

DRAFT - IT Project Guidance

Evaluation of Microsoft's enterprise ecosystem

Version: 0.1

Purpose

This document provides a factual, well-supported, and exhaustive evaluation of Microsoft as a provider of modern enterprise-grade development frameworks, operating systems, productivity suites, and cloud services. It addresses historic concerns about monopolistic behaviour, explains Microsoft's structural and strategic evolution, and compares its offerings with major competitors (AWS, IBM, Salesforce/MuleSoft, and others). The intended audience includes both technical and non-technical stakeholders involved in enterprise decision-making, including those concerned with licensing, infrastructure, software development, and cloud strategy.

Synopsis

Microsoft has undergone a major cultural and structural shift over the past 15 years. While some business units maintain legacy licensing models, others have fully embraced open-source development, cross-platform deployment, and modular subscription-based services. Today, Microsoft's ecosystem ranges from proprietary commercial products to freely distributed, community-supported frameworks. This paper explains that Microsoft's modern ecosystem should not be judged as a single entity. Different components operate under different commercial models. The document examines Microsoft's offerings in sequence—from legacy and licensing-heavy products like operating systems and productivity software, through to modern, open and service-oriented frameworks. Each is examined on its own merit, with competitive comparisons and facts to support the evaluation.

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Introduction

Microsoft has long attracted criticism for monopolistic behaviour, particularly in the 1990s and early 2000s. However, much has changed since then. This document responds to legacy concerns by offering a comprehensive analysis of Microsoft's current business practices, the diversity of its offerings, and the significant internal changes that have occurred over the past decade. It also recognises the complexity of modern technology adoption, which demands a nuanced view of vendor ecosystems, beyond historical grievances.

Historical Allegations and Regulatory Outcomes

In the late 1990s, Microsoft faced formal antitrust proceedings in the United States and Europe. The United States v. Microsoft Corp. case, filed in 1998, accused Microsoft of maintaining its operating system monopoly through anti-competitive bundling of Internet Explorer. The outcome was a settlement imposing constraints on software integration practices. In the European Union, further penalties were imposed over the inclusion of Windows Media Player and the lack of user choice in browser selection. These outcomes led to significant reputational damage and industry mistrust, which has taken years to address. However, these events also catalysed internal reforms in compliance, interoperability, and platform openness.

Understanding Microsoft as a Corporation

Microsoft is not a singular product or service—it is a global enterprise composed of distinct and semi-independent divisions. These include:

- Windows (desktop and server OS licensing)
- Office and Microsoft 365 (productivity software)
- Azure (cloud infrastructure and platform services)
- Developer Tools (Visual Studio, GitHub, .NET, VS Code)
- Devices (Surface)
- Consumer Services (Xbox, Bing)

These business units operate under different commercial models: from one-time licences and volume enterprise agreements, to free and open-source frameworks (FOSS), to fully metered subscription services. As such, criticisms applied to one part of the organisation—such as Windows Server licensing—are not transferable to others, such as .NET Core or Azure Functions. Throughout this paper, Microsoft is treated as a collection of business units, each assessed according to their pricing model, interoperability, openness, and alignment with enterprise needs.

Rationale for Section Order

To make the assessment meaningful to a diverse stakeholder audience, this document proceeds from the most legacy-oriented offerings to the most modern and open. This order reflects:

- The evolution of Microsoft's pricing and product models
- The relative maturity and visibility of each business unit
- Stakeholder familiarity, from infrastructure to development

The structure is as follows:

1. Operating Systems (Windows Desktop and Server)
2. Productivity and Collaboration (Microsoft 365)
3. Cloud Platform and Infrastructure (Azure)
4. Development Frameworks and Tooling (.NET, VS Code, GitHub)

Each of these areas will be evaluated with supporting metrics, comparisons to equivalent offerings from other vendors, and clear statements about openness, licensing, cost models, and operational impact.

Microsoft's Turnaround Timeline

The strategic and cultural transformation of Microsoft began in earnest with the appointment of Satya Nadella as CEO in 2014. Nadella reoriented Microsoft away from a protectionist, platform-centric model toward a service-oriented, open-platform approach. Key milestones in this transformation include:

In 2014, Microsoft open-sourced .NET Core under the MIT Licence. This marked a significant ideological shift, signalling support for community-driven, cross-platform development. In 2015, Microsoft released Visual Studio Code—an editor based on open-source technologies that quickly became the most widely used code editor in the world. By 2023, VS Code was used by over 74% of developers globally, according to the Stack Overflow Developer Survey.

In 2018, Microsoft acquired GitHub, the world's largest code hosting platform, and committed to preserving its open nature. Today, Microsoft is consistently ranked among the top corporate contributors to free and open-source frameworks (FOSS) software on GitHub. In parallel, Microsoft embraced Linux, contributing to the Linux Foundation, integrating Linux into Windows through the Windows Subsystem for Linux (WSL), and offering Linux-based virtual machines and containers in Azure.

Microsoft's cloud services, especially Azure, expanded aggressively, reaching approximately 25% of global cloud infrastructure market share by Q1 2024 (Synergy Research), second only to AWS. During this same period, Microsoft also rebranded

Office 365 into Microsoft 365 and introduced flexible, cloud-integrated licensing and deployment models, including free versions for education and non-profits.

