

Battle of the software giants

Microsoft celebrates its 30th birthday. It is one of several companies battling for dominance of the Internet.

1 *“When a company such as Microsoft dominates the market, it’s bad for consumers; it stops competition.”* Put a cross on the line at the point which shows your opinion. Compare and discuss your answer with a partner.

Agree strongly ←————→ Disagree strongly

2 Complete the missing information in the Fact box. Check your answers by scanning the article below.

Fact box: Microsoft					
Founded	(a)	Staff	57,000	HQ	(d)
Chairman	(b)	Sales (2004)	\$36bn	Product range	Office (e.g. Word, Excel) / Windows XP / MSN Messenger etc.
CEO	(c)	Profits (2004)	\$8.2bn		

The future of Microsoft

Microsoft chairman, Bill Gates, is throwing one of the world’s biggest parties. The most famous software company in the world was founded in 1975 in Albuquerque, New Mexico. In 1986, it moved its HQ to Redmond in Washington. And now, it is celebrating its 30th birthday! Next year sees the release of Vista, a more secure version of Windows, as well as updates of the Office suite, which includes Word and Excel. However, after years of dominating the software market, is the future as bright as the company would have us believe?

Competition is fiercer than ever. Many users are changing their browsers – Mozilla Firefox is hailed as faster and more secure than Internet Explorer. Viruses are everywhere, and Microsoft now spend over 30% of its research and development budget on security issues. Skype’s software for free internet telephony has been successful – taking business away from Microsoft’s MSN messenger service. Skype have now attracted a takeover offer from E-bay, the Internet

auction site. Rival Apple’s iPod media player have damaged Microsoft’s plans for growing into the digital music world. Another competitor, Linux, produces ‘open source’ software, which its supporters argue is better, cheaper and more reliable than Microsoft’s products.

On the one hand Bill Gates describes an exciting future where different types of software products ‘converge’ so your digital world is with you everywhere – in the office, at home and on the road. Microsoft could be all around you! CEO Steve Ballmer talks about ‘winning’ the Web, meaning beating Google and Yahoo! and other companies which have a core base on the Internet. On the other hand, critics paint a picture of slow product development, slow growth, pointing out that the launch of Longhorn, the successor to Windows XP, has been delayed. So, will Microsoft continue to dominate the world of computers? Maybe its very size makes it more difficult to compete in the fast-moving technology market, with smaller companies driving innovation forward.

3 Read the whole article. Describe how the companies mentioned in the article are affecting the software market.

4 Talk for one minute about a company you know well. Use as many of the following words as possible.

founded	HQ	chairman	CEO	staff	sales
profits	rivals	competition	product range	market	launch

5 Discuss the following questions in small groups. Be ready to report your ideas to the class.

- What software do you use at work? What kind of problems have you had recently, e.g. viruses?
- Do you agree with Bill Gates that new products will ‘converge’? Give examples.
- Do you think that Microsoft will continue to dominate the software market?
- Do you think one company will ‘dominate the web’? If so, which one and why?