**Position Paper for Microsoft’s Board of Directors**

**The topics to be discussed:**

1. **Strategic Placement**
2. **Microsoft’s Commitment to the Mobile Space**
3. **LinkedIn Acquisition**

**Strategic placement:**

Microsoft is a large and complex organization. It used to be strongly focused on software hence the name Microsoft. But since its origins of solely creating operating systems, it has branched out to become a large and diverse company with many channels of revenue. Being a tech giant, it can’t afford to not stay on top of it’s software, needing to be relevant to its consumers in the changing world of software. However, the area in which it would stand to benefit most by improving, is its hardware division. This includes both the Surface and the line of Windows phones made by the acquired Nokia brand.

Microsoft should focus its efforts into the creation of high quality hardware to be sold under the Microsoft brand, both for Windows phone, and Surface devices. The hardware side of business is incredibly profitable, especially when you have the ability to create the software that ships with it. As a global corporation, we have access to many facilities to create state of the art products. And our intellectual properties and large R&D department allows us to create impressive and efficient software designed for our devices.

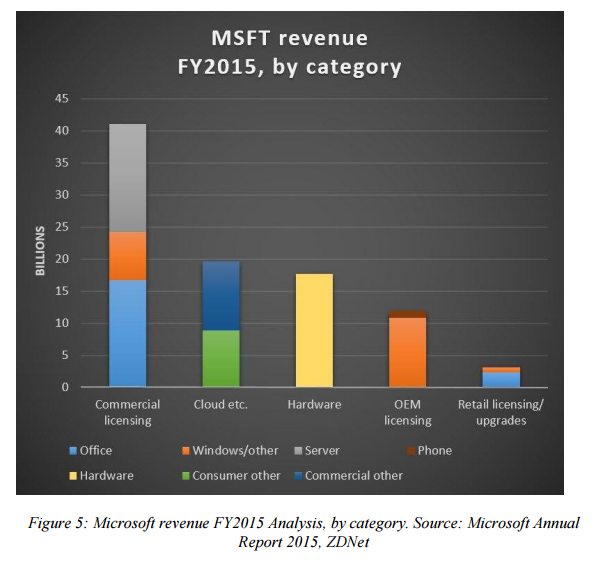
The enterprise side is not something which Microsoft needs to focus their efforts on. The enterprise side of software isn’t as profitable anymore. The changing professional workplace decreases the necessity for software which once was able to solely keep the company the largest in the tech field. As operating systems become less important, and tools are adapted to work on multiple platforms, the need of microsoft’s software by enterprise decreases. For example, chrome os. The operating system is based around the browser, but still remains very viable to both businesses and regular consumers.

Those who do require Office and Windows software for their work, are unlikely to switch to a competitors, and this seems to be a relatively stable market, due to long term contracts and the lack of competition.

The shift in necessity, and the change in what is necessary for students and professionals to do work, is resulting in less of a need for Microsoft’s software, especially of the Office brand. So for microsoft to be profitable, and not only stop the decline in revenue, it is necessary to open up and expanding upon a more untapped revenue stream. The enterprise side is a stable and slowly changing source of revenue for Microsoft. For us to improve our revenue, we will have to focus on and improve our software for customers. Whether we will be able to keep enterprise business is not the result of the quality of our Office software, and rather to do with the changes in the industry. It is not something that we can or should put our time towards finding a solution to during this meeting.

The point is that microsoft’s best bet of capturing the enterprise side of business is by working on tools which benefit the average consumer. As the professionals with less strict standards are just looking for the best and cheapest tools available, as they are not as bound by enterprises to standardize.

Microsoft’s decline in windows 10 licensing is inevitable. The decrease in the sales from enterprise businesses, as well as the changing need for operating systems will hinder the window’s 10 sales.

Although Microsoft Windows has a large app gap when it comes to the productivity software available on the only competition available, Windows 10 sales shouldn’t have been expected or assumed. The majority of the revenue from windows licensing is from OEM’s  And as pc sales are declining, it is impossible for us to make the same amount of revenue, considering just how commonplace windows already is (CNBC, 2016).

As Windows 10 is free for an upgrade from windows 7, we don’t receive revenue from the customer base who updates their windows versions anymore.

As technology gets better and better, the need to update every year isn't as great as it was years ago. This isn’t necessarily a fault of Microsoft’s, it just means that we have to keep updating our tools, and especially focusing on our hardware, if we want to recapture our dominance in the world of tech.

Windows 10 had a very strong and visible transition into the consumer market, which is good, as enterprise changes. But we have to realize that the income won’t be quite the same. When it is individuals purchasing their own products, they are less concerned with being up to date, and more concerned with it being functional and cheap. As such, commercial licensing is shrinking as the industry requires to buy computers less. And the oem side is shrinking as the need to update and be on the cutting edge is not as necessary for many careers, due to the relative capability of computers for most people’s needs now.

We can't apply this philosophy of having a monopoly over software to our phones. We need to implement a wider range of microsoft laptops. A range of devices for every users. Let’s take a cue from apple and find ways to supplement our revenue by selling hardware. The surface lineup has been successful (MSPoweruser, 2016), and a wider implementation of hardware might be all that is needed to make up for our lost licensing and software revenue.

