"Detailed study about World's Best Multinational Corporation:- Microsoft Corporation Private Limited including its Finance Risk and Stability"

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ABSTRACT

Microsoft Corporation is founded by Bill Gates and Paul Allen on April 4, 1975. It is an American Multinational Technology Company and it's headquarter is situated in Redmond, Washington State, USA. The present Chief Executive Officer of Microsoft Corporation is Steven A. Ballmer. Microsoft Corporation's shares are listed on NASDAQ (USA). Microsoft Corporation is best known for its Windows Operating System, Internet explorer web browser, Microsoft Office Suite and currently updated itself with Skype. Microsoft Corporation carries out its business in many forms of electronics. And continuously adapting itself to the changing scenarios' needed for its own evolvement. Microsoft Corporation from its emergence grows as a successful corporation and earns a huge profit every year. Although it has to take many financial risks, sometimes faced many failures but maintain its stability and faith of customers in it.

OBJECTIVE

The main objective of the research is to have detailed study about world's best Multinational Corporation :- Microsoft Corporation Private Limited including its finance risk and stability.

INTRODUCTION

Listening or seeing to the word finance the first thing that strikes to mind is money. The whole economic of world is based on finance. Finance in itself means money and in more elaborative sense finance means management of monetary funds. Which mean, from where the funds should be acquired for business and where they need to be invested considering the past, present and future scenario of business? And if one want to be successful in business the proper management of finance is necessary. And proper management of finance requires a planning as how much amount is to be invested? Where it should be invested? And what portion of money should be reserved to meet an unforeseen circumstance?

Risk means a situation where danger is involved. Risk is involved in every stage of life and so is the case with business. Every business is exposed to risk, risk is part and parcel of the business. Business is exposed to many kinds of risk. But the most common risk that business faces is financial risk. Risk involves future uncertainties.

Moreover, financial risk means when there is no surety of return as whether it will be profit or loss? Financial risk is involved in every sector whether it is sales department, purchase department, manufacturing department or information technology sector. Information technology involves the use of laptops or computers in transmitting, retrieving and manipulation of any data or information related to the business of any company or enterprise. And information technology is subset of information and communications technology.

Information technology sector involves more risk than that of any other sector. And investment of finance in information technology sector is on great stake. There should be proper policies, rules and regulations made and criteria decided to invest finance in information technology sector. And all the steps should be taken by company to avoid any type of risk in information technology sector as it brings a huge loss to companies business and the investment of finance in this sector should be made wisely.

Early growth of Microsoft Corporation

Tracing back to year 1975 Paul Allen and Bill Gates, two boyhood friends, with their mutual efforts converted BASIC, a well known mainframe computer programming language for the use of early personal computers. Microcomputer and software, these are two words from where the word Microsoft is derived by Bill Gates and Paul G. Allen. After few years, both Bill Gates and Paul G. Allen reframed BASIC and developed some other programming languages. Moreover in 1980's the International Business Machines Corporation (IBM) to produce operating system for their personal computers. And for this Microsoft purchased operating system from another company, reframed it and named it as Microsoft Disk Operating System (MS-DOS).

And in 1981 MS-DOS was released with International Business Machines Corporation personal computers. Other producers of personal computers licensed Microsoft Disk Operating System which in turn generating a huge revenue for Microsoft Corporation. Microsoft Corporation for the first time released Windows 95 with completely integrated Microsoft Disk Operating System (MS-DOS). The growing success of Microsoft Corporation made its rivals jealous but despite of competitive pressure Microsoft Corporation kept on growing and develop less expensive and more useful software.[1]

Extension Of Microsoft Corporation :- By Emerging Itself Into The Mobile Phone And Gaming Market

Microsoft Corporation in 2001 released an electronic game which rapidly acquired the second position in video gaming market. Again in 2202 Microsoft Corporation launched the broadband

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[1] https://www.britannica.com/topic/Microsoft-Corporation

network for gaming. And the most, fastest gaming again was released in 2005 by Microsoft Company. Microsoft corporation although facing a tough competition from its rivals, continued to grow and make profits. [2]

Market Of Microsoft Corporation

Microsoft Corporation mainly consists of three elements namely:- Entertainment, Business and Platform Products and Services. The Microsoft Corporation for its marketing, mainly target audience market. Although now Microsoft Corporation attains its maturity but it had to evolved, struggling against its competitors and maintained its relevance. And Microsoft Corporation successfully establishes its applications and Internet Explorer.

Microsoft Corporation clearly segmented its market such as mobile gaming focuses on entertainment, business focuses on developing more and enhanced version of software and provide platform for other product and services. Microsoft Corporation manages supply chain management customer relationship management compromising of windows server system, hardware management and other covering networks.

