

# Microsoft's Software Assurance Delivers Anywhere Application Services Deployment Tools



www.yankeegroup.com

by Laura DiDio | July 2008

## Executive Summary

Microsoft Software Assurance for Volume Licensing (SA) is a maintenance offering that just keeps getting better and better.

During the last 5 years, SA has evolved into a comprehensive maintenance solution that offers software and services, adding in features that are increasing cost savings and benefits, which in turn enables companies to lower total cost of ownership (TCO). By using the latest version of SA, businesses—from small and midsize companies to the largest enterprises—can save tens of thousands to even millions of dollars.

Microsoft continues to enhance its SA offerings in response to user demand and changing market dynamics. The cynosure of Microsoft's latest expanded SA benefits is the inclusion of a wide range of deployment planning services and an add-on desktop optimization pack that supports application virtualization.

Corporate customers and reseller partners interviewed by Yankee Group said the addition of the Desktop Deployment Planning Services (DDPS) and the Microsoft Desktop Optimization Pack (MDOP)—which incorporates the Microsoft App-V (formerly Softricity's SoftGrid) solution as an add-on subscription license—adds tangible value to the already value-laden SA program. The full suite of MDOP components includes: App-V, Asset Inventory Service, Advanced Group Policy Management, Desktop Error Monitoring, Diagnostics and Recovery Toolset as well as Microsoft Enterprise Desktop Virtualization (MED-V), which all further enhance the MDOP offering.<sup>1</sup>

“The inclusion of the Desktop Deployment Planning Services and the Desktop Optimization Pack with application virtualization represents a wonderful value proposition,”

said Ed Simcox, director of technology at Clarian Health Partners in Indiana, the largest local healthcare provider in the state with more than 12,000 end users. “And it does take away the sting of having to pay licensing fees plus SA every year. It's very definitely money well spent,” he added.

Specifically, the users and partners said, the SA deployment planning services enable them to:

- Accelerate desktop application deployment time by as much as 95%, from 2 or 3 months to 2 or 3 days.
- Reduce the time it takes for PCs to recover from application outages by 90%, from several hours to fewer than 20 minutes.
- Cut per-application deployment costs by up to 90% by eliminating the need for user acceptance and regression testing, repackaging applications and reducing manpower requirements for application upgrades.
- Help corporations save money on deployment planning by giving customers the flexibility to exchange classroom training vouchers for on-site planning services on Windows, SharePoint and Microsoft Office products. The number of personalized packaged service days will vary according to the number of Microsoft Office, Core CAL Suite and Enterprise CAL Suite licenses the organization purchased. This planning session helps businesses more quickly and efficiently perform error-free migrations.
- Easy, efficient universal roaming capabilities for desktop users via the inclusion of Microsoft App-V (within MDOP for Software Assurance customers). It provides users with Anywhere Applications access. End users who travel or work remotely can take advantage of Microsoft App-V to log in to the network with their work laptop and access all of their crucial application data.

*Continued on next page*

<sup>1</sup> Since this report was written, Microsoft has added two additional Packaged Services: Exchange Deployment Planning Services (EDPS) and Business Value Planning Services (BVPS).

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### Executive Summary (continued)

As Exhibit 1 indicates, Microsoft’s decision to join its Packaged Services (Desktop Deployment Planning Services and SharePoint Deployment Planning Services) and Microsoft Desktop Optimization Pack to Software Assurance has met with overwhelming user approval. The Yankee Group 2008 Global Server OS Deployment Survey polled 500 corporations worldwide. More than two-thirds, or 68%, of the respondents said the new deployment planning services and add-on application virtualization license provided them with “excellent value.” Anecdotal evidence obtained from first-person customer interviews and essay comments from the survey respondents indicated that customers approve of the new SA Packaged Services and are making extensive use of them as they upgrade to an Anywhere Applications and ubiquitous connectivity network environment. Many software vendors offer add-on services such as training vouchers, technical service and support as part of their maintenance and upgrade agreements. However, few vendors offer the extensive array of services, particularly with respect to deploying new technologies—such as virtualization—as part of their maintenance portfolios at this point in time.

