

IT Executive Exchange

Plans for Vista and Office 2007

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Executive Summary

The ITEE Group discussed the pros and cons of moving to Microsoft Vista and Office 2007. The issue of when and how to upgrade hardware and software is a core responsibility of all CIOs. Thus it was not surprising that we had a large turn out for this meeting and many people participating. Some of the questions that were addressed included:

- What is the interoperability of Vista and Office 2007 with other programs?
- How does the transition to Vista/Office 2007 inside the organization affect all of the electronic relationships with firms outside the organization?
- Should firms go to Office 2007 on Windows XP?
- Should the transition be done as a big bang (all at once), or little by little?
- Other applications in the firm may have embedded Microsoft tools. How will the transition to new versions affect them?
- Vista and Office 2007 offer a stunning new visual landscape. Users may get used to this at home and demand it at the office before you are ready to transition to it. Not only will expectations be raised, but there will be a need for significant amounts of training. How much will this cost?
- Where are the nuggets within Vista and Office 2007 that will provide significant cost savings of enhanced revenue streams for firms?
- Microsoft seems to be moving to a policy where everyone will have to have “software assurance,” a program that “provides” updates on a regular basis. Without it, you do not have any support. What are the implications of this policy shift?

While not yet having definitive answers to any or all of these questions, the group shared practical knowledge and ideas to date.

The IT Executive Exchange (ITEE) is a group of IT Executives and College of Business Administration professors at The University of Akron that meets about every six weeks to discuss pressing and leading edge IT issues faced by IT executives. The purpose of this forum is to have a healthy exchange of ideas that will be useful to all attendees. It is sponsored by the Center for Information Technologies and eBusiness (CITE) of The University of Akron's College of Business Administration. For previous topics and summaries, refer to <http://cite.uakron.edu>

This summary was prepared by Prof. William McHenry, CBA, The University of Akron, with the help from students in 6500:645 (Advanced MIS) class.

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Upgrading to Vista and Office 2007

Usability and Compatibility

There has been an informal program to investigate Vista at the University of Akron. It was loaded onto an Optiplex 110—a somewhat older, rather typical machine. This machine did not have enough memory on the graphics card. That could be a serious issue. The machine was running at 800 MHz with 512 MB RAM. It will need at least 1 GB RAM just to run Vista, and if you want to have any applications going, try going up to 2 GB. You will need at least 128 MB or 256 MB direct memory on the graphics card.

How will Vista/Office 2007 work in conjunction with other major products? Internet Explorer 7 has not even been certified with SAP and Oracle yet. Some participants noted problems with IE 7.

One of the participant firms is putting in SAP right now. They purchased Duet, a product that facilitates SAP and Microsoft integration. Another firm that has already put in SAP has 94% of the users interfacing with SAP through Microsoft, not through the native SAP User Interface (5000 out of 85000). How will Vista work with ERP packages? Right now this is a big unknown.

Another participant saw Vista loaded onto a laptop and thought that it was running well.

There may be problems with international versions of some Microsoft programs. One firm said that they had completely resolved all problems with an upgrade to the US version. But when the upgrade was made to the German version, their macros stopped working for no apparent reason.

Office 2007 uses XML-based file formats that are not backward compatible. Users will need to download a compatibility package to read them if they have not yet upgraded. It may make sense to upgrade some departments and not others. This could lead to particular compatibility problems. Some firms may want to run Office 2003 on Vista, but com-

patibility has not yet been established. Mac versions of Office 2007 will not be available for 1-2 more years.

Timing of the Transition

“Vista will be forced down our throat.”

The opinion was expressed that “Vista will be forced down our throat.” Most seemed to think that the time for “refreshing” the operating system is when new hardware is purchased. Not before. However, it may be possible to run Office 2007 on Windows XP, which makes it harder to discern what the best timing should be. The opinion was expressed that firms will try to string out Windows XP as long as possible. It was stated that there will be a 2-3 year window to get the transition done. However, upgrades of other products, like ERPs, may lead to a chain reaction need to upgrade the OS.

