

Global crisis hitting IT spending: Microsoft chief

November 2 2009



Microsoft CEO Steve Ballmer officially kicks off Windows 7, October 22, 2009 in New York. Companies worldwide are slashing spending on information technology because of the global downturn and will have to learn to do more with less, Microsoft chief executive Steve Ballmer said Monday.

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Ballmer, on a visit to South Korea to promote the newly-released Windows 7 system, said IT spending represents about half of all capital expenditure in developed countries such as the United States and [South Korea](#).

"With capital more scarce, we know IT budgets are more scarce," Ballmer told chief information officers (CIOs) from local businesses.

"There is going to be pressure in businesses to drive for a new level of efficiency."

Ballmer said the [global economy](#) went through a set of "once-in-a-lifetime" changes last year.

"So it's important that we're not saying we just had a crisis and we are going to have a recovery. We are going to live in what we like to call the new normal.

"The new normal will be a more scarce environment than we saw a year, two years, three years ago. While we will see growth, we will not see recovery," he said, citing a 15 percent drop in global [personal computer](#) and server sales.

Ballmer said there would be pressure worldwide to cut IT spending but to increase its impact. "We need a strategy to help you, we say, 'do more with less'," he said, touting Windows 7 as part of the solution.

"It's simpler for its end-users and faster and more responsive," he said. "You have an opportunity not only to help the users do more but also reduce IT spending."

The system's "cloud computing" and "virtualisation" allow users to perform tasks with less hardware and thus less electricity, he said.

The software giant last month said net profit fell 18 percent in the first quarter of its fiscal year to 3.57 billion dollars from 4.37 billion dollars a year earlier. But its revenue of 12.92 billion dollars exceeded analysts' forecasts.

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Citation: Global crisis hitting IT spending: Microsoft chief (2009, November 2) retrieved 6 May 2024 from <https://phys.org/news/2009-11-global-crisis-microsoft-chief.html>

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