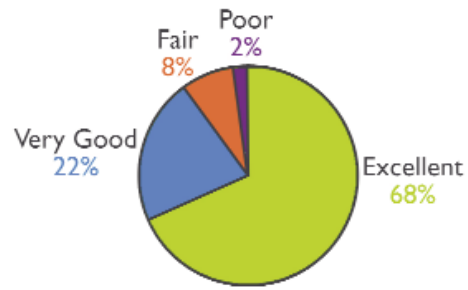
This Yankee Group Report details the new deployment planning services and application virtualization licenses available for Software Assurance and examines the impact of these services on businesses. It also details how the inclusion of these services within SA can enable companies to lower their TCO and achieve accelerated and optimal return on investment (ROI).

Exhibit 1.

### New SA Deployment Services Send User Satisfaction Rates Soaring

Source: Yankee Group 2008 Global Server OS Deployment Survey

Rate your satisfaction with the Software Assurance maintenance and upgrade program.



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## I. Introduction

As Yankee Group has noted in several of its previous Reports dealing with SA in the last 4 years, Microsoft has totally revamped the maintenance program to provide more value for the money. SA still costs 25% of the price of a server license and about 29% of the cost of a desktop license, but customers now get a lot more features and value for their money. In each successive year since 2002, Microsoft has continued to enhance, expand, revamp and bolster the benefits of the SA program. It has improved its cost savings and overall value by providing a variety of benefits ranging from offering training vouchers and access to asset management software, to reinstating inexpensive home usage rights for corporate volume license customers to discounts for companies whose employees want to purchase copies of Windows or Office for their home PCs and notebooks. During the last 6 years Microsoft has actively solicited the opinions of its corporate customers, resellers and the analyst community to obtain their feedback on how to ameliorate the SA program. Hence, instead of a hodgepodge of features and add-ons, the latest SA model contains a synergistic set of products and services that mirror and address corporations' short-term tactical needs and long-term strategic direction.

The inclusion of the Desktop Deployment Planning Services, the SharePoint Deployment Planning Services (SDPS) and the Desktop Optimization Pack, which incorporates Microsoft's Application Virtualization solution, reflects Microsoft's recognition that business intelligence and services are a top priority for its customers.

Similarly, the inclusion of these pivotal services within the SA program empowers resellers and partners, enabling them to forge closer bonds with their customers by giving them what they need right now and throughout the entire term of their volume licensing agreements.

At the same time, Microsoft's SA program continues to emphasize the original set of cost savings and benefits that resulted in nearly two-thirds of Microsoft Open License and Select License customers signing up for the SA maintenance and upgrade program. Enterprise Agreement customers receive SA as part of their licensing agreement, according to the Yankee Group *2008 Global Server OS Deployment Survey*.

Those benefits include:

- Flexible, extended payment options
- Training vouchers and e-learning
- Work-at-home options that let corporate users install licensed copies of Office and Windows on their home PCs or laptops inexpensively
- Extended hot-fix support
- 24x7 problem resolution support
- TechNet subscription
- An employee purchase plan that provides software at significant discounts off retail pricing
- A free disaster recovery option in the form of a cold server backup license, which is especially beneficial for organizations that use the Microsoft Exchange Server or SQL Server

## Methodology

Yankee Group conducted primary research for this custom publication, which included one dozen first-person interviews with corporations that use Software Assurance as well as with Microsoft reseller partners who sell the Microsoft maintenance and upgrade program. In addition, Yankee Group leveraged the results of its latest independent, web-based survey, *2007-2008 Global Server OS Deployment Survey*, which polled 500 corporate IT managers and C-level executives worldwide on a variety of OS- and licensing-related topics. Specifically, users were asked to rate their satisfaction with the new business and deployment services that Microsoft now incorporates into the Software Assurance program. We also revisited existing Microsoft case studies that the software vendor conducted 18 to 24 months ago to validate and update its experiences with the Software Assurance program and the products and services that are included and available for it.

## II. Data/Analysis

The cornucopia of new packaged deployment planning services included in SA are just as compelling as the myriad cost-saving features and benefits that Microsoft has emphasized in prior years. Simply stated, they make good business sense.

