

Inside Microsoft: Last Quarter's Progress.

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Microsoft shows no sign of slowing down, as last quarter's revenue growth hit the 20% mark for the 4th time in a row. All business areas showed strong growth, but cloud computing highlighted the quarter with 32% growth. CEO Mehrotra always seems to have a catchy phrase to sum up the industry each quarter. This quarter it was, "the only resource that can help drive productivity while keeping cost down is digital technology". Microsoft invests across almost all areas of "digital technology", and almost all areas are seeing significant demand these days. Highlights include:

- In the artificial intelligence realm, Cognitive Services was used to transcribe 30 million hours of speech, double the amount from a year ago.
- In the coding realm, Microsoft is introducing layers of security into GitHub, the platform used by app developers.
- Its Dynamics 365 product, which helps businesses manage all aspects of the sales process, introduced a Logistics as a Service model with FedEx last quarter, which combines FedEx's native network with Dynamics 365 to help companies fulfill and ship orders faster.
- LinkedIn had record engagement yet again. A new Service Marketplace allows freelancers and small businesses to connect and find new clients.
- 3 months into the new Windows 11 operating system for PCs, Microsoft sees higher quality work and more usage than previous versions. It also gained share this quarter.

Microsoft really doubled down on its gaming investment last quarter with the announcement of its purchase of Activision Blizzard, the gaming publisher behind popular titles like Call of Duty and World of Warcraft. Its goal is to make gaming more accessible by having more content available to more people around the world on all mediums: console, PC, mobile, cloud. The three billion people who play games today is expected to grow to 4.5 billion by 2030.

Clearly the pandemic and shift in our society to everything remote and digital has helped tech companies over the past 2 years. The big question is: "in a post-COVID world, what can we expect for Microsoft's growth"? An analyst this past earnings call asked just that question, and Mehrotra's answer was this:

"Demand has evolved throughout the pandemic. At first, the main driver of demand was helping people establish an online presence and helping people work remotely. Then we were hit with supply chain issues, so supply chain insights became the most important thing. Now, we have a labor force shortage and we need to do more with less, so the automation tools of Power Platform are important. Demand drivers will always be shifting, but the need for ever increasing levels of digitization won't go away."

Essentially, technology will continue to evolve and become a greater part of everyday life for both businesses and the consumer, and Microsoft plans to be at the forefront of all of it.