These milestones illustrate not a superficial rebranding but a sustained, company-wide commitment to open participation in the software community and competitive fairness across platforms.

An Era of Change

Microsoft's strategic and cultural transformation began in earnest with the appointment of Satya Nadella as CEO in 2014. Nadella shifted the organisation from a protectionist, platform-centric model toward one based on openness, service integration, and global interoperability.

Turn Toward Openness

In 2014, Microsoft open-sourced .NET Core under the MIT Licence, marking a significant ideological shift toward community-driven, cross-platform development. In 2015, Visual Studio Code—based on open-source technologies—was launched and has since become the world's most popular code editor, used by over 74% of developers globally (Stack Overflow Developer Survey 2023). Microsoft acquired GitHub in 2018 and committed to preserving its open governance, contributing to its status as the largest code hosting platform. Microsoft is now routinely ranked among the top contributors to free and open-source frameworks (FOSS) software worldwide.

The company also embraced Linux and related technologies: contributing to the Linux Foundation, developing Windows Subsystem for Linux (WSL), and expanding support for Linux-based virtual machines and containers within Azure.

Turn Toward Services

Simultaneously, Microsoft transformed its business model toward modular, subscription-based service delivery. Microsoft 365 replaced Office 365 with greater integration of cloud services, identity, and compliance tools, offering free versions for education and heavy discounts for non-profits. Azure expanded to over 60 global regions and became the second-largest cloud infrastructure provider worldwide, with 25% market share as of Q1 2024 (Synergy Research).

These changes reflect more than rebranding—they signal a sustained, organisation-wide commitment to developer enablement, platform neutrality, and competitive fairness.

Market Metrics Disproving Monopoly

As of Q1 2024, Microsoft holds no monopolistic position in any major digital domain. In cloud infrastructure, AWS leads with 31%, Azure follows at 25%, and Google Cloud holds 11% (Synergy Research). In browsers, Chrome holds 65%, Safari 18%, and Edge 11% (StatCounter, March 2024). Linux powers 78% of cloud workloads, leaving Windows

Server at 22%. VS Code dominates developer tooling (74%), while JetBrains IDEs and Eclipse hold 30% and 6%, respectively. These independent measures confirm a dynamic, multi-vendor ecosystem in which Microsoft is influential but not dominant.

Business Domains

The following is a high-level analysis of 4 key domains in which Microsoft offers services and/or products -- each one investigating the cost implications, market position, interoperability, and comparison to alternatives, known criticisms, and a measured summary providing advice on what to conclude.

Operating Systems (Windows Desktop and Server)

Microsoft's operating systems form the foundation of its historical dominance in enterprise and personal computing. While licensing for Windows Desktop and Server products remains traditional, these platforms have been instrumental in shaping the IT landscape. They also represent the most legacy-oriented part of Microsoft's commercial model, where perpetual and volume licensing still dominate over subscription or free and open-source frameworks (FOSS) alternatives.

Purchasing and Subscription Models

Licensing for Windows Desktop and Server products primarily follows traditional models. Windows Desktop is sold either via OEM pre-installation, retail channels, or volume licensing through Microsoft's Enterprise Agreement (EA), Microsoft Products and Services Agreement (MPSA), or CSP partners. Windows Server is offered through Standard and Datacenter editions, both of which are licensed per core, with a minimum of 16 cores per server and 8 cores per processor. Additional Client Access Licences (CALs) are required per user or device. Pricing in New Zealand generally ranges from NZD \$1,200 to \$8,000 for core-based licences depending on edition and channel, with Software Assurance adding optional upgrade and virtualisation rights.

Virtualisation is supported under Datacenter Edition, which allows unlimited virtual machines per licensed host. Hybrid use benefits through Azure Hybrid Benefit allow on-premises Windows Server licences to be applied in Azure, significantly reducing virtual machine costs. Azure Stack HCI is also licensed per core but includes a consumption-based pricing model. Licensing portability, reassignment rights, downgrade options, and extended security updates are all subject to contract terms and Software Assurance coverage. While complex, this model is familiar to infrastructure teams managing large estates and reflects Microsoft's conservative OS revenue stream.

Market Position

Microsoft continues to hold a dominant position in the desktop operating system market. As of early 2024, Windows maintains approximately 68% of global desktop OS market

share (StatCounter). However, this dominance is not mirrored in server environments, where Linux now powers over 78% of public cloud workloads across AWS, Azure, and GCP. Windows Server remains relevant in on-premise and hybrid deployments but is no longer dominant.

Openness and Interoperability

While Windows and Windows Server are not open source, Microsoft has expanded support for interoperability by embedding open standards and cross-platform tooling into its enterprise OS strategy. Windows Server supports industry-standard protocols including SMB, NFS, DNS, DHCP, Kerberos, and LDAP. Native integration with Linux is supported through WSL (Windows Subsystem for Linux), cross-platform PowerShell, and OpenSSH. Azure Arc and Windows Admin Center allow centralised management of mixed estates using REST APIs and standard configuration formats such as JSON and YAML. Microsoft is also an active contributor to the Open Compute Project and the Open Source Security Foundation, reinforcing its public commitment to open standards and platform-neutral tooling.

