

While Microsoft is growing financially today, the company is also faced with numerous problems and challenges nowadays. Alongside this apparent success is a different aspect of the company. Microsoft has been frequently sued by numerous competitors, U.S. Department of Justice and 50 states in the U.S. with regards to antitrust violations. The plaintiffs argued that Microsoft abused its monopoly power in selling operating system and web browsers when it bundled its Internet Explorer with the Microsoft Windows operating system. This move enabled Microsoft to dominate the web browser wars and elbowed its competitors since consumers now have a free version of Internet Explorer. The U.S. Department of Justice also alleged that Internet Explorer will only work with Windows and not with other software made by Microsoft's competitors .

Aside from the antitrust suit that Microsoft eventually lost, a formidable challenge faced by the company is the problem of computer and software piracy. Microsoft software and products are being pirated and copied illegally then sold to the consumers at half the price with no revenue going to the firm. This is appalling since even products and software not yet ready for release to the global market are copied and sold. Aside from software piracy there are also notions, reports and allegations that Microsoft and its programs are very vulnerable to hackers and computer viruses proliferating in the cyber world. These viruses cause the computer to act sluggishly losing important data and files. Viruses and other problems inherent in the programs made by Microsoft creates customer dissatisfaction, negative publicity and loss of sales .

Another huge challenge against Microsoft today is the shift of the world market to an open source program. Open Source programs like Linux are softwares much like the one's made by Microsoft but with a fundamental difference. The difference lies in that Linux is a stable program, its source code are open and can be modified, it has the best technical support, it runs on a wide range of hardware and most of all it is free. Since the main advantage of the Linux is that it is free and can be modified freely, Microsoft and its subsidiary companies and softwares are put in an unpleasant position. The market would now gradually shift to Linux and other open source program gobbling up the huge market share and monopoly enjoyed by the company. Linux and other open source program will also force Microsoft to open up the source codes and basic programming codes of its softwares to the public since the current trend now in software programming is open sourcing .