

## Ballmer: "Fundamental Shift Underway" at Microsoft

Written by Marco Attard  
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Anyone who wants to know where Microsoft is heading just needs to check the 2012 Steve Ballmer letter to shareholders-- one pointing to a future of hardware and online services.



Perhaps taking a page or two from the Apple playbook, Ballmer talks of Microsoft building "specific devices for specific purposes" with the Xbox and Surface tablet acting as examples... all while continuing to work with its "vast ecosystem of partners" (Dell, Samsung, HTC et al).

The company will also continue the development of "new form factors" making use of touch-, gesture- and speech-based input.

"This is a significant shift, both in what we do and how we see ourselves— as a devices and services company," Ballmer continues. The writing on the wall reading ["Surface phone,"](#) anyone?

Windows will remain the glue holding all Microsoft offerings together, as the "one platform" uniting PC, tablet, phone, server and cloud.

Microsoft is also going through another shift-- from selling software to cloud-based services, both within consumer and enterprise segments. Ballmer claims "the ultimate experience with the new Office for both consumers and businesses will come when it is paired with a Windows 8 device and delivered as a cloud subscription service with Office 365."

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For the curious, alongside the shareholders' letter comes the Microsoft annual proxy filing-- one showing how Ballmer has a lower 2012 bonus (\$620000, down -9% from 2011). How come? Flat Windows sales and the failure to ensure the company provided a choice of browser to some European customers, of course.

Go [Microsoft Annual Shareholder Letter](#)

Go [Microsoft 2012 Financial Review](#)