Corporate volume license customers who purchase SA or acquire SA as part of their Enterprise Agreements can leverage the Packaged Services—Desktop Deployment Planning Services and SharePoint Deployment Planning Services—in conjunction with the virtualization capabilities in the MDOP—to lower their TCO by 25% to 50% during the SA term and realize near-immediate ROI.

The aforementioned gains are in addition to an average 30% to 40% savings corporations achieve in the SA benefits alone during a 3-to-6 year term, compared to purchasing only the volume license and having to renew their subscription or perpetual license for full price at the end of the expiration term.

### Software Assurance Deployment Services: How They Work

The Desktop Deployment Planning Services has been available for the past 2 years, while the Microsoft Desktop Optimization Package with the accompanying Microsoft App-V, which was recently renamed App-V, has been available for more than a year. The SharePoint Deployment Services, which launched this past spring, is the most recent addition to the SA package. During the course of the last 18 months, Microsoft has invested in training and certifying its reseller partners on the products so they can effectively train customers on deployment and usage. Also as part of this initiative, Microsoft is paying its partners to assist Microsoft Office, SharePoint Deployment Services and Microsoft App-V customers with deploying these products.

To date, Microsoft has signed up approximately 850 unique reseller partners and certified 2,650 consultants who are qualified to deliver DDPS, according to Kay Warren, Microsoft's senior product manager in the Office Deployment and Adoption Team, which is responsible for DDPS. Reseller participation into the DDPS program for SA is accelerating.

Microsoft added 50 reseller partner organizations since May and is expanding its focus to encompass small and midsize businesses (SMBs) as well as its original target customers among upper mid-market and enterprises, Warren said.

Corporate customers are eligible for 1 day to 15 days of deployment planning assistance contingent upon the level of their Volume Licensing purchases. Optional product training is available from partners for customers. All partners are certified and they must have certification and at least one consultant on board. These prequalified Microsoft DDPS providers work with the customer to create a comprehensive and customized deployment plan. It includes a thorough TCO analysis, the business case, and all of the technical processes and procedures such as design, testing, training and rollout.

Corporations can use the DDPS engagements to plan deployments for both Office and Windows. Under the terms and conditions of the SA program, businesses have the flexibility to convert their free training vouchers for partner-sponsored classes into the personalized on-site DDPS. The assigned conversion rate is a three-to-one ratio: for every three traditional training voucher days, a customer can get 1 day of DDPS.

The DDPS are an outgrowth of the Microsoft Deployment Toolkit 2008 product. It is designed to automate the installation of desktop applications and operating systems. Companies have a choice of deployment methods. Depending on which mechanism they choose, the process can range from a completely automated method that uses Microsoft's Zero Touch Installation with System Center Configuration Manager 2007 to a partially automated deployment method that may take several minutes of the administrator's time.

"The value to the partner is that it opens the door for discussions with both new and existing customers. This helps the field meet their sales metrics and we [Microsoft] assume the cost of training our reseller partners," Warren said. "It's a win-win all around."

Microsoft did poll its partners on the efficacy of the DDPS, Warren said. The findings were extremely positive:

- A majority 94% agreed that DDPS will help accelerate deployment time frame.
- More than 50% of the partners said that the inclusion of DDPS as part of SA has created additional revenue opportunities for their individual businesses.

The Microsoft reseller partners interviewed by Yankee Group echoed those sentiments. All were enthusiastic about the expansion of SA to include the new services and application virtualization offerings.

Jim Sheridan, program manager for packaged services at Microsoft reseller partner, Software House International (SHI) in Piscataway, N.J., said that he interacts with 15 customers per week and “four out of five are interested” in the new SA deployment services benefits. The latest release of the SharePoint Deployment Services in May has sparked user inquiries.

“Customer interest is piqued when we tell them the services are included free with SA,” Sheridan said. He added that his customers typically realize “20% to 30% savings in terms of time and costs.”

“At least 80% of our customers use SA—once they actually see the physical value and knowledge, they get excited,” he said.

