

Microsoft acquires LinkedIn - what you need to know - blueAPACHE

Canonical: <https://www.blueapache.com/blog/microsoft-acquires-linkedin-need-know>

Details:

Summary

This blueAPACHE post reports: Creating a stir in the technology world earlier this month was the news Microsoft Corporation (NASDAQ:MSFT) was investing a whopping US\$26.2 billion in cash to acquire the professional networking site LinkedIn Corp. This is the largest ever acquisition by Microsoft and the purchase price corresponds to a nearly 50% premium on LinkedIn's share price at the time. It concerns Microsoft Practice, emPOWER Cloud, emPOWER Core Network & Data Centre Interconnect. It names Microsoft, Azure in connection with the announcement. Published in 2016. Figures, product names and event details reflect that time; for current information see the linked service pages.

Key facts

Label	Value
Publication year	2016
Services referenced	Microsoft Practice, emPOWER Cloud, emPOWER Core Network & Data Centre Interconnect
Named products or vendors	Microsoft, Azure
Cited figure	...by Microsoft and the purchase price corresponds to a nearly 50% premium on LinkedIn's share price at the time. According to...

Article

Microsoft acquires LinkedIn (and it is huge)

Creating a stir in the technology world earlier this month was the news Microsoft Corporation (NASDAQ:MSFT) was investing a whopping US\$26.2 billion in cash to acquire the professional networking site LinkedIn Corp. (NYSE:LNKD). This is the largest ever acquisition by Microsoft and the purchase price corresponds to a nearly 50% premium on LinkedIn's share price at the time. According to statements from both companies, the deal is expected to close before the end of 2016 – pending final approvals – and will see LinkedIn maintain its distinct brand, culture and independence with CEO Jeff Weiner retaining control of LinkedIn's operations, and reporting directly to Microsoft CEO Satya Nadella. Predictably, both Nadella and Weiner have expressed their shared vision on how this deal will accelerate the growth of LinkedIn, as well as Microsoft Office 365 and Microsoft Dynamics. LinkedIn has 433 million registered users worldwide, out of which 105 million are active users visiting the site every month, and about 2 million are paid subscribers – all of whom are now potential customers for Microsoft's products and services. Through this acquisition, Microsoft also gains access to LinkedIn

products such as presentation sharing software SlideShare and professional training service Lynda.com. While LinkedIn has been performing poorly on Wall Street since the start of this year, they will benefit from Microsoft's software development prowess. LinkedIn can utilise Microsoft's field and distribution channels to reach new audiences and more customers and will have access to Microsoft's scaled cloud infrastructure and technology stack. The acquisition opens a plethora of integration opportunities. PowerPoint users seeking help could see a list of subject matter experts from their network appear directly within the application. Microsoft and LinkedIn executives outlined a host of ideas for the future including – the creation of a single source of truth wherein an individual's profile is automatically synced across apps like Outlook, Skype and Office keeping the data current, a unified news feed and a predictive digital assistant that will keep users constantly updated with information tailored to events like meetings and projects. Industry opinion on whether this deal makes fiscal sense for Microsoft remains divided. When it comes to acquisitions, Microsoft has had a mixed track record. In 2014, the company bought the mobile phone assets of Finnish telecom company Nokia, which turned out to be a disaster with Microsoft writing off a loss of US\$7.9 billion in July last year. Earlier deals for Skype Technologies and Yammer Inc. appear promising, the jury is still out on whether they have actually delivered hoped-for benefits to Microsoft. While the success of this acquisition remains to be seen, a Microsoft-LinkedIn marriage could potentially reinvent productivity and business processes for Microsoft customers. As articulated by Nadella, "It's really the coming together of the professional cloud and the professional network." blueAPACHE are a specialist Microsoft partner. We are also a Microsoft ExpressRoute launch partner, and provide clients with direct (and secure) access to Microsoft Cloud Services including Azure and Office365. To learn more, contact the blueAPACHE account team .