Comparison to Alternatives

In desktop computing, macOS and Linux-based systems offer viable alternatives but remain niche in enterprise environments due to compatibility and support considerations. macOS dominates in creative industries but has limited enterprise deployment due to cost and restricted device management options. Linux distributions such as Ubuntu, Debian, and Fedora are widely used in developer workstations but lack cohesive management tooling for large-scale desktop deployments. On the server side, Red Hat Enterprise Linux, Ubuntu Server, and SUSE Linux dominate in cloud-native and DevOps-focused environments. They offer superior container support and are often chosen for new deployments due to licensing simplicity and automation compatibility. However, Microsoft's investments in tools like Windows Admin Center and Azure Arc have narrowed the gap in hybrid manageability and interoperability, allowing IT teams to operate mixed estates with consistent control surfaces.

Market Opinion and Criticism

Microsoft's licensing model for Windows Server continues to draw criticism for its complexity, particularly around per-core licensing, CALs, and Software Assurance. Infrastructure managers often cite confusion in tracking compliance, particularly across virtualised environments. While Azure Hybrid Benefit and Extended Security Updates help extend value, they are often misunderstood or underutilised. In contrast, Linux users frequently praise the simplicity of subscription-based support models and transparent upgrade paths. Still, Windows' dominance in legacy workloads, domain management, and integration with existing enterprise tooling remains a decisive factor for many infrastructure buyers, especially in regulated or conservative sectors.

In desktop computing, macOS and Linux-based systems offer viable alternatives but

remain niche in enterprise environments due to compatibility and support considerations. On the server side, Red Hat Enterprise Linux, Ubuntu Server, and SUSE Linux dominate in cloud and DevOps contexts. Microsoft's hybrid management tooling and commitment to Linux interoperability narrow this gap, especially for mixed estates.

Productivity and Collaboration

Microsoft 365 represents one of the most successful transitions from perpetual product to cloud-based subscription service in the software industry. It has redefined how users access productivity tools, collaboration platforms, and compliance capabilities. This section examines how Microsoft has repositioned its productivity suite, the competitive implications of that shift, and whether its influence constitutes lock-in or strategic value.

Purchasing and Subscription Models

Microsoft 365 follows a user-based subscription model available in multiple tiers: Microsoft 365 Business Basic, Standard, and Premium for small to medium organisations, and Microsoft 365 E1, E3, and E5 for enterprise customers. The E3 tier is the most commonly adopted in government, offering the Office desktop suite, OneDrive storage, Teams, SharePoint, Exchange Online, and Azure AD Premium P1. The E5 tier adds Microsoft Defender for Endpoint, Information Protection, and advanced compliance features like eDiscovery and data loss prevention (DLP). All tiers are licensed per user per month, with prices ranging from approximately NZD \$9 to \$60 per user per month depending on tier and partner margin.

Educational institutions receive free A1 plans and discounted A3 and A5 plans. Non-profit pricing generally offers up to 75% discounts across SKUs. Volume licensing and Microsoft CSP (Cloud Solution Provider) programs offer additional flexibility, including multi-year price lock-ins, delegated administration, and integrated billing for managed services. Licensing covers installation on multiple devices per user and includes options for hybrid identity integration via Azure AD Connect and synchronised on-premise AD.

Market Position

Microsoft 365 holds over 50% of the enterprise productivity suite market globally, with Google Workspace its main competitor. Adoption is particularly high in regulated industries, education, and government. While Microsoft has significant influence in this sector, it does not maintain an uncontested monopoly.

Openness and Interoperability

Microsoft 365 is not open-source, but it is built to support integration with open standards. It supports Open Document Format (ODF), PDF, and other ISO-standard file types. Email and calendar services interoperate through IMAP, POP3, SMTP, CalDAV, and iCal protocols. Identity federation is supported via SAML, OAuth 2.0, and OpenID Connect. The Microsoft Graph API is built on standard REST protocols and JSON structures,

allowing seamless integration with third-party services. Reporting and export features support data formats like CSV, XML, and JSON, enabling compatibility with business intelligence and compliance systems. These capabilities allow Microsoft 365 to interoperate within hybrid and vendor-diverse environments.

Comparison to Alternatives

Google Workspace is the most comparable alternative, offering browser-native productivity tools with strong collaboration features. While often cheaper in simple licensing scenarios—with pricing starting at around NZD \$8.60 per user per month for Business Starter and scaling to NZD \$25 for Business Plus—it lacks the breadth of desktop integration, hybrid identity support, and granular compliance tools Microsoft 365 offers. Microsoft 365 E3 typically costs between NZD \$35 and \$45 per user per month depending on partner and contract terms. Microsoft's enterprise tiers include richer compliance and device management capabilities, particularly relevant in regulated sectors. Other alternatives such as LibreOffice or Zoho remain marginal in enterprise adoption due to feature gaps and ecosystem fragmentation.