## Microsoft’s App-V Application Virtualization vs. the Competition

Application virtualization is a relatively new and emerging market. Unlike server virtualization, which is enjoying exponential growth, the application virtualization market is characterized by slower, more measured deployments.

To date, only 12% of the respondents to the Yankee Group *2008-2009 Global Virtualization Deployment and Usage Survey*, an independent web-based poll of 750 corporations worldwide, reported that their firms had virtualized their applications in a production environment. However, another 14% of the survey respondents did divulge their intent to begin virtualizing their application environments within the next 6 months.

Such statistics explain why until recently the major players were all small vendors. There’s no doubt though that application virtualization is the next frontier in the emerging Anywhere Applications and ubiquitous connectivity paradigm. Microsoft recognized the market potential 2 years ago when it purchased Softricity, whose flagship product SoftGrid was the clear and acknowledged market leader. Earlier this year, the market heated up. Established vendors such as VMware, Novell and Sun Microsystems purchased small application virtualization vendors. VMware bought Thinstall, Novell purchased PlateSpin and Sun acquired Innotek. Not to be outdone, desktop virtualization market leader Citrix Systems, a close Microsoft partner, renamed and retooled its application virtualization offerings in the spring when it unveiled its XenApp suite.

App-V’s main competitors include:

**Citrix’s XenApp** (formerly Presentation Server): This is a Citrix-described “end-to-end Windows application delivery system” that offers both client and server application virtualization. It is designed to enable IT to deliver secure applications as a service providing on-demand application access to end users. It requires a Citrix client access license, a Terminal Server CAL and a Windows Server CAL from Microsoft for each client connection. Because Citrix is a pure-play virtualization vendor, it packages and prices its products differently than Microsoft whose customers already have Windows client desktops and server operating system software.

**VMware’s ThinApp 4.0:** In January 2008, VMware acquired Thinstall, the number two vendor in the application virtualization arena, behind market leader Microsoft’s App-V. The newly renamed ThinApp is due to ship in July. It retails for \$39 per end-user seat. That list price is approximately four times higher than Microsoft’s retail tag of \$10 for MDOP, which includes App-V. In addition, businesses must purchase a copy of VMware’s ThinApp Packager, which includes one VMware Workstation for Windows and 50 client access licenses; it retails for \$5,000. Support and subscription are also required and are sold separately.

And although not a direct competitor in the strictest sense of the technology, Sun Microsystems has been aggressively acquiring smaller companies to bolster and promote its xVM virtualization offering so that it has a full suite of desktop, management and application virtualization offerings to complement its server virtualization package.

**Sun's VirtualBox:** In February, Sun acquired Innotek for its VirtualBox open source software package. VirtualBox enables client workstations or laptops to switch between various OS environments with a single mouse click. Supported operating systems include Windows, Linux, Apple Mac OS X 10.x and Sun's own Solaris. By adopting an operating system-neutral approach, Sun is making it easier for software developers to write cross-platform applications that will run regardless of the OS environment. VirtualBox is available for free download.

## User Case Studies: The Value Proposition

### Dundee City Council, Dundee Scotland

Ged Bell, head of information technology for the Dundee City Council in Dundee, Scotland, said his organization implemented Microsoft's MDOP Application Virtualization package to transform its formerly decentralized IT infrastructure into a centrally managed environment. Dundee is the fourth largest city in Scotland. The City Council provides and oversees all local government services. This includes schools, social services for the elderly, roads, housing, waste disposal, environmental planning, health services, libraries, and recreational and sports activities. The IT department manages 8,000 desktops.

To accomplish its goal of a centrally managed environment that enables all government agencies to make their services available electronically, the Dundee City Council implemented the Microsoft App-V for Terminal Services. As a result, the Scottish local government was able to accelerate application deployment by 50% by eliminating all application conflicts, regression testing and performing unattended installations. In the process it achieved a 60% server consolidation rate. This allowed the Dundee City Council to cut annual operational costs by close to US\$300,000 by reducing dedicated manpower support, replacement costs and consolidating its application licenses.