At the U of A. it is expected that the labs in the CBA will transition to Vista in Fall, 2007. Informal testing has been going on. Some immediate problems were apparent. For example, there is no “back to classic view” mode that allows a smoother transition, The learning curve will be steep for some people. Faculty will present a challenge. In which version to give assignments? As students start to have the new versions, faculty will be forced to upgrade themselves. This will not be cheap, as it may entail upgrading 5,000 or more machines. The University as a whole is budgeting to roll out Vista/Office 2007 over the next 30 months.

The firms in the room were all at different places in their tech refresh cycles. One firm had just finished bringing every desktop up to Windows XP. This firm estimated that it cost them \$200K to get to Office 2003 for everyone, and that just moving to Office 2007 would cost well over \$1M. The cost of owning Microsoft is not cheap, and has been rising by 20-25% per year. If you want to get upgrades, you will have to be part of the software assurance program, which helps to make upgrades as regular as those in the ERP and other segments.

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It is a bad idea to wait until there is no upgrade path for software. This could be when you have fallen behind 2-3 versions or 6-7 years. Then you have to do many simultaneous upgrades to be able to install the new versions. It is much better to stay no more than 1-2 releases behind the official release. But do not install the very latest release as one of the leading edge firms! One participant had the experience of installing Oracle 8 just when it came out. In the course of six weeks they applied 900 patches. Another firm installed Oracle 8 after Service Pack 1 came out, and had almost no problems whatsoever. There is always a trade-off between new features and stability. It all depends on how badly you want/need the new features.

There was also a discussion about finding suitable windows of time for upgrades. Only certain holidays that coincide with the end of accounting cycles may be available during

which you can shut off production systems. Significant downtime is not possible in many firms. In one case the firm used (or was going to?) the shutdown as a test of the Sarbanes-Oxley inspired routines for showing that the firm could run without computers. Another firm put in Oracle 11.5.10 last summer and would have “paid a major penalty” for doing it one year earlier. They did it in 48 hours. 11.5.7 had taken 3 days and was described as a “forklift” rather than an upgrade. It is a good idea to let software “soak” for a while before installing it. Let other people “pay for the bleed.” Some patches may be back-ported for the laggards. Another case was cited where it was easy to install Microsoft SQL Server after Service Pack 1. Before then, the product required significant re-architecting of their software.

It was speculated that Microsoft could use its influence in the hardware realm to force hardware prices down in order to boost sales of its software.

Finding ROI in Vista/Office 2007

Microsoft should not force us to buy technology just for technology’s sake. We have been through that too many times in the past. We should decide what we need to solve problems, not Bill Gates!

Where is the ROI from Vista/Office 2007? Is upgrading just a cost of doing business that is unavoidable? Is it possible to sell this by saying there will be “X” amount of benefit? With the extra costs of adding hardware in order to run this stuff, it is going to be harder to justify to senior management.

One of the ideas discussed was that the collaboration tools in Office 2007 are extensive. They are embedded in a way that may very well be compelling. For example, right now a work group can easily create a SharePoint portal for its work. But this leads to a proliferation of local repositories without a lot of structure. Many duplicates of documents and PowerPoint files get created and passed around by email. It is too cumbersome to maintain document versioning. Office 2007 makes it possible to point to a single location where the document is stored, reducing the need to email anything. PDF is built in, which will make document management easier. Office 2007 has group calendaring and much better contact management. It may make sharing files across a firewall easier as well, which is tough now as it may involve access to the VPN or other software. Office 2007 includes a new group proxy that makes Sharepoint available outside the firewall. This was called revolutionary. The Windows Meeting Space in Office 2007 makes it possible to share a desktop and collaborate with up to 10 nearby users. Vista detects wireless PCs in the vicinity and you can turn your machine on to be detected by others. So, you can arrange a virtual meeting with full collaboration between computers that are nearby.

When contacted for help to make the ROI for Office 2007, Microsoft said it could/would not do it without including the collaboration tools.

Will people use such tools? They do not even use the Outlook calendar features. One of the participants said that for his firm, collaboration tools would be a very hard sell. Users make notoriously low use of all the features in software. Perhaps as low as 30% of the features, or even the old 80-20 rule (80% use 20% of the features, 20% use 80% of them). Where are the high end users of Access, for example? One participant said that if you walk around the office and look at the PowerPoint slides people have made, they have a lot of clip art and text, but little else. Most people don't even use animation! The opinion was expressed that users rarely increase the number of functions they use. Their usage patterns have been static for some time.

