

# THE SHELL GAME: WHAT IS MICROSOFT DOING?



[graphic: Google Finance]

What is this so-called tech company doing?

Microsoft sees itself as going head-to-head with Apple and Google. The 10-year chart above comparing Microsoft, Apple, and Google stock tells us this has been a delusional perception.

It also sees itself in competition with IBM. Yet IBM surpassed it in market value two years ago, even after nearly a decade of ubiquity across personal computers in the U.S. and in much of the world. (IBM is included in that chart above, too.)

One might expect a sea change to improve performance, but is the shell game shuffling of Microsoft executives really designed to deliver results to the bottom line?

Tech and business sector folks are asking as well what is going on in Redmond; even the executive assignments seemed off-kilter. One keen analysis by former Microsoft employee Ben Thompson picked apart the company's reorganization announcement last Thursday – coincidentally the same day the Guardian published a report that Microsoft had “collaborated closely” with the National Security Agency – noting that the restructuring doesn't make sense.

The new organization pulls everything related to Windows 8 under a single leader, from desktop to mobile devices using the same operating system, migrating to a functional structure from a

divisional structure. There are several flaws in this strategy Thompson notes, but a key problem is accountability.

To tech industry analysts, the new functional structure makes it difficult to follow a trail of failure in design and implementation for any single product under this functional umbrella.

To business analysts, the lack of accountability means outcomes of successful products hide failed products under the functional umbrella, diluting overall traceability of financial performance.

But something altogether different might be happening beneath the umbrella of Windows 8.

There's only one product now, regardless of device – one ring to rule them all. It's reasonable to expect that every single desktop, netbook, tablet, cellphone running on Windows 8 will now substantially be the same software.

Which means going forward there's only one application they need to allow the NSA to access for a multitude of devices.

We've already learned from a Microsoft spokesman that the company informs the NSA about bugs or holes in its applications BEFORE it notifies the public.

It's been reported for years about numerous backdoors and holes built intentionally and unintentionally into Microsoft's operating systems, from Windows 98 forward, used by the NSA and other law enforcement entities.

Now Skype has likewise been compromised after Microsoft's acquisition of the communications application and infrastructure for the purposes of gathering content and eavesdropping by the NSA, included in the PRISM program.

Given these backdoors, holes, and bugs, Microsoft's Patch Tuesday – in addition to its product registration methodology requiring online validation of equipment – certainly look very different when one considers each

opportunity Microsoft uses to reach out and touch business and private computers for security enhancements and product key validations.

Why shouldn't anyone believe that the true purpose of Microsoft's reorganization is to serve the NSA's needs?

Tech magazine The Verge noted with the promotion of Terry Myerson to lead Windows – it's said Myerson "crumples under the spotlight and is ungenerous with the press" – Microsoft doesn't appear eager to answer questions about Windows.

As ComputerworldUK's Glyn Moody asked with regard to collaboration with the NSA, "How can any company ever trust Microsoft again?"

If a company can't trust them, why should the public?

The capper, existing outside Microsoft's Windows 8 product: Xbox One's Kinect feature is always on, in order to sense possible commands in the area where Kinect is installed.

ACLU's senior policy analyst Chris Sogohian tweeted last Thursday, "... who in their right mind would trust an always-on Microsoft-controlled Xbox camera in their living room?"

One might wonder how often the question of trust will be raised before serious change is made with regard to Microsoft's relationship with the NSA. With political strategist Mark Penn handling marketing for the corporation and Steve Ballmer still at the helm as CEO, don't hold your breath.