



Team 7 Case Analysis

Meta

AIS 4099 Senior Capstone

Bre Franco, Stephan Ivester, Scott North

Introduction of Meta



\$41 Billion Evaluation



Facebook is renamed Meta

2004

2010

2016

2021



**Zuckerberg and roommates
start The Facebook**



**Nearly 2 Billion
People per month**



Problem Statement



As Meta's business model pivots to develop the Metaverse, the company faces the challenges of maintaining a positive company culture and boosting morale.

Communication Strategies



- Internal values:
 - "move fast"
 - "build awesome things"
 - "live in the future"
- Employees are called "metamates"



Leadership



- Organizational challenges:
 - Lateral movement of employees to other departments
 - Reporting to newly installed leaders
 - Changes in executive leadership





Financial Sustainability



- Points of concern:
 - \$10 billion loss in revenue from digital ad business
 - Declining stock price
 - Year-to-year report showing losses in
 - Net income
 - Diluted EPS
 - Net profit margin
 - Operating income
 - Net change in cash



Literature Review #1

- “ResearchED: Here’s Why Silicon Valley Employees Are Quitting Their Jobs” by Charlotte Mondal
 - Increase in stress after move to remote work
 - Desire for more flexibility
 - Need for more control in professional lives

Literature Review #2



- “More Than Two-Thirds of Big Tech Employees Feeling Burnout At Home” by Frank Konkel
 - Survey data from 2020
 - 68% of Big Tech workers more stressed after move to remote work
 - 81% of Facebook employees felt more workplace stress after the pandemic





Literature Review #3



- “Drained Minds Seek Relief from Silicon Valley Stress” by Quentin Hardy
 - Many big tech workers seek professional help due to work stress
 - Long working hours impair human development

SWOT Analysis (Strengths)

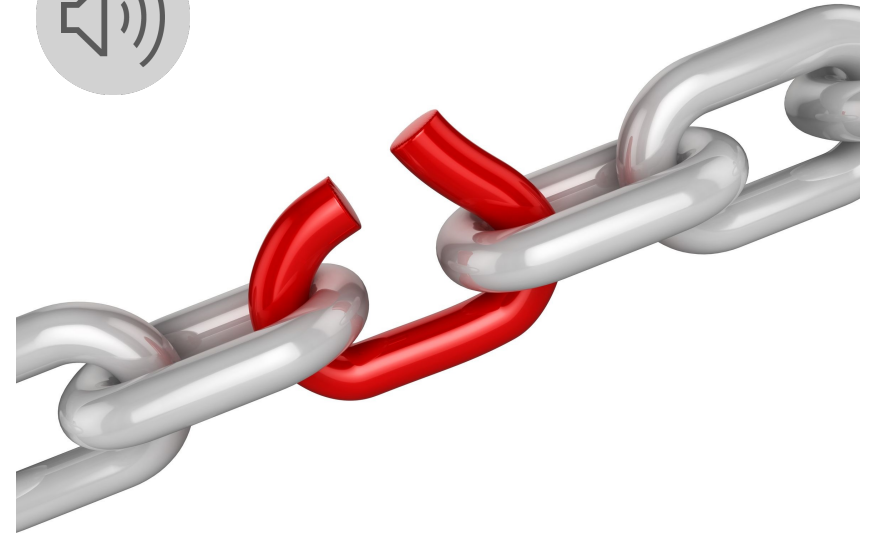


- Market Relevancy
 - Recognized as a pioneer in the social media space
 - 2.936 billion monthly active users across its social media platforms (Kemp 2022)
- Resource Capital
 - Reported 7.5-billion-dollar net income in April of 2022 (Rodriguez 2022)
 - Vast number of assets
- Service Diversification
 - Hold ownership in a total of 94 companies
 - Facebook, Instagram, WhatsApp, Oculus VR Etc.



