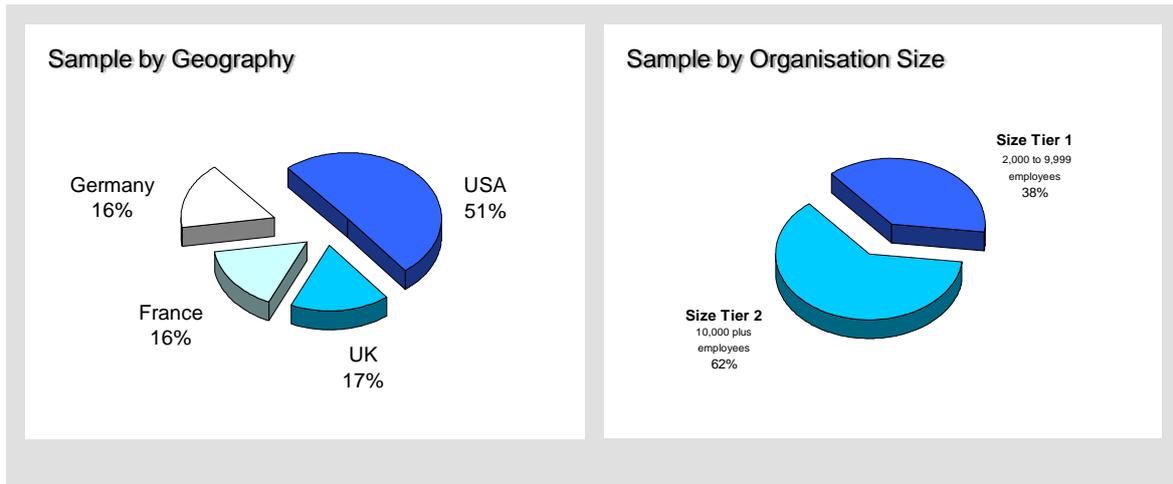


<i>SUBJECT</i>	Vista Value Indicators
<i>AUTHOR / DATE</i>	Dale Vile, Freeform Dynamics Ltd, June 2007
<i>CONTEXT</i>	Windows Vista was launched to enterprise customers towards the end of 2006, providing many with a chance to investigate the value of upgrading. With this in mind, we look at what those intending to adopt Microsoft's latest desktop operating system over the short to medium term have in common.
<i>DATA SOURCE(S)</i>	The information underpinning this document was derived from a telephone research study designed to investigate the evolution of IT Service Management (ITSM) practice, based on 200 senior enterprise IT management interviews across the USA and Western Europe.
<i>OBSERVATIONS</i>	<p>The general attitude towards Vista adoption among medium and large organisations is that it is a case of 'when' rather than 'if' to upgrade. That said, current indications are that it will take 3 to 4 years for Vista to become genuinely pervasive in the enterprise sector within developed markets such as the ones included in this study.</p> <p>In terms of early adoption, there is a clear correlation between Vista upgrade intentions and the IT related culture and mindset that exists within an organisation. In particular, organisations are significantly more likely to be upgrading in the short to medium term if any of the following apply:</p> <ul style="list-style-type: none">• A service oriented approach to IT service delivery exists• Overall performance of the IT function is monitored formally• The IT function is considered to be well tuned into the business• There is a clear focus on the quality and efficiency of IT delivery
<i>ANALYSIS AND CONCLUSIONS</i>	<p>At the highest level, organisations with a service oriented mindset in relation to IT tend to care about two things – delivering maximum value to the business from IT investments and activities, and delivering that value in the most reliable, secure and efficient manner. Solutions that serve both of these needs are particularly appealing, i.e. those that allow incremental value to be delivered safely and cost effectively. Conversely, solutions that serve neither need (e.g. fad and fashion driven vendor offerings), or those that promise to deliver more value but in a disruptive, risky or costly manner, tend to be shied away from.</p> <p>Against this background, the strong correlation between Windows Vista adoption intentions and the service centric approach to IT delivery suggests that forward thinkers perceive there to be tangible substance and safety behind the Vista proposition. While we cannot tell from this research if they have made the link between Vista adoption and the furthering of their business alignment and ITSM optimisation agendas at a conscious level, it is safe to say that Vista appears to be in tune with their priorities in general, otherwise the correlations we have seen wouldn't be so apparent.</p> <p>At an overall market level, however, it still looks as if the majority will be taking their time to migrate. The question is now whether a continued shift to services orientation will accelerate the process.</p>