**Commitment to the mobile space:**

Even with unending competition from IOS and android, Windows mobile does have a future. The app gap and the change that Windows Mobile is undergoing are the most damning features that have reflected in our sales (Statista, n.d) (Windows Central, 2014)

The incompleteness of the platform and the promise of change have lead to many people sticking with the trusted Android or IOS operating system. For Microsoft to have any legitimacy within the mobile world, it’s mobile os will have to be fixed. The bugs have to be worked out, and users have to be promised with something more than a OS which has potential to be fixed in the future if microsoft decide to. And they need to be sure that whatever new OS becomes available, will be accessible to upgrade from their old version.  
Getting that obvious stuff out of the way. Other than, the most important thing we can do to bring Windows mobile OS back to being relevant, is with the features that only microsoft and its other services can offer. The most important of which is the implementation of is   
“continuum” and “onecore” software.   
 A phone is a productivity tool that most people don't realize. It is not used as such, because the fundamental way in which Android and IOS are structured result in the OS seeming very sandboxed, and lacking in productivity tools. Most developers don't design productivity tools for mobile platforms, and things like IDE’s and other software don’t have mobile implementations. People have their phones on them all the time. It’s not like a laptop, where if you want to use it in the future, you have to carry it around with you the entire day, in a potentially inconvenient way. Phones are mobile. They’re able to fit in our pockets. So for us to be able to use them in the ways that we use laptops, with the tools needed to do work and all, we need them. Continuum software is the most important implementation for windows phone’s future. To be able to bridge the gap between mobile and pc is what’ve always been trying to do with our hardware. And now with processors in phones that would surpass those from pc’s 5 years ago, and now that we have the same kernel for both windows os and PC due to OneCore (Windows Central, 2014) We are finally capable of allowing for equal implementation of apps on mobile and PC.

The uses of a Phone and a computer are fundamentally different. And microsoft is trying to bridge that gap. The only chance that microsoft has to compete in the already established market of mobile OS’s is with its “continuum” software. We have already achieved “OneCore” allowing for the programming for multiple devices. It is necessary to leverage the ability for our mobile devices to communicate with and interact easily with windows, in order to break into the mobile market which we are already so behind in With windows continuum, the focus would shift to productivity, software which IOS and Android currently do not have a strong focus on. And with that, the tools of the industry, and the tools that any average person would need would be on the windows platform. Because in actuality, the bare needs of a phone are really just the ability to call. The rest is the ways in which the phone can function as a computer away from a computer, to allow you to research or get work done, no matter where you are. And this normally works for most people who only need the functionality of calling , or emailing on the go. But to capture a wider market which android has neglected, would be by allowing them to resume the productivity no matter where they are. With WIndows continuum and the shift to cloud storage and cloud computing, developers would be able to design for these people to continue app development, or programming, or what have you on the go.

Unfortunately, cellphones can’t be sold to enterprises like we can our software. With Microsoft’s monopoly over select software, the companies are in need of it to be on the cutting edge, however, cellphones aren't as monopolized by Microsoft. In fact, most of the software which people need smartphones for is only available on Android or IOS. And there really is no expectation for Windows phone to support the needed applications.

To have mobile software worthwhile for corporations, we need mobile software worthwhile for consumers.

We offer features. And things that other companies can't. Features that may seem irrelevant, like screen sharing, ability to access files and use the desktop from the phone and vice versa. Windows Continuum. Full microsoft office on smartphone.   
All features that anyone with any interest in business or productivity will want, and no doubt need. These are the features that we need to implement into our mobile OS, and to implement microsoft made tools to use.

Windows as a platform cannot stay relevant for long unless it is usable on mobile.

Despite microSOFT’s name. Brett Ostrum sees microsoft as both a hardware and software company. The hardware is an essential part needed to highlight the software.

**LinkedIn Aquisition:**

Linkedin can most easily synergize with the business organization tools available. Linkedin has no relevance or potential for relevance with average customer. By forcing the implementation of LinkedIn into an existing service, we risk alienating or inconveniencing our customers. The synergy is to help and improve both our services, not to improve one at the cost of another, and risking alienating our customers.

A way LinkedIn can help enterprise businesses is through its implementation and synergy with the Microsoft Dynamics ERP (Microsoft, N.D ). I would recommend that to implement LinkedIn into any office software could be seen as intrusive, and an unnecessary change that won't add value to either platform, and will risk ruining our reputation with our stable base of enterprise consumers.  
  
 Being forced to use LinkedIn because of Microsoft’s possibly regrettable acquisition of it. I would have to recommend synergizing it with Microsoft Dynamic ERP tools, or with microsoft Outlook. As a tool to better get in contact with and have relationships with potential employers and employees over email, in a platform that will simplify the ways which people communicate.

Using it as a tool to accompany email relations is probably the most helpful and relevant way for it to be used. Although it would have to be a very optional sort of implementation, to avoid ostracizing our current enterprise and user base.

I don’t think much retaliation by other companies will come as a result of the implementation of LinkedIn in either Outlook or Dynamic ERP. But the most likely is from Alphabet. They already have a strong and popular email client, and the implementation of their own tools for judging employers and employees skills while being able to communicate, may be their direct response to implementing this plan. But it is not something we should be warned about. To miss this opportunity, we would risk allowing them to implement LinkedIn like tools on email before we do, which would be much more of a problem than if they implement it in response to us.

Citations

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