

# What can businesses learn from the miraculous transformation Satya Nadella has done at Microsoft?

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Microsoft's latest quarterly earnings report showed the company's most impressive growth in the "Satya Nadella era." Almost all performance indicators have achieved an even greater increase than expected. Last quarter, the Redmond giant owned a total revenue of \$ 30.6 billion, of which net income was \$ 8.8 billion and earnings per share was \$ 1.14 (far more impressive than joint ventures). collected \$ 26.8 billion, net income of \$ 7.4 billion and earnings per share of \$ 0.95 in the third quarter of 2018 before.

These numbers are another strong proof that what happened at Microsoft in the last few years is really a magical fairytale of the technology world. When Satya Nadella 'ruled' Microsoft from Steve Ballmer's predecessor in early 2014, this once-in-a-lifetime technology empire was close to completing a \$ 7 billion acquisition of Equipment. and Nokia Services, to promote its faint Windows Phone project. At the other 'front', the company also faced heavy criticism from its users right on its own 'home' with the Windows 8 operating system project that had too many problems.



## 1. From Elon Musk to Satya Nadella: This is a list of the top 29 CEOs of the technology world in 2018

Microsoft has not been able to achieve the goal of dominating the smartphone market from the hands of the enemy Apple. Besides, in the field of cloud computing, Microsoft is also under tremendous pressure from Amazon and in the search engine market, they have completed the "match" before Google. Although Microsoft's revenue was still not so dramatic at the time, its reputation hit the bottom after nearly 40 years of existence in

the market. In short, when Satya Nadella became CEO in January 2014, the technology giant Microsoft was just the shadow of his own glory in the 1990s, and despite Microsoft being appointed a new CEO, many people still believe that the best days of the company have actually passed and they are gradually entering a phase of local recession.

But until now, Satya Nadella CEO has proved to the world that the above statement is completely wrong. After 5 years of operation under the leadership of talented Indian CEO, Microsoft has undergone strategic changes. Microsoft's stock price has tripled compared to before Nadella appeared, for the first time to surpass the \$ 1 trillion valuation and also for the first time to recover the company's position. The world's largest public listing value, surpassing those of current rivals, are Amazon and Apple. Yes, Microsoft has officially returned to the game.



#### 1. 5-minute video summarizes the content Satya Nadella announced in Microsoft Build 2019

So what is the miracle of Satya Nadella? How can the CEO revive the empire that is on the verge of a miraculous decline in less than half a decade? To clarify this, search for the first email Satya Nadella sent to his employees as head of Microsoft. Instead of staying asleep with the golden age of the past, Satya Nadella talked a lot about Microsoft's future development, in particular highlighting the importance of cloud computing and mobile devices for mission to revive the company. In the letter, the CEO wrote the following sentence: 'Our industry, the way that I and my friends are going is not a suitable place to live forever with the glory of the past. In the field of technology, people only respect and care about innovation '. According to Nadella, the motivation for Microsoft to develop and move forward is not entirely in the past success, but it is derived from the innovation efforts of the entire company.

By putting his words into every action, it can be affirmed that until now, Nadella has really succeeded in building a cultural and strategic transformation for Microsoft, at the same time. It is also a source of inspiration for innovation, daring to think in the whole technology world. Let's see what Satya Nadella has done after 5 years of 'fighting' at Microsoft, and what we can learn from this success.

# Satya Nadella and Microsoft's transformation

1. Cooperative culture in enterprise environment
2. Positive partner strategy
3. Dare to bet for the future

## Cooperative culture in enterprise environment

After Steve Ballmer left the CEO position, Microsoft decided to eliminate the entire outdated and counterproductive management structure, which is full of contradictions in general operations. Before eliminating this ineffective management structure in 2013, managers at Microsoft were encouraged to give certain negative performance evaluations to their employees in a way 'by looking for feathers. they say that will help employees have a more positive attitude. In other words, managers are forced to make negative evaluations for employees, even if they don't deserve it. However, the result is that as we know, this management structure can not only help increase productivity, but also make the conflict between employees and management increasingly serious. It was completely counterproductive.



1. Microsoft CEO Satya Nadella will bring the data center to the sea

Satya Nadella has built a new management mechanism based on changes in the HR management structure, by creating a more collaborative work environment, such as actively organizing Microsoft Hackathon events. year, and turned it into the world's largest private hackathon software development competition. The reason that Hackathon can help promote cooperative culture in the corporate environment is because this competition can be considered as a festival for employees from different areas and departments in the company to work together. or compete in each specific project, thereby understanding each other better. Before the Microsoft hackathon event, separate departments in the company were limited to competing seamlessly with each other. Activities such as hackathon have helped create a more collaborative type of organization, while creating a necessary collaborative school to help improve the competitiveness of each part of a business, thereby helping businesses face competition in today's digital world.