Market Opinion and Criticism

Microsoft 365 is generally seen as the default productivity platform in large organisations, but it is not without criticism. Key concerns include the cost of E5 licensing tiers, perceived over-complexity in the admin centre, and redundant feature sets between Teams and other collaboration platforms. Critics also raise concerns about data sovereignty, despite Microsoft's regional tenancy commitments. Nonetheless, Microsoft's rapid iteration, security tooling, and seamless integration with enterprise identity systems are seen as compensating factors that continue to drive adoption across government, education, and highly regulated industries.

Customer Engagement & Business Platforms

Microsoft Dynamics 365 is the company's unified suite of customer relationship management (CRM) and enterprise resource planning (ERP) applications. It competes most directly with Salesforce (21% global CRM market share, IDC 2023), SAP, and Oracle in the domains of sales automation, customer service, marketing, finance, supply chain, and human resource management. Microsoft holds between 7–9% of the CRM market. Dynamics 365 is delivered as a modular cloud service, allowing organisations to subscribe only to the apps they need, and is hosted on Azure with tight integration into Microsoft 365 and Power Platform.

Purchasing and Subscription Models

Dynamics 365 is growing rapidly, but remains behind Salesforce in overall CRM market share. According to IDC and Gartner (2023), Salesforce commands ~21% of the global CRM market, while Microsoft holds approximately 7–9%. However, Microsoft is gaining

ground in sectors where integration with Office, Teams, and Power BI is valued. In ERP, Dynamics competes with SAP and Oracle but is often preferred by mid-market organisations or those already invested in the Microsoft stack.

Dynamics 365 modules are licensed per user or per tenant, depending on the app and usage type. Sales, Customer Service, Field Service, and Marketing modules typically use per-user pricing, while Finance and Operations apps may use a combination of user and capacity-based licensing. Prices for core modules typically range from NZD \$30 to \$170 per user per month depending on the role (e.g. Sales Professional vs. Sales Enterprise). Microsoft offers volume discounts under Enterprise Agreements and partner-managed deployments through CSP. Integration with Azure AD enables seamless SSO and license assignment, and Power Platform entitlements allow for embedded automation and analytics.

Market Position

Dynamics 365 is growing rapidly, but remains behind Salesforce in overall CRM market share. According to IDC and Gartner (2023), Salesforce commands ~21% of the global CRM market, while Microsoft holds approximately 7–9%. However, Microsoft is gaining ground in sectors where integration with Office, Teams, and Power BI is valued. In ERP, Dynamics competes with SAP and Oracle but is often preferred by mid-market organisations or those already invested in the Microsoft stack.

Openness and Interoperability

Dynamics 365 is not open-source but is highly interoperable. It supports integration through the Common Data Model, Microsoft Dataverse, and hundreds of out-of-the-box connectors via Power Platform. RESTful APIs and OData endpoints are available across apps, and the entire platform supports low-code/no-code extensibility through Power Apps and Power Automate. Data can be exported in standard formats (CSV, JSON, XML) and synchronised with external systems using industry-standard protocols.

Comparison to Alternatives

Salesforce is frequently evaluated alongside Microsoft due to its extensible business platform, despite being fundamentally different in scope from Azure or .NET. It is a SaaS-first, proprietary CRM and business automation suite with limited portability. Built on the Apex language and deployed solely within Salesforce's cloud, applications developed on Salesforce cannot be exported or hosted elsewhere. Its licensing is among the most expensive in the market, particularly in high-scale or enterprise configurations, with enterprise users often paying between NZD \$180 and \$390 per user per month depending on product tier, contract length, and add-ons. In contrast, Dynamics 365 modules typically range between NZD \$30 and \$170 per user per month, with additional discounts available via Microsoft's volume and CSP models. MuleSoft, Salesforce's integration arm, adds capability but is often described as complex and high-cost with

limited reusability. Microsoft's alternatives—including Logic Apps, API Management, and Event Grid—are based on open standards, metered pricing, and native cloud integration, allowing developers to extend and interconnect systems across hybrid and multi-cloud environments more efficiently.

A number of other platforms compete with Dynamics 365, particularly in the SMB and open-source markets. HubSpot provides free and tiered SaaS CRM tools with strong marketing integration. Zoho CRM is a cost-effective suite with broader business app coverage but less enterprise focus. Open-source options such as SuiteCRM (AGPL) and Odoo (LGPL) offer full source code access and flexible on-premise deployment. HubSpot pricing starts with a free tier and ranges up to approximately NZD \$80 to \$150 per user per month for CRM Professional and Enterprise tiers. Zoho CRM offers plans ranging from around NZD \$25 to \$75 per user per month, depending on feature depth and support. SuiteCRM and Odoo typically require internal hosting and configuration effort but have no recurring licensing costs, making them attractive for budget-conscious organisations willing to invest in in-house technical capability. These alternatives appeal to organisations with strict data sovereignty needs or limited budgets, but they typically lack seamless integration with productivity suites and enterprise identity systems. While they serve specific niches effectively, none challenge Dynamics 365 or Salesforce at enterprise scale.