OVERVIEW OF METHODOLOGY

The findings presented in this research note are a subset of those from a larger study looking more generally at the optimisation of IT service delivery and management. The study was designed, executed and analysed on an independent basis by Freeform Dynamics, and as the core theme was generic, i.e. not to do with Windows Vista per se, we can consider the results as being properly representative of the enterprise IT management community, with no significant bias towards those either with or without an interest in or experience of Vista specifically.

In terms of mechanics, information was gathered from 200 senior IT managers via telephone interviews. Sample distribution by geography and organisation size is as follows:

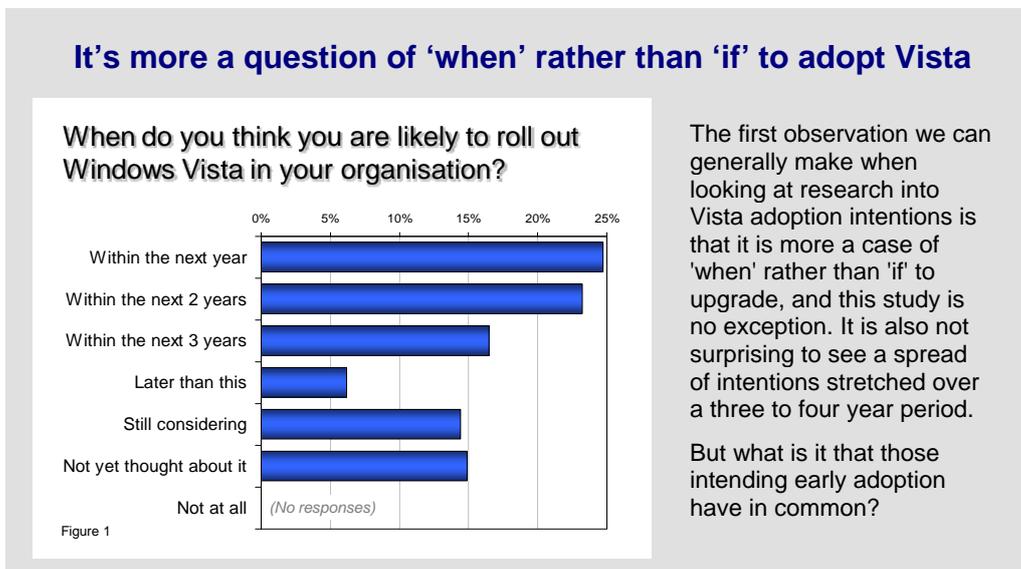


ACKNOWLEDGEMENTS

Our thanks go to all those who participated in the study, whose feedback has been invaluable to provide insights into this highly topical and relevant area.

FINDINGS IN MORE DETAIL

The detailed findings from the research are presented below, with accompanying analyst notes to assist with interpretation.



Organisations adopting the 'service' approach are interesting

Does your organisation recognise the concept of 'services' in relation to the delivery of IT?

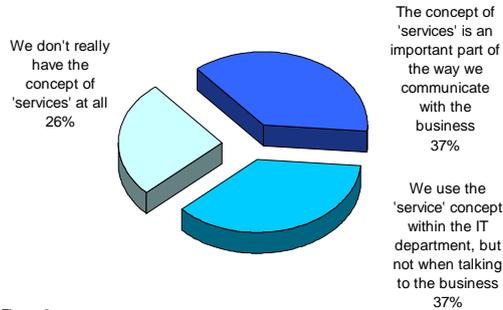


Figure 2

An interesting dimension to look at when considering behaviour around IT activity and investment is the degree to which the concept of 'services' has been incorporated into the culture. By this, we do not necessarily mean SOA, which is very specific, but the more general adoption of a service oriented mindset when delivering IT capability to the business.

The 'service' mindset and Vista appreciation go hand in hand

When do you think you are likely to roll out Windows Vista in your organisation?