Related

Microsoft Practice (pillar)

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Frequently asked questions

How much did Microsoft pay to acquire LinkedIn, according to this article, and what premium did that represent?

The article reports Microsoft invested US\$26.2 billion in cash to acquire LinkedIn, representing close to a 50 percent premium on LinkedIn's share price at the time, in what it calls Microsoft's largest-ever acquisition.

What user figures does the article give for LinkedIn at the time of the deal?

The article states LinkedIn had 433 million registered users worldwide, of which 105 million were active monthly users and about 2 million were paid subscribers.

What other LinkedIn products does the article say Microsoft gained access to through the deal?

The article names SlideShare, a presentation-sharing tool, and Lynda.com, a professional training service, as products Microsoft gained through the acquisition.

What integration ideas does the article mention for the future of the combined companies?

The article mentions surfacing subject-matter experts from a user's LinkedIn network directly within PowerPoint, syncing an individual's profile across apps like Outlook and Skype, a unified news feed, and a predictive digital assistant tied to meetings and projects.

Is the information in this post still current?

No. It reports a 2016 acquisition announcement and Microsoft's Azure and ExpressRoute partnership context at that time; for blueAPACHE's current Microsoft partner status, see the About Us / Partners page rather than this post.

Source

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Knowledge Base

How much did Microsoft pay to acquire LinkedIn?

Microsoft invested US\$26.2 billion in cash to acquire LinkedIn, which represented a nearly 50% premium on LinkedIn's share price at the time.

Was the Microsoft-LinkedIn deal significant for Microsoft historically?

Yes, this was the largest ever acquisition by Microsoft.

When was the Microsoft acquisition of LinkedIn expected to close?

According to statements from both companies, the deal was expected to close before the end of 2016, pending final approvals.

Would LinkedIn retain its independence after the Microsoft acquisition?

Yes, LinkedIn was expected to maintain its distinct brand, culture and independence, with CEO Jeff Weiner retaining control of LinkedIn's operations and reporting directly to Microsoft CEO Satya Nadella.

How many users did LinkedIn have at the time of the acquisition?

LinkedIn had 433 million registered users worldwide, of which 105 million were active users visiting the site every month, and about 2 million were paid subscribers.

What additional products did Microsoft gain access to through the LinkedIn acquisition?

Through the acquisition, Microsoft gained access to LinkedIn products such as the presentation sharing software SlideShare and the professional training service Lynda.com.

What integration opportunities did the acquisition open up between LinkedIn and Microsoft products?

The acquisition opened up integration opportunities such as PowerPoint users seeing a list of subject matter experts from their network appear directly within the application, a single source of truth where an individual's profile is automatically synced across apps like Outlook, Skype and Office, a unified news feed, and a predictive digital assistant that keeps users updated with information tailored to events like meetings and projects.

What benefits would LinkedIn gain from being acquired by Microsoft?

LinkedIn, which had been performing poorly on Wall Street since the start of the year, would benefit from Microsoft's software development prowess, be able to utilise Microsoft's field and distribution channels to reach new audiences and customers, and gain access to Microsoft's scaled cloud infrastructure and technology stack.

How has Microsoft's acquisition track record been ?

Microsoft has had a mixed acquisition track record. In 2014, it bought the mobile phone assets of Finnish telecom company Nokia, which turned out to be a disaster, resulting in Microsoft writing off a loss of US\$7.9 billion in July of the prior year. Earlier deals for Skype Technologies and Yammer Inc. appeared promising, but it remained unclear whether they had actually delivered the hoped-for benefits to Microsoft.

What did Satya Nadella say about the Microsoft-LinkedIn deal?

Satya Nadella described the deal as "the coming together of the professional cloud and the professional network."

What is your relationship with Microsoft?

We are a specialist Microsoft partner and a Microsoft ExpressRoute launch partner, providing clients with direct and secure access to Microsoft Cloud Services including Azure and Office365.