Written by Marco Attard
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Microsoft makes the 3rd biggest tech acquisition in history as it pays $26.2 billion for LinkedIn, a deal Microsoft hopes will bring together the cloud and the professional social network.

“The LinkedIn team has grown a fantastic business centered on connecting the world’s professionals,” CEO Satya Nadella says. “Together we can accelerate the growth of LinkedIn, as well as Microsoft Office 365 and Dynamics as we seek to empower every person and organisation on the planet.”

Post-acquisition LinkedIn will retain significant autonomy under current CEO Jeff Weiner, an arrangement similar to what was given to Minecraft developer Mojang.

Many analysts question the wisdom of the acquisition-- after all, Microsoft has a poor record with big deals, such as aQuantive (bought in 200 for $6n, led to a $6.2bn in 2012) and more recently Nokia (bought in 2014 for €5.4bn, led to 8.5bn in writedowns in 2015 and 2016). One also has to keep in mind Microsoft already owns a corporate social network with Yammer, a 2012 purchase providing enterprises with private communications now making part of Office 365.

On the other hand, while LinkedIn is arguably useful to both people looking for employment and headhunters, one wonders how it can slot into the Microsoft product offering outside of a few examples given by Microsoft itself. Theese include integrating LinkedIn's Sales Navigator with Dynamics CRM and, perhaps most obviously, slotting LinkedIn profile information in applications such as Outlook and Skype. Microsoft also suggests LinkedIn become the place professionals go to for news and details on peers' work lives, but we doubt many firms will want more excuses for employees to waste time on social networks.

Whatever one thinks Microsoft will do with LinkedIn the acquisition should be finalised by end 2016.

Go Microsoft to Acquire LinkedIn