

# **MICROSOFT: 1981, IBM; 2011 NOKIA.**

*Posted on 14/03/2011 by Naider*

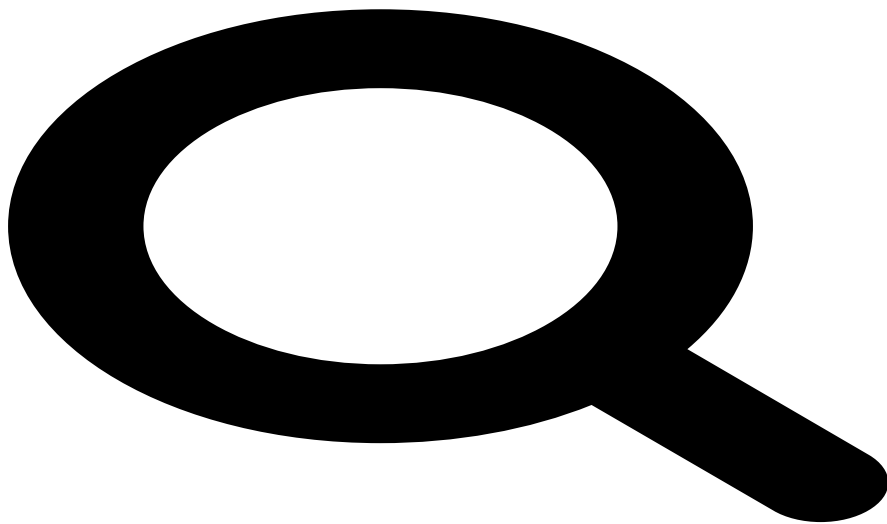


In 1981 [IBM](#) introduced Microsoft's MS-DOS operating system on all of its personal computers. It is not clear that IBM lost competitive position with this move, but of course the one that really gained from it was Microsoft. I can't help but see some parallels between this deal and the **recently signed by Microsoft and Nokia**.

The [Nokia](#) announcement from [past February 11](#) through which they said they were leaving the platform [Symbian](#) and [MeeGo](#) left everyone stunned. As if this were not enough, the abandonment was accompanied by the announcement of a strategic collaboration with [Microsoft and the commitment to adopting Windows Mobile as the platform for their mobile phones, a decision that at that time clashed head-on with the more open approach that Nokia has always given to its systems.](#)

It is true that Nokia was progressively losing market share in *smartphones*, [9% in 2010](#), but the move was sudden and inconsistent with its smartphone strategy last years. The [current CEO of Nokia](#) [/a>, Stephen Elop, a former Microsoft manager, was talking about the ecosystem warfare. The curious thing about this statement is that Windows Mobile is not one of the winning ecosystems today.](#)

This decision will undoubtedly be in the innovation strategy books of the future. Strategy books, as we all know, always justify their models with successful case studies, but always in hindsight. Today, there are very few gurus who dare to say if this movement by Nokia has been brilliant or signs its suicide. In this sense, a survey conducted through [Linkedin](#) shows a **fairly balanced disparity of opinions**.



Contemporary innovation strategy speaks of the importance of *core capabilities*, key capacities, and also of the paradigm of open innovation or *open innovation*. Two concepts that are sometimes difficult to combine. Nokia's decision undoubtedly strikes **a difficult balance**: defending its key capabilities and protecting them within its organization while opening up to **a forced application of open innovation** (a one-sided alliance with a single software developer) to enrich its competitive position with innovative external developments (such as the Microsoft operating system). There is a fine line that separates a good strategic decision from business suicide.

The key is whether the operating system can tomorrow be a *core capability* that Nokia has left out; whether your approach to device hardware will make you competitive or lose it; and whether the Nokia-Microsoft combo really presents synergies or will actually be a clash of radically different business cultures. Thanks to the speed of technological change and the speed of the markets of the mobile world, we will have the answers very soon.

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