Another question was raised as to whether any of the new functionality will show up in older versions. This might be possible if a sizeable portion of the user base demands it.

A second area where there may be discernable ROI is in the updates for security. One participant asked if anyone has actually proven any of Microsoft's claims so far. All the published data has been linked back to Microsoft sources so far. Another participant said that, yes, the security is much better and stronger, but knew of no independent studies proving it. There will be "bitlock" security on hard drives, if it is turned on.

Another feature that may bring discernable ROI, related to security, is digital rights management. The problem here is that, while it may work well with files created within the Microsoft environment, it may not work well with externally created files.

What About Alternatives Such as Google or Linux?

Universities, in particular, are looking into open source software to replace expensive enterprise software. For example, a University consortium has written a product for classroom management. This is an open source version of something called WebCT. WebCT allows professors to post assignments, give quizzes, run discussions, distribute materials, send and receive emails, and so forth. Software for the backend is also being developed. An open source accounting module has just gone live at one university. Higher education may be a harbinger in this regard (a canary in the mineshaft?).

There is Sun Star Office, which downloads portions of office functionality to a thin client. One firm had problems with synchronization using this product. There are office-like packages that run on Linux. One firm has done some trials of having end users use some of this stuff. They got mixed results—not compelling enough to abandon Microsoft. It was more positive than negative. Within the IT group, especially for servers, Linux is in wide use.

To be used in industry, open source needs to have a wide user base throughout the industry. Companies need to stick to industry requirements, so sometimes moving to open source in order to cut costs is not feasible. For example, they need to be able to exchange documents and submit financial documents to regulatory agencies. If there is not another

firm that can pose a major challenge to Microsoft, it seems unlikely to be able to justify leaving Microsoft.

Another alternative is to run packages as Virtual PCs on servers. This underappreciated feature of Microsoft may now come into its own. It may now be seen as a real tool in the workplace.

“What if, after a few months, the marketplace declares Vista to be a dog, and companies start rebelling against using it? Microsoft is continually embarrassed by revelations of holes in the product and claims that cannot be realized in practice? Will there be a wholesale stampede to Google?”

Professor McHenry raised the specter of total disaster. What if, after a few months, the marketplace declares Vista to be a dog, and companies start rebelling against using it? Microsoft is continually embarrassed by revelations of holes in the product and claims that cannot be realized in practice? Will there be a wholesale stampede to Google? The reaction of the room was: “what are you talking about? That’s what Microsoft has been doing for the last four years...” One participant spoke up and said that he has faith in Microsoft. After the vagaries of the past few years, it is unlikely that Bill Gates would permit this to happen again with Vista.

The Influence of Users

Part of the discussion centered on understanding whether employees who have the new software at home will bring it in to work, precipitating the need to transition earlier than planned. Although this may happen with some leading edge users, it will also be costly to run Vista and Office 2007 at home. Hardware requirements will probably force an upgrade, and the price range of a machine that is fully capable for this software is likely to be well above the recent \$500 price points (probably more like \$1700). Some features may be especially attractive, such as the to-do bar with a day’s calendar entries and tasks at a glance, the “ribbon” which repositions menu functions in a radical new way, context sensitive floating toolbars, document comparison, and easy conversion of content to blog posts.

One firm is considering having the CIO book time on the corporate Intranet web cast. This web cast would tell the users exactly what to expect in the timing of Vista and Office 2007 installations. It would warn users not to bring in stuff from the outside, explaining that the security implications may be dire. The users would need to know that IT will say no when asked for early deployment. IT will need time to build the security back end.

It was noted that there is a trend towards some companies no longer buying computers for their employees. In this scenario employees must buy their own machines. With the impending transition, this could lead to a multitude of different platforms that IT would then have to support.

Another firm said that they have 400 engineers who often work at home. This is just the kind of group that is likely to upgrade at home.

Next Meeting

The next meeting will be held from 3-5 PM on Friday, March 16.

The topic will be: Collaboration Tools in Microsoft Office 2007 (and related products? Lotus Notes?)

There was significant interest in getting a qualified presenter who could show these tools for 15-30 minutes and seed a discussion of their potential use.