"The Microsoft App-V product is exceptional," Bell said. "The fact that we're able to get the Application Virtualization for UK4 pounds or about US\$8 per user seat is an amazing value. The Council has realized very significant benefits in terms of the cost reductions that have allowed us to reinvest monies in other IT projects," Bell said.

The Dundee City Council is a longtime Microsoft shop. "We've had Windows and Office since Jesus was a laddie," Bell said. But it also uses Novell's SUSE Enterprise Linux running on the IBM zSeries mainframes for mainline business applications, including a myriad of custom applications. The Dundee City Council had also used Softricity's SoftGrid application virtualization solution before its acquisition by Microsoft in 2006. Bell and his staff of 94 IT managers were both skeptical and somewhat concerned when Microsoft purchased Softricity.

"They could have stalled development but that didn't happen," Bell said. Microsoft rewrote a lot of code to better integrate SoftGrid—now Microsoft App-V—with the Windows and Office products. "This is the first time in 15 years in IT that I've been so excited by a product," he added.

The Microsoft App-V solution, which is part of MDOP, he said, has been the difference between another generation of siloed departmental setups and Dundee City Council's end goal of a single, seamless and easily managed environment.

Using Microsoft App-V enabled the Dundee City Council to retire a homegrown school management and development application, internally known as Elvis. Owing to its high degree of customization, Elvis did not conform to any rules. "Whatever server Elvis ran on would, shake, rattle and roll and ultimately crash and consume all server resources," Bell said. "What Microsoft App-Virtualization gave us was stability because it runs in a virtualized protected shell."

The Dundee City Council migrated to a single corporate server farm with all of the applications preloaded into a single consolidated application setup. Microsoft App-V also enabled the local government to consolidate licenses on a single server farm and shed a significant number of unused application licenses as well as consolidate its spare disk, memory, storage, power space, heating and lighting. The consolidation benefits realized by the Microsoft server and application virtualization solution also improved the Dundee City Council's physical server and firewall security, Bell said.

The Dundee City Council realized “very significant cost savings and technology benefits” as a result of purchasing Microsoft App-V as part of the MDOP for SA package. The \$290,000 in annual opex savings has allowed the Council to reinvest monies in other IT projects—most notably to construct a second disaster recovery data center and accelerate the pace of its transition to online services to our customers and users.

“Microsoft has been especially helpful with providing us with IT support services for our 10 secondary and 41 primary schools,” Bell said. “And they’ve also made us aware of how to leverage our assets with best practices. The Microsoft App-V package is the key tool that drove a successful consolidation effort. There’s no need to go out and look for anything else,” Bell concluded.

## Clarian Health Partners

Headquartered in Indianapolis, Clarian Health Partners is the largest local healthcare organization in Indiana, with five hospitals and affiliate hospitals supporting 350 applications for 12,000 PCs—including laptops and kiosks—for 15,000 clinicians, physicians, nurses and administrative staff.

Clarian Health Partners’ challenge and mission was to enable Anywhere Applications access for roaming users and accelerate the pace of application deployments, according to Ed Simcox, director of technology at the company. That was a tall order for Simcox and his 20 direct IT reports and multiple contractors. The healthcare provider has a Microsoft EA agreement that comes with SA included free. That enabled them to make extensive use of the MDOP with Application Virtualization.

Like Dundee City Council’s Bell, Clarian had purchased the SoftGrid application virtualization solution prior to Microsoft’s acquisition of Softricity and was skeptical of how the product would fare under Microsoft’s ownership. Simcox’ fears proved unfounded.

Microsoft, he said, “did a good thing” by retaining a lot of the core Softricity people and technology. “Once I had a level of comfort that Microsoft was not going to reduce the functionality, we converted the licenses from perpetual licenses to Software Assurance,” Simcox said.

“Microsoft has done a very good job of making SA more valuable to customers. It’s smart of them to offer some of these

technologies in SA,” Simcox noted, “It adds a level of customer satisfaction to the underlying applications. They’ve given us a much greater level of support.”

MDOP, he said, has been extremely beneficial to Clarian Health Partner’s bottom line, enabling the healthcare provider to automate applications, cut out many of the costs and human errors associated with protracted application deployments and stay on the cutting edge of application virtualization.

