



Name:
Venkat Bhamidipati

City:
Seattle, WA

Company:
Microsoft

Title:
CFO, Worldwide Enterprise & Partner Group

Education:
BA, Commerce, *Osmania University*
MA, Commerce, *Osmania University*
MBA, *Indiana University, Kelley School of Business*



Interview

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Can you give us an overview of what you do at Microsoft?

I oversee the financial performance of the Worldwide Enterprise & Partner Group (EPG), a \$28 billion dollar business segment for Microsoft. My team and I provide financial insight and decision making to drive long-term growth as well as near-term execution. Financial analysis, multi-year business planning, financial controllership, resource management, and investment decision making are core priorities for my team. We are also deeply engaged with the business on driving transformation to the cloud, identifying market opportunity, and developing and executing strategies for realizing market opportunity into actual sales.

What has been the most important or surprising thing that you've learned as CFO of the Worldwide Enterprise & Partner Group?

The enterprise business is currently the largest business segment for Microsoft in terms of revenue; however, what is remarkable is the growth opportunity ahead. The shift to cloud, mobile, and other new technology areas opens up tremendous growth potential. Our culture of being customer-obsessed and innovative leads our customers to make long-term bets on our platform. This really puts us in at a unique position to not only be the largest but also potentially the segment with the biggest growth opportunity.

Versus

More valuable:

MBA or CFA

Better investment:

R&D or technology

In 2015, do you expect the global economy to:

Worsen, stay the same, or improve

Are you an:

Early bird or night owl

More challenging:

B2B or B2C

More fun to watch:

~~Cricket or baseball~~
Football

Which will happen first:

Amazon drone delivery or man walks on Mars

Better long-term investment:

Facebook or Twitter

"A CFO needs to balance short-term accountability while still driving a long-term focus on growth throughout the organization."

What do you feel is the biggest misconception about Microsoft right now?

One misconception I believe is out there is that Microsoft is a Windows company – that Windows is all that we do. However, the reality is that Microsoft is about so much more than Windows. We are a productivity and platform company, a cloud solutions and services company, a gaming and devices company. Our customers are making big bets with us each day on our platforms and services. Microsoft has one of the most balanced and diversified product portfolios. Most people don't know that we are the largest cloud company out there. I think the perception that we do more than just Windows is starting to change.

What do you believe is the greatest challenge CFOs face today?

A key challenge for CFOs today is to truly become architects of business value. To achieve this, a CFO needs to balance short-term accountability while still driving a long-term focus on growth throughout the organization. The strategic emphasis on growing the business for the long-term, while being account-

able and managing results in the short-term, is important. At the same time, managing increasing complexity and improving productivity are vital. CFOs have a unique role in ensuring that we balance the long-term growth by focusing on the right resource allocation bets, while we manage near-term results.

Technology is creating a huge shift in how companies "do" finance. What do you see as the next major evolution for corporate finance? Is there a recent or emerging technology that you think will dramatically change finance practices?

For finance, it is mainly about enabling quicker decision making, productivity, and efficiency. How do I get more done with less? Technology is an enabler which allows us to work more efficiently and effectively, analyzing greater amounts of data in less time and deriving powerful insights that drive the business forward. For us, Power BI is an example of an emerging technology solution we use in Microsoft today. Power BI allows Finance employees to analyze large amounts of data and to derive valuable insights in far less time than it would have taken in the past. We certainly are able to accelerate our business impact.

What financial tools/strategies do you feel are currently undervalued or overvalued?

Believe it or not, Return on Investment (ROI) is a concept that is not always correctly or effectively considered before making investment or spend decisions. However, ROI analysis and discussion, taking into account all costs - direct and indirect - is a powerful way to level-set on what our group or divisional goals and expectations are, and the investments we make. In addition, it also accounts for the time horizon of expected return and helps balance investment for short-term wins versus long-term growth.

How would you define your overarching philosophy/approach to business growth?

I have always believed that a customer centric approach to growing the business is best, where investing in business areas that lead to the most return and value for our customers is prioritized. This is the approach we are currently taking toward EPG growth. As we help our customers to achieve more while spending less with cloud, we're systematically growing our investments each year in cloud areas such as Office 365 and Azure. This ultimately helps us in growing our share of the wallet for the cus-



tomers while reducing the customer's overall spend, a win for both our customers and us!

There has been a spike in tech acquisitions over the last 3-4 years. What do you think has driven this surge and do you feel this is a trend that will continue?