## Positive partner strategy

At the WSJD Live 2016 conference, CEO Satya Nadella admitted: 'There is no doubt that we missed the appointment with the mobile phone field.' The head of Microsoft insisted that the company was no longer a competitor to Apple and Samsung in the smartphone market anymore and the Windows Phone project officially came to an end. Since then, Microsoft has completely changed its business strategy in the mobile segment. Instead of focusing on developing mobile devices or mobile operating systems as before, the company has made efforts to bring well-known applications to its reputation, Windows applications to Android and iOS systems. Notably, Nadella has also given up on a fiercely competitive Microsoft strategy aimed at previous competitors (CEO Steve Ballmer has called the rival operating system Linux a cancer. ), and have accepted more cooperation with competitors, in a mutually beneficial form. The recent emergence of the WSL Arch Linux distribution on Microsoft Store is the clearest proof of Satya Nadella's way of thinking, how to completely differentiate it from its predecessor, and this has brought about success for him and the company.



1. Visit the tree office that Microsoft makes employees, chatting, working or sunbathing

This active partner strategy is one of the most effective development models in the field of technology today. It is based on the fact that innovation and experience from each business can provide an effective solution to the specific challenges faced by the other organization. Agencies and consultants are often hired as complementary facilities for a part of a certain value chain, or to help complete a separate project, but cooperation should not stop there. For example, Nadella has listed Linux distributions in the Windows Store to grant developers access. In 2017, Microsoft is the world's largest open source contributor. Through an open market approach through which to increase opportunities for cooperation with new partners, Microsoft has become the largest enterprise in this open source field. Add another 'heavy' example. Microsoft has beaten its competitor Google in acquiring the world's largest open source platform GitHub for \$ 7.5 billion.

## Dare to bet for the future

Satya Nadella is also particularly interested in future technology by investing heavily in cloud computing and artificial intelligence. In 2017 Microsoft launched a separate AI department with more than 5,000 computer scientists and software engineers. They also introduced Intelligent Cloud, which includes strategic products such

as Server and Azure. With such tireless investment, Microsoft has officially returned to the race for the king in the cloud service sector. They are currently Amazon Web Services' biggest competitor in terms of serving the cloud needs of large businesses. Even in fact, Microsoft has now surpassed Amazon in this area, and has "demanded" the title of the world's largest commercial cloud service provider.



#### 1. Visit Envisioning Center and discuss Microsoft's vision for Windows utilities and Windows

In terms of AI, Microsoft has also completed a series of high-performance acquisitions, from GitHub and Citrus Data to LinkedIn and Lobe, and builds an open source system for AI for developers to access. and contribute more easily. Identifying emerging high potential platform providers and leveraging their growth through exclusive partnership or acquisition is a powerful way to streamline the digital transformation process of any kind of business, and the effectiveness of this strategy for one of the world's largest technology enterprises like Microsoft at the moment is very clear. Such investment strategy has contributed to creating a seamless architecture for Microsoft in expanding the space of consumers and businesses. Based on the traditional strong consumer business platform as well as the popularity of the Office toolkit, Microsoft is now a familiar, trusted address for business co-workers (LinkedIn) and the developer community. (GitHub), and they can make a difference in enterprise space through Azure and the cloud to help businesses make their own conversions more easily. Microsoft's main revenue is coming from real products, instead of data, and consumers themselves - not products - are the factors that give Microsoft a more confident direction. Go by yourself, and protect them against the challenges that other tech giants are facing.



## 1. Microsoft CEO: Robot will never replace people in the future

In his book entitled Hit Refresh, Satya Nadella clearly explains the secrets behind Microsoft's strategic and cultural transformation. He said that the general trick for any conversion program was inspired by how the browser refreshed the site. Nadella has taken this beyond the organizational level - supporting the transition from businesses, people and society to making our lives better.

Success in Microsoft's recent revenue, and their return in the lead of players, is an example of how successful businesses dare to convert and convert in the right way can be achieved. . Silently, smart, and unobtrusive, Satya Nadella has turned Microsoft into a completely molting enterprise, ready to cope with choking competition in the 21st century.

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