Simcox was able to qualify and quantify the TCO, ROI and technology dividends Clarian Health Partners has reaped from using the Software Assurance MDOP services.

They include:

- **Accelerated deployment time:** From 6 to 8 weeks in the case of legacy or custom applications down to 3 or 4 days.
- **Reduced the recovery time for PCs from 4 hours to less than 20 minutes:** Simcox says that long-protracted IT manager “triage calls” are a thing of the past thanks to Microsoft App-V. IT managers simply reset the application and it reverts to its installed state. If customers and end users had customized the application on their respective machines, it will be restored to that very state. Microsoft App-V is aware of all of the preferences down to the department or user level settings.
- **Cutting per-application or deployment costs from \$3,500 to \$500 or less, a reduction of 86%:** The addition of Microsoft App-V eliminated the need to perform time-consuming and costly application repackaging chores. “We no longer have to do regression testing for interoperability among applications and that saves us hundreds of manpower hours,” Simcox said. “Where we formerly had 10 people dedicated to packaging applications, we’ve now reduced it to three,” he added.
- **Enabled easy, efficient universal roaming:** The clinicians’ user identities and profiles follow them around giving them true Anywhere Applications access and ubiquitous connectivity. “Our physicians, nurses etc., can log into any machine and it remembers the entire user’s DNA for a particular application,” Simcox said. This was an unanticipated side benefit that mobile and roaming users get the same application state at a remote clinic as they do in their own office. “We call it AnyDesk—any application, on any device, any user, anytime and anywhere. It suits our needs exactly,” he said.

- **New, improved operational level agreements (OLAs):** OLAs define how IT groups work together to meet internal corporate IT service level requirements. The use of MDOP and Microsoft App-V has enabled Clarian Health Partners to achieve faster, more predictable turnaround time to service customers. “When we manually tested applications it could have taken, hours, days or weeks and we had no way of properly gauging our ability to meet external service level agreements (SLAs),” Simcox said. “Application delivery is much more streamlined now,” he added.

Simcox acknowledged that Microsoft has issues and faces new threats and challenges from emerging technologies like cloud computing and web browser-based applications. However, “the more focused Microsoft is on customer issues” like delivering services as part of SA, the more likely they are to retain current customers and gain new ones, according to Simcox.

## The State of Indiana

Like many of his peers, Paul Baltzell, the distributed services manager for the State of Indiana, found himself in the unenviable position of having a disparate, disjointed and highly unmanageable software infrastructure environment.

The State of Indiana has two executive branch agencies serving more than 25,000 end users. Almost half are located on the state campus in Indianapolis, but the other 12,000 are scattered throughout the state. In 2005, Indiana Governor Mitch Daniels realized that all of Indiana’s IT agencies had unique, disparate systems. After conducting a study, Governor Daniels created the Indiana Office of Technology to consolidate all the agencies. After reviewing bids from several vendors, the governor decreed that state agencies would standardize on Microsoft operating systems and applications. The Indiana Office of Technology functions as a state hosting agency. All 82 agencies pay monthly fees for their technology and the state is on a 4-year refresh cycle for PCs and servers. The state standardized on the same desktop image for the operating systems and applications. The challenge was how to control, configure and manage the many custom applications.

The solution was a combination of Microsoft’s MDOP with App-V the SCCM management solution. The State of Indiana signed a Microsoft EA agreement which automatically included SA and allowed them to add MDOP.

Microsoft App-V has yielded a wide range of tangible technology benefits and reduction in TCO. These include:

- **A 75% reduction in the upgrade time:** The time to upgrade PC-based applications was reduced from 4 hours down to less than an hour.
- **Faster disaster recovery:** Thanks to the common image supplied by Microsoft App-V.
- **Fast, efficient data application and collection**
- **Low-cost, high-value:** Microsoft App-V “is an inherent part of the Microsoft Desktop Optimization Pack within SA. “It costs us \$7 per user seat and we also get a ton of other tools. That makes SA a very economical product especially given our Enterprise Agreement,” Baltzell said.
- **Ability to meet SLAs:** Baltzell reported that the State of Indiana’s SLA numbers “are improving on a monthly basis.” Prior to purchasing SA and implementing Microsoft App-V and the other asset management tools that come with SA, the state’s software infrastructure and applications would often drift into what Baltzell described as the “yellow zone” in terms of utilization and the ability to meet SLAs. They needed to start worrying. Now, the State of Indiana is regularly in the Green Zone, he said.