The growth in cloud and smart mobile technologies has been a key driver of the surge in M&A activity over the past few years, and I expect this trend to continue. Not only are the number of acquisitions increasing but so is the average size of the deals we're seeing as cloud/SaaS firms, and other companies capitalizing on the Internet of Things trend, are being targeted and acquired. Overall, I expect many acquisitions going forward to be

driven by the four transformational technology mega-trends that are emerging - smart mobility, cloud computing, social networking, and big data analytics.

While data can provide great insights for making decisions, it is only backwards looking. Data models are only as accurate as their inputs. How do you balance the use of quantitative data, qualitative data, and your own instincts in making decisions?

Effective business decision making often involves both art and science. Often CFOs and those with an extensive finance background make decisions based mainly on factors that heavily involve quantitative, empirical data which support the conclusion. However, at the same time, qual-

itative data and/or gut instincts based on one's extensive experience can be very important in getting to the optimal solution. At the end of the day, I believe one should effectively leverage all tools and experience at one's disposal in order to arrive at a well-informed, optimal solution or business decision. Every decision involves risk; the question is how fast can we move to a decision based on all the information we have?

Let's shift gears and discuss your thoughts around building teams. What qualities do you look for when you hire or promote employees?

I mainly look for leadership and growth potential. Along with a candidate's core qualifications

and educational background, I will normally assess their potential to interact effectively with ambiguity as well as their ability to influence business decision making where required, both now and in the future. I also look for their intellectual curiosity and their ability to think in non-linear ways. If I can visualize them as adding unique value to the team, I usually hire them.

[How much value do you place in post-graduate degrees like CPAs, MBAs, and CFAs?](#)

I believe post-graduate degrees are very valuable, as they contribute deeply to a candidate's overall toolkit and framework from which to draw when approaching complex business problems, processes, or issues. However, a post-graduate degree is just one aspect of the complete equation, and a candidate's overall experience, ability to collaborate, deal with ambiguity, and EQ are of critical importance as well.

[To close, I have a few more personal questions for you. First, what made you want to work in finance?](#)

To be a good Finance person, you need to be a good businessperson. Finance is right at the very heart of what makes a company strong, healthy, and successful. I value the opportunity to have a significant impact, on a daily basis, in an area that is so critical to the growth, profitability, and strategic direction of a company.

[As CFO of the Worldwide Enterprise & Partner Group,](#)

[you're accountable for reporting the past, responsible for managing present finances, and expected to help define the future. Of these 3 – past, present, and future – what do you enjoy the most and what is most challenging?](#)

As a finance professional, of course I enjoy all three areas. However, I would have to say that I enjoy looking at and defining the future the most, since it is of critical strategic importance to the company, and it often involves the assessment and valuation of new and emerging technology and business areas, as well as their potential impact upon the company's revenue and profitability longer-term. Predicting the future happens to be the most challenging of the three areas, in my experience.

[What other companies or business leaders do you admire? What are they doing so well?](#)

One business leader that I admire is Carol Tome, CFO of Home Depot. She has been extremely pragmatic in growing Home Depot's business over the past decade and set the company up well to weather the storm of the most recent recession. When she took over the CFO position in 2001, Home Depot had been opening a new store about every 48 hours. Its pace of new store openings was down-shifted by Tome to one or two per year, and she instead channeled investments toward technology and other areas to boost productivity at existing locations. By slowing the rate of capital expenditures

in physical locations, Tome was able to strengthen HD's resistance to the recession of the late 2000s and create a more compelling value proposition with its existing portfolio of stores. Additionally, she has been very diligent about returning cash to shareholders in the form of share buybacks and dividends, so in my mind she is a great example of a quintessential shareholder-focused CFO.

[If you weren't working in finance, what do you think you'd be doing? Pursuing an entrepreneurial opportunity or venture.](#)

[What's the best piece of advice you'd give someone entering the world of corporate finance with CFO ambitions?](#)

Build a broad experience base across all the key areas of finance, and strive for excellence in each area in which you are involved. Cultivate and highly value critical business relationships and partnerships, and relentlessly grow your personal network, since it is one of the most valuable assets you can have. Stay curious and plugged into what is happening outside your teams. The best finance leaders often act as catalysts and bring together ideas from various divisions and break down silos, especially in larger companies. Finally, constantly enhance your leadership skills and ability to develop people and organizations, since these are the leaders of tomorrow and represent the legacy you will leave. Most of all, stay true to your core values.

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