning of the company in 1975, Microsoft has been striving toward innovation. With foundational releases such as Microsoft Office and Windows 95 that revolutionized personal computing as well as current products that include Windows 10, Office 365, and the DirectX gaming APIs, Microsoft shows it has been and continues to be a dominant player in software and operating system development. Microsoft currently owns over 80% of the operating system market share and continues to see increasing usage of Windows 10. However, this statistic shows a decline in the company's past utter and complete dominance of the market showing at once point over 90%¹. Microsoft in addition to software, is working toward expanding its presence in the hardware market with the introduction of the Microsoft Surface and now the Microsoft Surface Studio. Microsoft is vying to compete with other hardware manufactures such as Apple's iMac, tablets, and artist tools.

As a sitting member of the board since 2003, I have witnessed the past rise of Windows XP and the company's more recent plateau. A key issue within Microsoft has been a lack of focus. In the past decade the company has attempted to break into emerging markets but in the end has failed to make an influential impact on those markets. The company has spread itself too thin, which has been made evident in the fact that Windows phones cannot maintain one percent of the market, its failure to obtain Facebook or hold position in social media, and an inability to capitalize on the burgeoning field of PC gaming.

In order for this company to see any future success, it must hone in on what has been established and be ahead of the curve in innovation. Microsoft earns a majority of its profits from commercial licensing so it is imperative the company strengthen and expand within this field. To do this, Microsoft should invest toward the research and development of Microsoft Office applications and Windows integration to place itself further ahead of competing technologies such as Google Apps. The company in addition to improving its business grade software, should also improve cloud applications. Microsoft is ahead of the competition in this field, providing advanced APIs and services capable of advanced data processing, and facial recognition. Both of these technologies should not only be researched heavily, but also marketed to businesses. This marketing would include sending representatives from the company to businesses to demo products to large and even small businesses across the globe. Also, a demo version of Office 365 could be made available to businesses in order for them to experiment with the applications.

Microsoft should also cut areas which lack the potential for future growth and profitability. As shown, in the past five years, Windows phone has failed in its attempts to compete with other mobile operating systems such as iOS and Android. This division is not making significant progress and can officially be viewed as shut out of the market. Microsoft cannot compete within an already established ecosystem that heavily relies on interconnectivity of devices. Money should instead be directed toward a recent field such as artificial intelligence or virtual reality as these show potential in both consumer and business fields.

¹ <https://www.statista.com/statistics/218089/global-market-share-of-windows-7/>