“I want to get to the point where our IT guys never have to get off their rear ends and can do everything from their desktops via automated services, updated reports, etc. So when we get to the point where we have to put the IT managers on exercise programs, I’ll know we’ve achieved optimal success,” Baltzell said.

## Best Practices

**B**efore beginning any new application software or data center virtualization upgrade, all corporations should first assemble a team comprising the pertinent technical personnel (IT managers, software developers and network infrastructure specialists) as well as the appropriate business managers (chief technology officer, chief information officer) and review the current software and infrastructure environment.

Yankee Group strongly advises those customers that are uncertain if SA makes sense for them to contact their local resellers and training centers and arrange a meeting to review the full range of Software Assurance benefits including Packaged Services—DDPS and SDPS—as well as add-ons like MDOP, then assess their options and choose the service(s) that best suit their business. Customers have nothing to lose by talking about it and possibly a lot to gain. Yankee Group strongly urges corporations to be their own best advocates and pursue the following courses of action:

- **Thoroughly review the terms and conditions of your licensing agreement.** Get all of the appropriate parties within the organization involved, including corporate attorneys, business decision-makers and the appropriate IT product managers. Licensing agreements are notoriously complex and confound even the brightest people in the organization. Don't feel embarrassed if your team is confused by the wide array of options and services. If you don't understand a specific term or condition—such as how to calculate the specific number of service days to which your organization is entitled or how your firm can apply its Software Assurance Training Vouchers to Packaged Services—ask your reseller or Microsoft account manager to help you model scenarios.
- **Negotiate, negotiate, negotiate.** It is a buyer's market. These licensing and Software Assurance agreements are not written in stone. Bargain hard with your reseller or Microsoft account representative to win concessions and achieve more favorable terms. If you're worried about Microsoft (or any vendor) slipping a ship date and not getting fair value for your Software Assurance investment, try to insert contingency or out-clauses into your contract that will net your firm some tangible ROI in the event a pivotal product doesn't make it to market before the coverage expires. Seek specific avenues of relief, but don't make outlandish demands.
- **Actively engage resellers, Microsoft account representatives and training partners.** Don't wait until it's time to negotiate a new licensing or Software Assurance contract to speak to your reseller or software vendor. Make a concerted effort to phone your reseller or Microsoft account reps on a regular basis. Find out what special Software Assurance promotions might be available or upcoming in your area. This could result in revised migration plans and net the corporation hefty savings.

Even without promotional sales, it makes good business sense to sit down with your resellers and software vendor account representatives to “run the numbers.” Ask them to construct an Excel spreadsheet with various scenarios so you can see whether or not Software Assurance makes sense for your organization.

Yankee Group also offers the following best practices for Microsoft and its reseller and training partners.

- **Resellers and training partners** should adopt formal e-mail, postal and telephone campaigns to notify customers and potential customers of upcoming promotions. Additionally, resellers and training partners should take special care to ensure that they are engaging all of the right people in the organization so that companies take full advantage of all the benefits of Software Assurance. At present, most resellers and training partners deal mainly with the business decision makers who have purchasing authority. It is rare that they directly interact with the IT managers who have the most vested interest in attending the free training classes that come included as a Software Assurance benefit. In preparing this Report, the Yankee Group found that many organizations were simply unaware of the thousands of dollars of free training vouchers they could claim—all because the person negotiating the contract was not the same person who would be deploying and managing the software.

### III. Conclusions

Microsoft's new strategy of providing Software Assurance customers with leading-edge packaged services and MDOP virtualization application offerings are a boon for corporations from the smallest SMBs to the largest enterprises across all vertical markets.

Virtually every business is looking to stretch and optimize its purchasing monies and everyone is seeking new ways to cut costs. The latest Packaged Services, along with Microsoft App-V are the perfect remedy for understaffed, overworked IT departments who often have neither the funds nor the luxury to send their network administrators out for training on these new anywhere applications, business intelligence (BI) and business productivity optimization products.