SWOT Analysis (Weaknesses)

- Executive Turnover/Employee Burnout
 - COO Sheryl Sandberg resignation
 - "Increasingly burned out and disconnected from the mega-business she was instrumental in building" Rodrigues, Glazer, Seetharaman, & Horwitz, 2022).
- Public Scrutiny
 - 2018 lawsuit
 - Acting attorney general of The District of Columbia Karl Racine alleged that the company engaged in lax oversight of user data (McKinnon 2022).
 - Weakening transparency led to lacks in public perception.



SWOT Analysis (Opportunities)



- Expansion
 - 7.5-Billion-dollar net income in April of 2022
 - Profitable income can be utilized to expand to new markets and services
 - New technology initiatives
 - Add to list of 94 acquired company's
- Enhancement of Company Culture
 - Investment in internal employee retention programs
 - Employee development programs
 - Internal hiring practices
- Leadership Development
 - One on one young executive mentorship initiatives
 - Routine staff training seminars
 - Executive workshops





SWOT Analysis (Threats)

- Competition
 - Crowded technology market (new entrants)
 - Fast mobilization of the popular social media company, TikTok
 - Estimated one billion global users acquired, in just two years, (Kemp 2022)
- The Great Resignation
 - Migration of workforce to other fields of profession.
 - According to Intelligence Insider, “Only 16% of IT workers ages 19 to 29 plan to remain in their jobs, versus 48% of workers in the 50- to 70-year-old segment.”
- Technology Burnout
 - Detailed upkeep and time investment into tech requires major employee dedication.
 - Unfulfillment in times of stagnant tech developmental periods.





Recommendations



Leverage Strengths

- Deep pockets
 - Increase wages
 - Increase 401k



Leverage Opportunities

- Known for excellent employee perks
 - Continue to attract top talent
 - Avoid complacency in providing attractive benefits





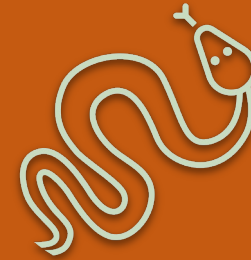
Recommendations



Mitigate Weaknesses

➤ Weakness

- Restructure employee wellbeing programs
- Appointment of board of directors to oversee such programs
- Eliminate avenues of stress & outdated strategies



Mitigate Threats

➤ Threat

- Innovation initiatives
- Utilize resource capital for service enhancement and product development.
- Provide structures for worklife balance



Conclusion



-
- Meta faces unique and unprecedented opportunities
 - Through strategies of mitigation, advancement, and growth
 - Adhering to practices of...
 - Employee investment, staff wellbeing programs, board oversight committees and innovation initiatives



Horwitz, Jeff, et al. "Why Sheryl Sandberg Quit Facebook's Meta." *The Wall Street Journal*, Dow Jones & Company, 4 June 2022, <https://www.wsj.com/articles/why-sheryl-sandberg-quit-facebook-meta-11654215712>.

Kemp, Simon. "The Latest Facebook Statistics: Everything You Need to Know - Datareportal – Global Digital Insights." *DataReportal*, 11 May 2022, <https://datareportal.com/essential-facebook-stats#:~:text=Facebook%20had%202.936%20billion%20monthly,'active'%20social%20media%20platforms>.

McKinnon, John. "Meta's Mark Zuckerberg Is Sued by Washington, D.C., Attorney General." *The Wall Street Journal*, Dow Jones & Company, 23 May 2022, <https://www.wsj.com/articles/metask-mark-zuckerberg-is-sued-by-washington-d-c-attorney-general-11653329482>.

Rodriguez, Salvador. "Facebook Revenue Slows but User Gains Boost Stock." *The Wall Street Journal*, Dow Jones & Company, 28 Apr. 2022, <https://www.wsj.com/articles/meta-platforms-facebook-fb-q1-earnings-report-2022-11651022191>.

Sevilla, Gadjo. "The Great Resignation Is Disrupting the Tech Industry." *Insider Intelligence*, Insider Intelligence, 11 Mar. 2022, <https://www.emarketer.com/content/great-resignation-disrupting-tech-industry>.

Kamau, Shalom. "Facebook Benefits: Perks of Working at Facebook." *Career Karma*, 17 Jan. 2022, career karma.com/blog/facebook-benefits.