

## Trends in the IT Industry – How Will it Drive the Transformation of Innovation Policy?

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**Microsoft**

Trends in The  
Industry

Impact on  
Innovation  
Policy

Business  
Models

Impact on  
Local  
Business  
Environment

**Microsoft**

# Technology Trends



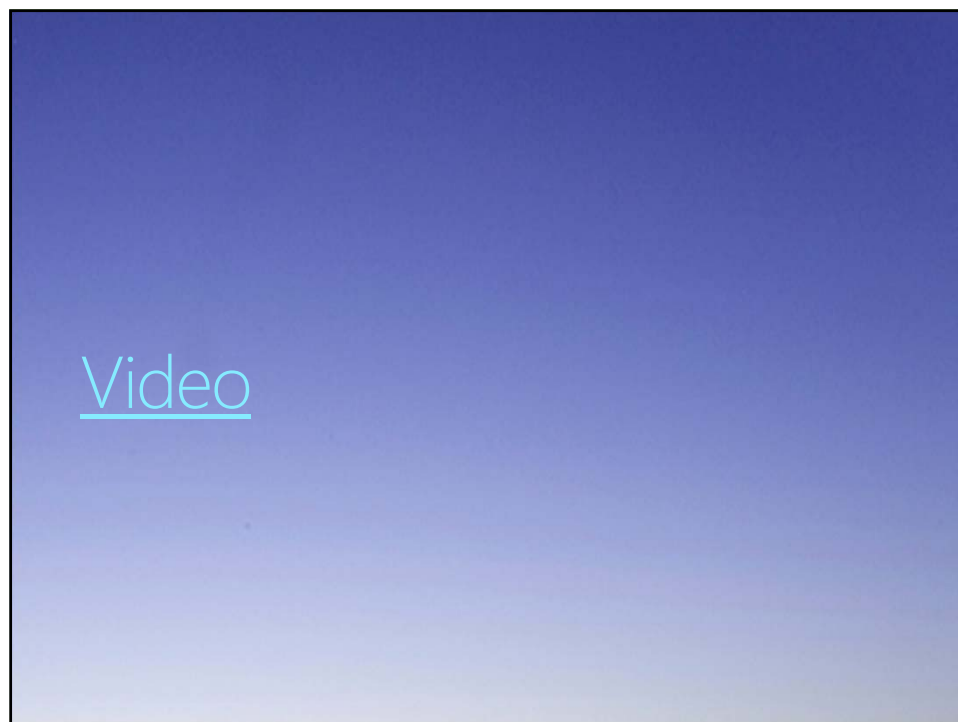
Cloud	Devices	NUI
<ul style="list-style-type: none"><li>• Data Centre Infrastructure</li><li>• New Scalability</li><li>• Public and Private Cloud</li><li>• IaaS, PaaS, SaaS</li><li>• Trust, Security and Privacy</li></ul>	<ul style="list-style-type: none"><li>• How many devices do you carry?</li><li>• How Many devices do you use at home and in the office?</li><li>• Content in the Cloud</li></ul>	<ul style="list-style-type: none"><li>• Touch</li><li>• Movement</li><li>• Speech</li><li>• Writing</li></ul>

Microsoft

A New Era of Innovation

Established 1975  
110 offices  
+ 90 000 employees

\$9.8B Investment



## Impact on Innovation Policy

Time to Market	Vertical and Horizontal Innovation	VC Market – Croudfunding?
Innovation Box and other tax regimes	EU Single Digital Market	Open Government Data
Education ICT in Education	Entrepreneurship	Security, Privacy, Data Portability

## Changing Environment

### The Wintel-era

- Chip+OS and applications
- Vertical specialization

### The Cloud is connecting devices and Services

- Vertically integrated services (devices, software, services, content)
- Apps and app market places

#### **Innovation**

- Invests in R&D to develop solutions and services to create value for the end customer

#### **Add-based**

- Invests in R&D to drive services and innovation to be able to target better and sell more adds

#### **Margins**

- Use the economy of scale (like a retailer) to drive down margins. Does not invest significantly i R&D

**Customer focus drives desicon making**

**Advertiser focus drives decision making**

**Costs vs. Innovation**

## Impact on Policy, Ecosystems and Local Economy

Policy	Ecosystems	Partners and Local Economy
<ul style="list-style-type: none"><li>• Privacy and Security<ul style="list-style-type: none"><li>• Safe Harbour</li><li>• EU Model Clauses</li></ul></li><li>• Customer control of data</li></ul>	<ul style="list-style-type: none"><li>• Importance of R&amp;D</li><li>• Skilled labour force</li><li>• Entrepreneurial environment</li></ul>	<ul style="list-style-type: none"><li>• Trust and predictability</li><li>• Right to choose payment methods</li><li>• Respect of IPR</li></ul>

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