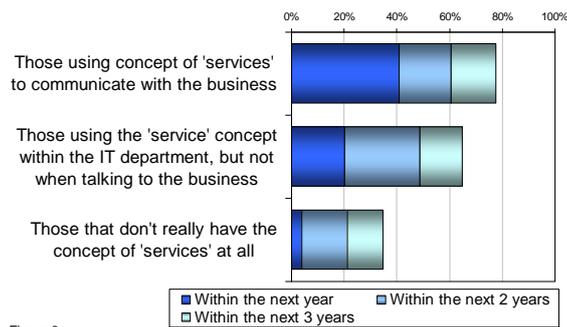


Figure 3

One of the most striking correlations from the research is between the intended timescale for Vista migration and the degree to which the service oriented mindset for IT delivery has been embraced.

The service oriented approach is generally associated with both better IT-business alignment and more effective delivery of IT.

Vista also favoured by IT departments who are better 'tuned-in'

When do you think you are likely to roll out Windows Vista in your organisation?

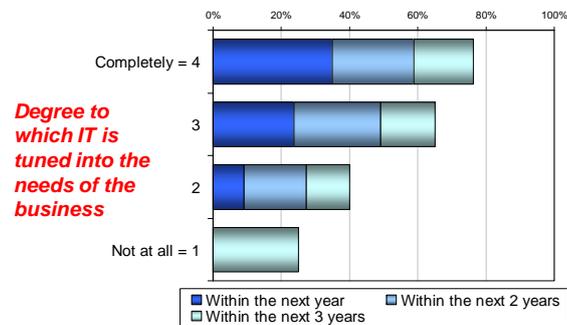


Figure 4

Picking up on the area of business alignment, when we cross-tab Vista adoption intentions with a more explicit question we asked about the degree to which respondents consider their IT departments to be tuned into business requirements, we see another very striking correlation.

Vista viewed as a source of specific pain relief in some areas

When do you think you are likely to roll out Windows Vista in your organisation?

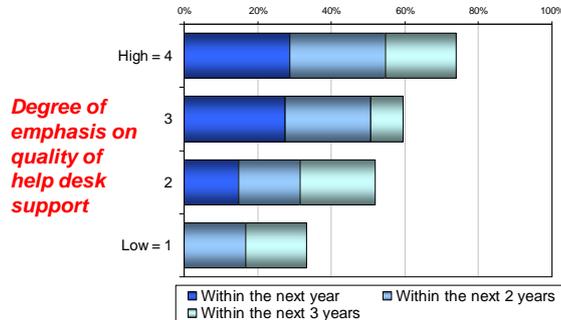


Figure 5

And here is an example of a correlation suggesting that Vista adoption is higher on the agenda of those that have a greater emphasis on efficiency and quality of IT service delivery. We saw similar correlations with other aspects of IT service management best practice in the areas of software development/roll out and systems administration (not shown).

Vista is not associated with the pure cost saving mindset

When do you think you are likely to roll out Windows Vista in your organisation?

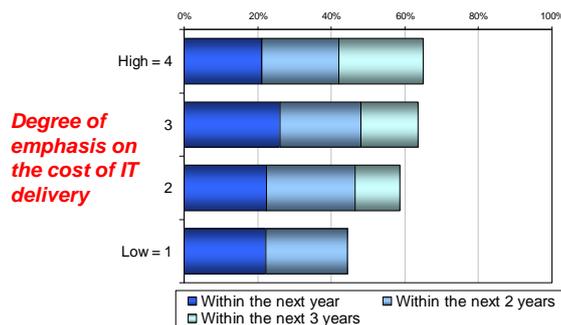


Figure 6

Perhaps not surprisingly, there is little or no significant correlation between Vista adoption intentions and the presence or absence of an emphasis on cost saving. This suggests that Vista is considered to be relatively neutral from an absolute cost perspective, which challenges both Microsoft's claims that Vista will save companies money and the claims by critics of unjustified adoption costs.

But it's overall performance that really matters

Do you monitor the performance of IT in a formal manner?

