



Microsoft's Nokia buy out- just another damp squib?

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Two slipping companies which were considered to be leaders in their own fields have now become one! Microsoft's has recently acquired Nokia for a whopping \$7.2 billion.



Remember the days when software just meant Microsoft and Mobile just Nokia. That was how these two brands monopolized their markets. It was an expected move as Nokia had already made a move from its Symbian OS to adopt Windows Mobile. While many of the industry experts are gung-ho about the deal, many are criticizing it. There are many apprehensions. Microsoft's share prices too went on a down spiral the day the deal was inked. How would this association take off? Would it add any value to the industry or its just another damp squib as Microsoft earlier too had made a move to

get into the smartphone market through **Surface Tablet** which was a notable flop. Are there some solid reasons which could have prompted this deal? Yes.

Today Microsoft is at a rickety 4% growth rate and Nokia is left far behind by companies like Samsung . Its not just due to the features and user 'friendliness' of the Samsung devices but the large pool of Google's Android based apps which are available for the users. Google has very smartly nurtured the Android developers community and today its a big driving force. Remember the days when Microsoft launched Windows Operating system and changed history for ever. The Apple's Macintosh was left behind for Microsoft was much more developers friendly. Seems as if history is repeating itself.

The drivers which could catapult Microsoft to the top in the smartphone industry are as follows...

Smartphone revolution in emerging geographies

New geographies like India, other South Asian countries, Africa etc. are still getting ready for the big smartphone revolution. 3G & 4G are just getting introduced to the market and the potential of these markets is huge. Most of the Asian countries still have decent Nokia presence. Products like Nokia Lumia are getting good customer response. Microsoft could leverage on the existing market share of Nokia to grow it further.

Leveraging on the combined strength of Hardware & Software

The reason for the success of Apple's products is because it controls & has ownership of both- its hardware and software. Now on Microsoft and Nokia would have the liberty develop better products for the customers and they don't have to rely on outsiders.

Leveraging on Microsoft's Enterprise Applications strength

There wont be a single enterprise in this world which would not be using any Microsoft product. Products like MS Office, Microsoft based LoB, MS Dynamics, Sharepoint, Windows based client & server applications, applications built on VB, .net and other software platforms, collaboration tools like Yammer...Microsoft has a deep seated presence in the IT ecosystem.

Today a big challenge with Enterprise Mobility is how to enable mobile access to enterprise applications. People today not only want to access emails, messages etc but also want to access their LoBs and other software on their smartphones. Here Microsoft could have a a major advantage for being an incumbent in all top customer accounts.

This could open new frontiers for mobile application integration, enterprise mobility and collaboration. Developers will again embrace the new platform which has best of hardware and software. Think of the value the users will get.

If Steve Balmer could make it happen then this deal would be considered one of the smartest in the history.

About the author



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Sanjay holds a Bachelors in Engineering (Computer Science) and a PG Diploma in Business Management. He has worked with top names in the IT sector like Avaya GCL & Mahindra Satyam. His client list includes top bracket names across Banking, Insurance, Retail, Public Services and other verticals.

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