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Microsoft, Nokia form mobile-computing alliance

By [Benjamin Pimentel](#), MarketWatch

SAN FRANCISCO (MarketWatch) -- The world's biggest software company is joining forces with the top seller of mobile phones in a major partnership to provide mobile computing geared to business customers.

The move announced on Wednesday by Microsoft Corp. /quotes/comstock/15*!msft/quotes/nls/msft ([MSFT 30.36](#), +0.76, +2.57%) and Finland's Nokia Corp. /quotes/comstock/13*!nok/quotes/nls/nok ([NOK 12.45](#), +0.03, +0.24%) underscored the growing prominence of mobile computing that has prompted major technology players to jockey for advantage. Nokia recently unveiled a similar partnership with Intel Corp.

In the latest pairing, Nokia and Microsoft said they're collaborating to design, develop and market products "for the mobile professional."

The partnership will bring together the Redmond, Wash.-based behemoth's office Microsoft Office Mobile and "business communications, collaboration and device management software" and Nokia's Symbian devices.

Shares of Microsoft were up 1.7%, while Nokia rose 0.8% after the announcement of the pact, which The Wall Street Journal was first to report on Tuesday. In a prepared statement, Microsoft's business division President Stephen Elop said, "With more than 200 million smart-phone customers globally, Nokia is the world's largest smart-phone manufacturer and a natural partner for us."

Analyst Roger Kay of Endpoint Technologies Associates said the move could help both companies address stiffer competition from rivals like Apple /quotes/comstock/15*!aapl/quotes/nls/aapl ([AAPL 195.43](#), +3.57, +1.86%) and Research In Motion Ltd. /quotes/comstock/15*!rimm/quotes/nls/rimm ([RIMM 70.00](#), +6.54, +10.31%).

"Windows Mobile has been stalled in the face of Research In Motion and to a lesser degree Apple, but Nokia has a large share, particularly in Europe," he said in an emailed comment. "The alliance is quite complementary. It gives Nokia a strong set of enterprise apps, and Microsoft gets to put its products on a widely accepted platform."

Steve Allen of Sierra Tech Research described the alliance as "natural." Microsoft appeared to be "following Intel's lead," he added, referring to Intel's

/quotes/comstock/15*!intc/quotes/nls/intc ([INTC 19.63](#), +0.56, +2.94%) alliance with Nokia.

In June, Intel and Nokia said they will collaborate on a "mobile platform beyond today's smart phones, notebooks and netbooks, enabling the development of a variety of innovative hardware, software and mobile Internet services."

Charter Equity Research analyst Edward Snyder said the partnership underscored Nokia's aggressive bid to hit back at rivals.

"News that the full range of [Microsoft's] Mobile Office tools will be implemented on Nokia E-Series is another data point suggesting that Nokia's counterattack against its high end competitors could gain traction next year," he said in a note.

Snyder said the announcement also appears "at least partially targeted towards corporate IT [information technology] managers about to prepare their spending budgets for 2010."

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