# Article information:

Slimming down Big Tech | Financial Times  
<https://www.ft.com/content/5f96a9f3-e410-4213-9f51-f5f7aba4fd8a>

# Article summary:

1. The profitability of big tech companies makes it difficult to assess their efficiency and determine whether they have lost focus on costs and returns.

2. The Pareto principle and "matrixing" are key conceptual tools for assessing efficiency in companies, but the unique nature of big tech companies makes it challenging to apply these tools.

3. Big tech companies may engage in unproductive empire-building, but investors also need to consider the importance of investing in reinventing themselves to remain competitive.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The Financial Times article titled "Slimming down Big Tech" discusses whether the recent job cuts at major US tech companies are a result of falling stock prices and keeping investors happy, rather than reversing pandemic-era over-hiring. The article explores the difficulty in benchmarking margins and returns against peers for these companies due to their unique business models, markets, and delivery technologies. The author speaks with two investors with long experience in these matters who argue that big tech will now face the same pressures as other companies to focus on cash earnings and dividends.

While the article provides some interesting insights into the challenges of assessing efficiency for large tech companies, it also has some potential biases and missing points of consideration. For example, the article assumes that the recent job cuts are solely driven by falling stock prices and investor pressure without considering other factors such as changes in market demand or shifts in business strategy. Additionally, while the article acknowledges that big tech is highly competitive and requires investment in reinventing themselves, it does not explore how cutting costs could impact innovation or future growth.

Furthermore, the article presents a one-sided view of how big tech companies operate by focusing on potential inefficiencies without exploring counterarguments about how these companies have been able to achieve high profitability through innovation and investment in new technologies. The article also lacks evidence for some of its claims, such as stating that "team leaders will absorb any resources they can" without providing examples or data to support this assertion.

Overall, while the article raises some valid points about assessing efficiency for large tech companies, it could benefit from exploring both sides of the argument more thoroughly and providing more evidence to support its claims.

# Topics for further research:

* Impact of job cuts on innovation and future growth in big tech companies
* Factors driving changes in market demand for big tech companies
* Strategies for achieving high profitability through innovation and investment in new technologies
* Counterarguments to potential inefficiencies in big tech companies
* Evidence supporting the claim that team leaders absorb any resources they can
* Comparison of big tech companies' business models
* markets
* and delivery technologies with other industries

# Report location:

<https://www.fullpicture.app/item/a8bce10672c2b79e3648a3fac4489dc8>