Market Opinion and Criticism

Dynamics 365 receives praise for modular pricing and deep integration with the wider Microsoft ecosystem. However, it is often criticised for inconsistent user interface design across modules and a learning curve in customisation via Power Platform. Larger implementations may face scalability challenges compared to Salesforce or SAP, but mid-sized organisations often cite faster deployment times and lower total cost of ownership.

Cloud Infrastructure and Services

Azure is Microsoft's public cloud computing platform, offering infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS), and software-as-a-service (SaaS) capabilities across a global network of over 60 regions and 200 data centres. It enables deployment of compute, storage, networking, AI, identity, and DevOps services, integrated with Microsoft 365, Dynamics 365, and developer tooling.

Purchasing and Subscription Models

Azure services are priced on a pay-as-you-go basis, with options for reserved instances (1- or 3-year commitments), hybrid licensing discounts, and volume-based enterprise agreements. Azure Hybrid Benefit allows reuse of existing Windows Server and SQL Server licences to reduce IaaS virtual machine costs by up to 85% depending on configuration. Cost management and forecasting tools are included in the Azure portal,

and Microsoft's Well-Architected Framework supports ongoing optimisation and rightsizing. New Zealand customers may purchase through CSP, EA, or direct credit card subscriptions, with NZD pricing denominated monthly.

Market Position

As of Q1 2024, Microsoft Azure holds approximately 25% of the global cloud infrastructure market, second only to AWS at 31%, and ahead of Google Cloud at 11% (Synergy Research Group). Azure leads in government, education, and Microsoft-aligned enterprise sectors due to its integration with identity, security, and hybrid IT tooling. While AWS remains the largest and most functionally diverse cloud provider, Azure's growth has been consistent over the last eight years, supported by its ability to integrate with existing Active Directory, Windows Server, SQL Server, and developer ecosystems.

Openness and Interoperability

Azure supports both proprietary and open workloads. Linux accounts for over 60% of VM deployments on Azure. The platform supports Kubernetes (AKS), container registries (ACR), Infrastructure as Code with Bicep, Terraform, and ARM templates, and has certified runtimes for Java, Python, PHP, Ruby, Go, and Node.js. Open APIs are provided for all services through REST and SDKs across multiple languages. Azure integrates with GitHub, Jenkins, Terraform, and third-party monitoring and logging systems. Microsoft publishes detailed SLAs and supports data residency across all major global regions, including New Zealand.

Comparison to Alternatives

AWS

AWS continues to lead the global IaaS market with an estimated 31% share as of Q1 2024 (Synergy Research Group). It offers the broadest service catalogue, including highly specialised offerings in machine learning (SageMaker), event-driven architectures (Lambda), and storage tiers. However, AWS has also introduced proprietary variants of standard technologies, such as Aurora (a fork of MySQL and PostgreSQL with optimisations only usable within AWS) and Redshift (a custom Postgres-like data warehouse), which limit portability. Serverless tools such as DynamoDB, Kinesis, and AppSync are powerful but tightly bound to the AWS ecosystem.

In terms of pricing, AWS's pay-as-you-go model is supplemented by Reserved Instances and Savings Plans that offer up to 72% discounts with 1- or 3-year commitments. However, users frequently report that AWS pricing is opaque and highly variable due to complex pricing models for data transfer, egress, and storage tiers. Egress charges between regions or outside the AWS network can substantially increase operating costs, especially for high-throughput systems. Microsoft Azure's cost management tooling,

Hybrid Benefit (offering up to 85% discount on IaaS with licence reuse), and simpler pricing for support tiers often provide better predictability in Microsoft-aligned workloads.

AWS pricing is often criticised for its complexity—particularly around storage tiers, inter-region data transfer, and egress costs. While AWS offers Reserved Instances and Savings Plans to reduce cost, effective use of these discounts requires forecasting accuracy and administrative overhead. Additionally, support plans are charged separately and vary based on total monthly usage, often adding unexpected costs.

Google Cloud

Google Cloud holds approximately 11% market share and is strongest in analytics (BigQuery), Kubernetes management (GKE), and AI tooling (Vertex AI). It is often praised for a simpler user experience and billing model than AWS but suffers from weaker enterprise adoption in regulated sectors. Its presence in government and financial services is limited compared to Azure or AWS. Google Cloud lacks a hybrid cloud equivalent to Azure Arc or AWS Outposts, which limits its appeal for organisations that require tight on-premise integration.

Pricing-wise, Google Cloud is generally seen as more transparent than AWS, with simpler billing and fewer hidden costs related to network egress. Its Committed Use Discounts and Sustained Use Discounts can yield significant savings, especially for consistent workloads, although maximum discounts are usually less than Azure's Hybrid Benefit. Google's free tier is competitive, and its billing calculator is widely regarded as intuitive. However, unlike Microsoft, Google lacks significant discounts for enterprise licence mobility or long-standing hybrid investment reuse, which can increase comparative costs in Microsoft-heavy environments.

IBM

IBM Cloud offers infrastructure and platform services primarily tailored to highly regulated industries and hybrid environments. Its cloud proposition is built heavily around Red Hat OpenShift, acquired through Red Hat in 2019, and focuses on container orchestration and hybrid cloud management. IBM Cloud Satellite enables distributed cloud deployments, but IBM holds less than 5% of the global public cloud market as of Q1 2024.