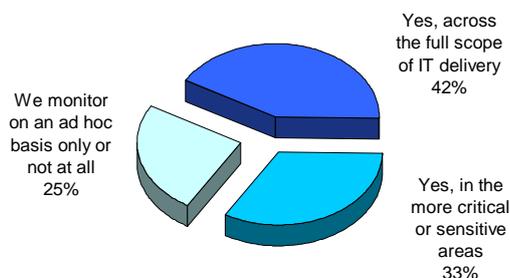


Figure 7

Of course what really matters at the end of the day is delivering the best possible service to the business for a reasonable cost, and when we put these two parameters together, we have a measure of overall IT performance, which organisations monitor to varying degrees as shown.

Vista adoption clearly associated with performance centrality

When do you think you are likely to roll out Windows Vista in your organisation?

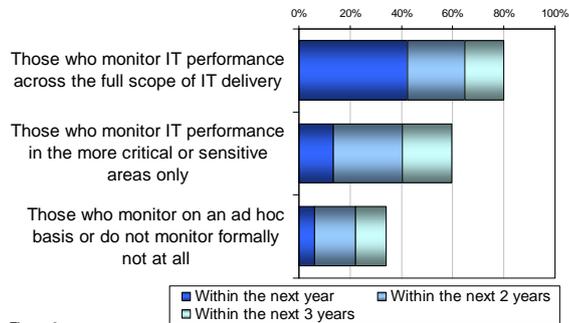


Figure 8

Perhaps the most convincing endorsement of the Vista value proposition is the correlation we see here between adoption intentions and the degree to which overall IT performance is monitored.

It would appear from this research that those who take explicit steps to monitor and manage the quality of IT services delivered to the business are more likely to adopt Vista in the short term.

DISCUSSION

When Windows Vista was originally announced by Microsoft, there was some confusion over exactly what the value proposition was for enterprise customers. As time went on, Microsoft then became smarter about articulating the benefits, which primarily fall into the areas of end user enablement/productivity, improved security, and more efficient systems management.

Meanwhile, we have been tracking enterprise IT departments increasingly going through a mindset transformation resulting in a much greater emphasis on the concept of 'services'. The rationale behind this has been that adoption of a service oriented approach to IT delivery results in both better IT business alignment, i.e. the IT department prioritising and doing the right things, and more efficient, secure and reliable delivery of IT capability, i.e. the IT department doing things right.

The research findings we have been looking at are interesting because the correlation between Vista adoption intentions and the service centric approach to IT delivery suggest that the Vista value proposition strikes a chord with forward thinkers by blending elements of value enablement from a business/user perspective with enablement of safer and more robust delivery and management from an IT perspective.

Whether the link between Vista adoption and the ongoing drive for better IT business alignment and ITSM optimisation has been made at a conscious level, the message for organisations who are already driving down the service oriented route is to look at Vista in this context if they are not doing so already, as the evidence of the link being there is pretty unambiguous. There is perhaps also a corresponding message to Microsoft to make this link clearer by articulating the Vista value proposition using more service oriented language where appropriate.

At an overall market level, however, it is clear that the majority of enterprises will still be taking their time to migrate. While the forward thinkers make the connection between Vista adoption and furthering their ITSM optimisation agenda, and press ahead accordingly, there is still a sizeable segment at the other extreme that are likely to view migration as a necessary evil and put it off for as long as possible. In between it will be interesting to see how the continued shift to a services view of the world, which is currently being promoted very heavily by the IT industry in general, as well as best practice bodies, will accelerate the march of the modern desktop.

In the meantime, we would not wish anything in this research note to be construed as implying that migration to Vista for any medium to large organisation is a trivial exercise. While the benefits and opportunities seem to be confirmed, there are serious potential costs and risks associated with the migration process itself, which need to be properly planned for and managed. These are discussed more fully in the Freeform Dynamics report entitled 'The Appetite for Windows Vista', which is available from www.freeformdynamics.com and should be read in conjunction with this document.



About Freeform Dynamics

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As part of this, we use an innovative research methodology to gather feedback directly from those involved in ITC strategy, planning, procurement and implementation. Our output is therefore grounded in real-world practicality for use by mainstream business and IT professionals.

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