The SA deployment planning services and the Microsoft App-V product deliver the services that organizations—from the smallest SMBs to the largest enterprises—need at a price they can afford.

Software Assurance continues to evolve along with the technology and the market conditions. This is a boon for Microsoft corporate customers of all sizes. Microsoft has listened and responded to customer feedback and imbued the upgrade and maintenance offering with a variety of value-added service benefits that will last for the duration of their licensing agreements and beyond. The new packaged services offerings will enable organizations to lower their TCO and deliver near-immediate ROI just as surely as the program's training vouchers and other discounts do.

Enterprise Agreement customers receive Software Assurance free when they purchase the EA license. The value proposition must be clearly understood by Open and Select License customers for whom Software Assurance remains an option. The most crucial component of any Software Assurance agreement is in customer comprehension of the benefit plan in its entirety and how it will best serve the business.

When properly explained and utilized, Software Assurance can net most customers a savings of 20% to 30% on the cost of their renewal licenses, compared with the cost of buying only the licenses, letting the agreement expire and purchasing new licenses. The value-added features, benefits and rebate promotions can yield savings ranging from \$10,000 for an Open Value customer with 100 users, to hundreds of thousands of dollars for EA customers with 10,000-plus end users.

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For 37 years, we have conducted primary research on the fundamental questions that chart the pace and nature of technology changes on networks, consumers and enterprises. Coupling professional expertise in communications development and deployment with hundreds of interviews and tens of thousands of data points each year, we provide qualitative and quantitative information to our clients in an insightful, timely, flexible and economic offering.

### Yankee Group Link

As technology connects more people, places and things, players must confront challenging questions to benefit from the changes: which technologies, what economic models, which partners and what offerings? Yankee Group Link™ is the research membership uniquely positioned to bring you the focus, the depth, the history and the flexibility you need to answer these questions.

Yankee Group Link membership connects you to our qualitative analysis of the technologies, services and industries we assess in our research agenda charting global connectivity change. It also connects you to unique quantitative data from the dozens of annual surveys we conduct with thousands of enterprises and consumers, along with market adoption data, comprehensive forecasts and global regulatory dashboards.

### Yankee Group Link Research

As a Link member, you have access to more than 500 research reports and notes that Yankee Group publishes each year. Link Research examines current business issues with a unique combination of knowledge and services. We explore topics in an easy-to-read, solutions-oriented format. With the combination of market-driven research and built-in direct access to Yankee Group analysts, you benefit from the interpretation and application of our research to your individual business requirements.

### Yankee Group Link Interaction

Our analysts are at your further disposal with data, information or advice on a particular topic at the core of a Link membership. We encourage you to have direct interaction with analysts through ongoing conversations, conference calls and briefings.

### Yankee Group Link Data

Yankee Group Link Data modules provide a comprehensive, quantitative perspective of global connectivity markets, technologies and the competitive landscape. Together with Link Research, data modules connect you to the information you need to make the most informed strategic and tactical business decisions.

### Yankee Group Consulting

Who better than Yankee Group to help you define key global connectivity strategies, scope major technology initiatives and determine your organization's readiness to undertake them, differentiate yourself competitively or guide initiatives around connectivity change? Our analysts apply Yankee Group research, methodologies, critical thinking and survey results to your specific needs to produce expert, timely, custom results.

### Yankee Group Signature Events

Yankee Group conferences, webinars and speaking engagements offer our clients new insight, knowledge and expertise to better understand and overcome the obstacles to succeed in this connectivity revolution.

### [www.yankeegroup.com](http://www.yankeegroup.com)

The people of Yankee Group are the global connectivity experts™—the leading source of insight and counsel for builders, operators and users of connectivity solutions. For more than 35 years, Yankee Group has conducted primary research that charts the pace of technology change and its effect on networks, consumers and enterprises. Headquartered in Boston, Yankee Group has a global presence including operations in North America, Europe, the Middle East, Africa, Latin America and Asia-Pacific.