IBM maintains significant legacy in enterprise software—offering platforms such as WebSphere, DB2, Cognos, and MQ—that remain tied to its infrastructure. While modern IBM Cloud workloads support open-source tooling and standards, its enterprise focus and consulting-driven engagements make it less attractive for rapid deployment or developer-led initiatives. Compared to Azure, IBM's developer experience, marketplace integration, and service breadth remain narrower, though its hybrid tooling is robust in legacy enterprise contexts.

Development Frameworks and Tooling

Microsoft's modern development environment is anchored by .NET Core, GitHub, and Visual Studio Code. Together, they form an open, cross-platform, and high-performance ecosystem suitable for everything from enterprise-scale services to lean microservices. Unlike legacy .NET Framework, .NET Core (now simply ".NET") is open source, runs on Windows, macOS, and Linux, and is governed under the MIT licence. It supports modern development patterns and language features while retaining decades of enterprise credibility and tooling maturity.

Purchasing and Subscription Models

.NET Core is free and open-source (FOSS) under the MIT licence, with no cost for runtime or SDK use. Visual Studio Code is also free and its core is free and open-source under the MIT licence. Microsoft's official distribution of VS Code includes optional proprietary extensions, mainly for telemetry, debugger integrations, and remote tooling. GitHub offers a free tier for public and private repositories, with enterprise pricing based on per-user or enterprise agreements. Organisations typically pay only for GitHub Advanced Security, CI/CD minutes, and private runners. Visual Studio IDE (as distinct from VS Code) remains a paid product, with Professional and Enterprise editions licensed per user or through volume agreements. However, for most modern cloud development, VS Code and .NET Core represent a zero-cost, vendor-neutral foundation.

Market Position

.NET has evolved into one of the most performant and stable platforms for modern development. According to the Stack Overflow Developer Survey 2023, C# (which runs on .NET) remains one of the top 10 most loved and most used programming languages. GitHub continues to be the dominant platform for source control and collaboration, hosting over 330 million repositories and used by 90% of Fortune 500 companies. Visual Studio Code is used by over 74% of developers globally. The combination of GitHub Actions, .NET SDK, and VS Code enables robust CI/CD pipelines and cloud-native deployments, particularly for teams using Azure, AWS, or GitHub-hosted infrastructure.

Openness and Interoperability

.NET Core is fully free and open-source (FOSS), cross-platform, and governed through the .NET Foundation, which oversees its roadmap with input from Microsoft and external contributors. The runtime, libraries, and compiler infrastructure are available on GitHub and released under the MIT licence. It supports multiple languages including C#, F#, and VB.NET, and interoperates cleanly with REST APIs, gRPC, GraphQL, and message-based architectures (Kafka, RabbitMQ, Azure Event Grid). Projects using .NET can be containerised using Docker and orchestrated with Kubernetes or Azure Container Apps.

Visual Studio Code is open-source at its core, with forks such as VSCodium available for those who prefer a fully community-controlled build. Microsoft's official VS Code

distribution includes telemetry and extensions for debugging and remote development, but these are optional. GitHub's APIs are open and its Actions platform is language-agnostic, supporting any containerised build agent or workflow. Overall, Microsoft's developer stack prioritises open protocols, extensibility, and developer-first integration.

While open-source software is freely available, enterprises must still consider support, patch management, and training needs. Microsoft addresses these through a combination of community transparency and optional commercial support.

Comparison to Alternatives

.NET vs Other Languages

.NET Core significantly outperforms many of its competitors in raw execution speed and runtime efficiency. BenchmarkDotNet and TechEmpower benchmarks routinely place ASP.NET Core among the fastest mainstream web frameworks, often beating Node.js and Python by a factor of 5 to 10 in high-throughput scenarios. Go performs comparably in some scenarios, but its ecosystem is smaller and lacks the richness of mature libraries and ORM support found in .NET. Java continues to be widely used, but its innovation has slowed since its acquisition by Oracle, and it suffers from fragmentation (Spring Boot, Jakarta EE, etc.) and slower startup times.

Python remains dominant in data science and scripting but is slower and less suitable for high-performance APIs without significant optimisation. Node.js offers flexibility for rapid development but suffers from performance limitations in large-scale, multi-threaded back-end scenarios. Rust is emerging in systems-level development and specialised low-latency tasks but lacks the enterprise tooling, frameworks, and community maturity of .NET.

In short, .NET Core combines modern language features, rich APIs, asynchronous programming, and powerful cross-platform tooling, making it one of the most complete enterprise-grade frameworks available.

.NET vs Proprietary Development Platforms

Unlike Salesforce, Mendix, or ServiceNow, .NET applications are fully portable and not bound to a single SaaS vendor's infrastructure. Salesforce apps must be written in Apex and deployed to the Salesforce Cloud; they cannot be exported, containerised, or hosted elsewhere. Low-code platforms like Mendix or OutSystems also incur runtime fees and limit access to the underlying codebase. In contrast, .NET applications can be hosted on Azure, AWS, Google Cloud, or on-premise, using open data formats and standard protocols.