The Microsoft Corporation unites individual professionals and make it sure that its customers are receiving service from the people who themselves know the industry and are quite familiar with the local business problems. The Microsoft Corporation successful in maintaining its good image in the market by providing instant service to customers in such a way that the customers feel that they are given special and quick attention to their problems and the problem of customer is resolved as soon as possible. Microsoft is moreover successful in retaining its customer trustworthiness. In short one can say that Microsoft Corporation successful in capturing core monopoly over the market.

Microsoft Marketing :- To Target Audience

Microsoft Corporation acquired position in the world as the leader in software and services that it provides to its customers, which the company is well known. The main reason for the success of Microsoft Corporation is, it keeps on changing and quickly adapting the market changing conditions and quick in responding to its customers and meeting their demands for the product they want as soon as possible. Microsoft corporation focuses on their strength and take steps and adopt various policies and measures to eradicate or eliminate their weakness completely and overcome from the threats and concentrate more on upcoming opportunities by meeting the demand of customers and in return increases its rate of profits and success. Microsoft Corporation also posses vast fund with it, so, as to stand in global market with an ease and with

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[2] https://www.theverge.com/2016/7/26/12283814/microsoft-word-

complete stability. Microsoft Corporation itself is creating threat to its competitors. The finance in company is managed properly. And all the strategies, planning and execution of strategies is done with rules and ways, as prescribed

Strategies Of Microsoft Company Leading To Its Growth And Acquisitions

Microsoft Corporation in its lifetime pursued for many acquisitions and takeovers. Looking to Microsoft Corporation acquisition and takeover list, it is pretty clear that it is ready for adapting quickly to market conditions in order to attract and maintain its customers. It has been rated that in last ten years Microsoft Corporation taken over total fifty acquisitions. Its example is as follows:-in 1999, Microsoft Corporation purchased the Hotmail, which was the world's famous free email service provider and itself provide free e-mail services and strongly compete with Yahoo email services. Moreover Microsoft purchases the companies that can enhance their product quality and services. And this in return helped the Microsoft Corporation to launch new products with high quality in the market in short period of time, which greatly influences and attracts the consumers.

External development of Microsoft Corporation was at its peak but in parallel in parallel it concentrated on its internal development too. By carrying out research and development properly for enhancing new innovations and producing better quality of product in market to satisfy the customers want. In year 2004 annual report Microsoft lead more emphasize on integrated innovation which in turn deliver more satisfaction to consumers. In 2004 Microsoft Corporation has made huge investment in service and product enhancement.

Complete Workforce To Tackle Technology Market Of Microsoft Corporation

In 1997, as per Davenport saying, Microsoft Corporation has constructed the image for recruiting highly intellectual and skilled persons who easily understand the business and industry and easily cope up with the corporation and its changing scenario. And by employing such persons, it includes the company worthiness. Intellectual and skilled employs easily understands the planning procedure of corporation and helps in implementing strategies with greater efficiency and reliability. And corporation can earn huge profit in return without any loss. A corporation can rely on its expert staff for its product and meeting requirements of customers and continue to maintain its position in the market. And new innovations are invited from the side of expert staff according to the situation.

SWOT Analysis of Microsoft Corporation

In SWOT analysis 'S' stands for Strengths, 'W' stand for Weaknesses, 'O' stands for Opportunities and 'T' stands for Threats. Analysis of Microsoft Corporation is based on SWOT analysis that is as follows:-

Strengths

- The existing Microsoft Corporation's position in market is very stable.
- Microsoft today is a name of brand.
- Microsoft always posses finance availability and stability to meet business requirements and unforeseen circumstances in business.
- Best working environment for employees.

Weaknesses

- Sometimes plans are not executed as per the strategies.
- Delay in decision making.
- Certain faults on the part of staff members.

Opportunities

- It does partnerships and makes alliance with personal computer producers.
- Use complete customer oriented strategies.
- Quick adaptability with changing situations.

Threats

- Facing tough competition from its rival.
- Threat of other upcoming brands.

CONCLUSION

Technology market in today's world establishing itself very fast and reluctantly. The success of corporation depends upon the consumer preferences as which technology they will opt for. Microsoft Corporation meets the market requirements and satisfied the consumer needs by focusing on consumer preferences. Although Microsoft faces competition from Google and

many other online brands it manages to capture customers attraction and able to retain customers faith in it and stand with stability against its competitors.

Technology is something to which people are more attracted now- a-days. Customers lined up themselves and pursued towards the purchase of all the latest device including computer, laptop, tablet, mobile phone or television. Microsoft not only focuses on customer orientation but it gives huge employment opportunity also. And for this the leading corporation that put out mind –bending technologies is none other than that of Microsoft Corporation.

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