Remember the famous high tech book, *Crossing the Chasm*?

Perhaps there should be a new book for high tech companies to follow: **Sitting on a Precipice.**



That might be appropriate because our "old" industry leaders in the PC business now sit on a precipice. For some, things look pretty grim. For others, it will soon look even grimmer-- if they don't act now.

A prime example of inaction can be drawn from the mobile industry where RIM has taken Blackberry into a free fall that will only end in a splat.

For Microsoft, it's a different story. There are actions that will be taken.

Here's one example of how Microsoft might look in a year or two.

First, meet the new CEO. Yes, Stephen Elop...the loyal *Microsoftie* who insisted on Windows at Nokia until they had no other choice but look for an acquirer. Consider the CEO job as Elop's reward for bringing Nokia into the fold (because that's the way the Microsoft Board is looking at

it).

Now with Elop at the helm, there's a reversal. Instead of Elop preaching Microsoft to Nokia, he will start preaching Nokia to Microsoft. It will be all about mobility. For example, Elop would make it a priority to bring Office to third-party mobile platforms because Office is more important to Microsoft than Windows. Really.

Another step: Elop will be forced to divest **Bing** and **Xbox**. Even Microsoft co-founder Paul Allen has already suggested this publicly.
And look at the TREFIS financial chart below that shows what's at stake: mostly nothing, 7.7% of the company.

Bing and Xbox would be probably be sold to their respective management teams who would be leveraged with outside venture capital. They could be dangerous in other hands. As insurance, Microsoft would retain stock but none of the operating costs. Both would be locked in to carrying Microsoft technology for a number of years as part of that sell-off.



Microsoft's newly freed-up resources (money, time and management) would go to continuing **th e push into the cloud, Big Data and networks.**

And a new team would be appointed to address how to make Skype an integrated offering.

You can jump across a chasm, but if you are caught on a precipice it's different.

If you stay, you eventually starve, dehydrate and dwindle away.

If you want to leave precipice and you can't go back the way you came, there's only way to do it: **it's base jumping while your parachute is still intact.**