Organisations building with .NET avoid per-user or per-flow runtime licensing, maintain control of their source code, and can integrate with enterprise systems using APIs or queues. This architectural freedom is especially valuable in the public sector and critical infrastructure environments where data sovereignty and system longevity are key concerns. Additionally, Microsoft's support for Bicep, Terraform, and GitHub-native

deployment pipelines enables full DevOps automation, something proprietary SaaS platforms rarely support.

Developer Experience and Tooling

Microsoft's investment in developer tooling has outpaced all major competitors. VS Code is now the most used code editor in the world, with extensions for every major language, linter, formatter, debugger, and cloud SDK. It integrates natively with GitHub and Azure, but also supports AWS and Google Cloud SDKs through plugins. GitHub Copilot, Microsoft's AI-assisted coding tool, is increasingly popular among developers and works across JavaScript, Python, C#, Go, and other languages.

GitHub Actions offers a robust CI/CD system that rivals or exceeds alternatives like CircleCI, Travis CI, and GitLab CI, with deep ecosystem support and enterprise policy controls. Microsoft also maintains full-featured SDKs for .NET across cloud services, IoT, AI (Azure Cognitive Services), and data platforms (Entity Framework, Cosmos DB, etc.). These are all publicly maintained and versioned through NuGet, a well-governed open-source package registry.

Market Opinion and Criticism

Despite the openness of .NET Core and VS Code, some legacy perceptions persist due to associations with earlier versions of .NET Framework, Visual Basic, and Windows-only development. Stakeholders unfamiliar with .NET Core may still view Microsoft's tooling as proprietary. This is no longer the case. .NET Core has clean separation between the platform, runtime, and developer tools. Its adoption in cross-platform and Linux-first environments (e.g., containers and cloud-native apps) continues to grow.

VS Code, while free and open-source (FOSS) at its core, includes proprietary components in Microsoft's official distribution—mainly telemetry and remote development tooling. This has led to forks like VSCodium for those who prefer a fully community-owned experience. However, Microsoft's transparent publishing model and GitHub-native roadmap help maintain trust across the development community.

Microsoft's developer ecosystem now reflects the values of modern software delivery: performance, openness, portability, and tooling depth. When compared to proprietary SaaS platforms or slower general-purpose languages, .NET Core offers a mature, free, and high-performance foundation for long-term enterprise systems.

Discussions

Ecosystem Investment and Operational Cost Overheads

Choosing a platform involves far more than comparing product specifications or unit pricing. Enterprises must invest in developer capability, integration patterns, architecture

practice, documentation, governance, and tooling pipelines. These form the real, long-term cost of adoption—well beyond any up-front discount or subscription price.

Multiple industry studies (Flexera 2024, Gartner, IDC) consistently report that multi-cloud and multi-stack strategies increase total operational expenditure by 20 to 40 percent. This is not because clouds are inherently expensive—it is because duplication is. Duplicated logging and monitoring setups, separate CI/CD pipelines, mismatched RBAC models, competing encryption policies, and divergent compliance frameworks all demand additional time, training, and support.

Even where service pricing appears 10–25% cheaper, any advantage is typically offset by a 100% increase in internal complexity. Worse still is opportunity cost: hours spent learning and reconciling two overlapping systems are not spent building anything of business value.

Microsoft's ecosystem avoids this trap by design. It provides identity, infrastructure, development, productivity, and compliance tooling with shared documentation standards, a unified security model, and first-party integration support. That alignment means faster onboarding, less friction, and cleaner architecture—not simply vendor convenience, but operational efficiency.

Single Vendor vs Multi-Vendor Strategy

Diversification is not inherently wrong—but it is often misapplied. A second cloud provider may appear safer in theory, but in practice often introduces unnecessary governance overhead and fractured delivery patterns. Two sets of logs, two compliance teams, two skills pipelines. The result is not resilience. It is overhead.

The same applies at the tooling level. Adding Atlassian Confluence to manage asynchronous documentation is logical—wikis serve a distinct and useful function. But wikis are not document stores. They are not governed repositories. They lack the classification, retention, eDiscovery, and audit frameworks that Microsoft's SharePoint and OneDrive implement natively. Mistaking collaborative wikis for regulated stores is not a strategic choice. It is a category error.

Salesforce, meanwhile, presents a full CRM suite—but at permanent per-seat cost, in a proprietary language (Apex), locked to a cloud that cannot be exited. Its extensibility is gated by consultants. Its development stack is closed. These are strategic trade-offs, not equivalents.

Even AWS, the global leader in cloud infrastructure, lacks basic platform breadth: no productivity suite, no IDE, no language framework. Customers must stitch together a patchwork of third-party tools. The result is dependency by assembly, not by design.

Microsoft's breadth can be confronting—but it is also modular, standards-compliant, and open-source where it matters. The real measure of “lock-in” is not whether one vendor

supplies many services, but whether those services are open, portable, and interoperable. Microsoft passes that test. Few others do.

Custom Development vs SaaS and Low-Code

It is increasingly inaccurate to claim that custom development is expensive, slow, or high-risk. The modern .NET ecosystem has matured far beyond its legacy perception. It is now a performant, open-source, cross-platform development stack that supports rapid delivery, lean teams, and DevOps-native automation. It is backed by the .NET Foundation, governed transparently, and continuously aligned with open standards.

GitHub, Visual Studio Code, containerisation, GitHub Actions, and Azure DevOps together form a first-class, zero-cost toolchain for modern enterprise development. These are not niche offerings—they are industry-dominant platforms, maintained in public, and adopted globally. VS Code alone is used by more than 74% of developers worldwide. GitHub hosts over 330 million repositories.

Custom systems built on .NET Core do not incur permanent per-user fees. They can be hosted on any cloud, deployed in containers, and integrated into open APIs. They can be built, owned, and maintained in-house—without vendor lock-in, without platform constraints, and without needing to negotiate every change with consultants. This is not just flexibility. It is strategic independence.

By contrast, SaaS platforms such as Salesforce, ServiceNow, and Mendix impose permanent runtime fees, limit architecture freedom, and demand developer retraining in proprietary stacks. They are valid tools—when used to solve exactly the problem they were built for. But their long-term cost and rigidity should not be underestimated.

Architecture is hard. But poor analysis is not a risk unique to custom development. It affects all delivery models equally. In fact, relying on SaaS or low-code solutions can obscure poor architecture by hiding it behind glossy interfaces. Building poorly is not a function of the tool—it is a function of leadership. Architecture cannot be outsourced. It must be done well, or it will be done to you.

Strategic Clarity and Final Position

Is there any other complete ecosystem?

No. No other provider offers the breadth, coherence, or open development capability that Microsoft does. Others may outperform in narrow domains—AWS in infrastructure, Google in AI, Atlassian in team collaboration—but none provide integrated coverage across infrastructure, developer frameworks, identity, productivity, governance, and compliance.

AWS lacks a productivity suite, identity platform, and enterprise development tools. Google lacks an application framework and hybrid architecture support. Salesforce is fully

proprietary and expensive at scale. Confluence is a wiki—not a records system. None offer the maturity, modularity, and depth of Microsoft's platform.

Microsoft is not perfect. But it is the only ecosystem that provides all the layers necessary to deliver and govern enterprise-scale systems, within a single, documented, standards-compliant model. When chosen deliberately—by architecture, not by fashion—it remains unmatched.

Conclusion

Microsoft is no longer the closed, monopolistic ecosystem of decades past. Today, it is a standards-aligned, open-participation platform provider—delivering cloud infrastructure, productivity tooling, enterprise frameworks, and developer-first services with architectural coherence and regulatory maturity. Its offerings are modular, extensible, and increasingly open-source, allowing organisations to adopt what they need without surrendering strategic control.

There is no single right answer in technology selection, but there are wrong questions. Vendor avoidance is not a strategy. Cost models that ignore integration and training overhead are not financial analysis. Architecture that chases novelty or political positioning cannot deliver long-term value.

Microsoft offers the only complete, interoperable ecosystem spanning infrastructure, identity, development, compliance, and productivity at enterprise scale. It is not free of flaws. But it is the only platform that enables public-sector-grade governance, open-source development, and service integration under a common trust model.

Organisations that understand this—not just at the licensing level, but at the architecture, capability, and operational level—can act with confidence. This paper recommends Microsoft as the default technology ecosystem for enterprise-scale solutions requiring cloud hosting, system interoperability, developer velocity, and policy-aligned governance.

Appendices

Appendix A - Document Information

Authors & Collaborators

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Versions

0.1 Initial Draft

Images

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Tables

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References

There are no sources in the current document.

Review Distribution

The document was distributed for review as below:

Identity	Notes
Russell Campbell, Project Manager	
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Audience

The document is technical in nature, but parts are expected to be read and/or validated by a non-technical audience.

Structure

Where possible, the document structure is guided by either ISO-* standards or best practice.

Diagrams

Diagrams are developed for a wide audience. Unless specifically for a technical audience, where the use of industry standard diagram types (ArchiMate, UML, C4), is appropriate, diagrams are developed as simple “box & line” monochrome diagrams.

Acronyms

API : Application Programming Interface.

CAL : Client Access Licences

CSP : Cloud Service Provider

GUI: Graphical User Interface. A form of UI.

IaaS : Infrastructure as a Service

ICT: acronym for Information & Communication Technology, the domain of defining Information elements and using technology to automate their communication between entities. IT is a subset of ICT.

IDE : Integrated Design Environment

IT : acronym for Information, using Technology to automate and facilitate its management.

JSON : JavaScript Object Notation

PaaS : Platform as a Service

REST : Representational State Transfer

SaaS : Software as a Service

SAML : Security Assertion Markup Language

SDK : Software Development Kit

UI : User Interface. Contrast with API.

VM : Virtual Machine

Terms

Refer to the project's Glossary.

Application Programming Interface : an Interface provided for other systems to invoke (as opposed to User Interfaces).

User : a human user of a system via its UIs.

User Interface : a system interface intended for use by system users. Most computer system UIs are Graphics User Interfaces (GUI) or Text/Console User Interfaces (TUI).

Appendix B – Reference and Data Sources

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