

Vista Slip, Enterprise Testing, Make 2007 Deployment Unlikely

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The latest Windows Vista delay affects consumers more than businesses — most of which wouldn't have been able to deploy it until 2008 anyway. But once Microsoft misses the 4Q06 holiday season, further slippage is possible.

NEWS ANALYSIS

Event

On 21 March 2006, Microsoft announced it has delayed the consumer release of Windows Vista until January 2007. The release of volume licensing of Vista for corporate customers will occur earlier, in November 2006.

Analysis

The length of this delay is approximately 10 weeks, enough to miss the critical delivery dates needed for PC manufacturers, retail channels and other industry players to get the product into the market in time for the traditional fourth-quarter holiday sales period. As such, delaying the consumer release until January was seen as posing the least disruption on fourth-quarter sales.

Microsoft is intent on meeting the newly announced dates and claims it is being conservative in its estimates. However, now that Microsoft will miss the 2006 holiday season, it will likely feel less pressure to ship the product on schedule and Vista delivery could slip further without significant penalty.

For corporate customers, this delay amounts to only a minor "hiccup." Most of these customers were not looking to make any immediate shift to Vista, so this schedule change will, at worst, cause a minor delay in the start of their testing. Most companies will need 18 months to obtain compatible versions of their applications, test them, pilot them and plan their migrations, making 2008 the realistic time frame for the beginning of wide-scale, mainstream corporate deployments (see "A 2008 Windows Vista Deployment Begins With 18 Months of Preparation").

The effect on PC manufacturers, component suppliers, retailers and other industry players could be serious, however, because many were counting on sales of Vista and related products to bolster the 4Q06 selling season. Microsoft deserves credit for informing these affected parties now, so that plans and expectations can be adjusted. Companies are likely to experience a favorable PC pricing environment in 4Q06 as vendors cut prices to maintain growth momentum.

Microsoft will undoubtedly "take some heat" from the industry over this change. This could mean that Microsoft is really serious about ensuring the product meets certain quality standards. However, it might also mean that Microsoft still has some serious problems to iron out — and that this particular delay is just the first of more delays to come, and was timed to take the pressure off a 4Q06 release.

Recommendations: This slip does not impact our recommendations to enterprises. Corporate customers should begin to evaluate Vista and gain familiarity with it once it is released, with a plan for rolling out the product in 2008. Customers planning an aggressive adoption of Vista should not begin testing before the "beta 2" build, expected this summer. Companies with an Enterprise Agreement or Software Assurance on Windows clients that expires in September 2006 or later should pressure Microsoft to extend new version rights to Windows Vista, no matter when it ships.

Analytical Sources: Stephen Kleynhans, David Mitchell Smith, Neil MacDonald and Michael Silver, Gartner Research

Recommended Reading and Related Research

- "Plan to Deal With Metadata Issues With Windows Vista" — Although simple tools for metadata removal will likely ship with the final version of Vista, a policy to address metadata management should be in place before Vista is deployed. **By Michael Silver and Neil MacDonald**
- "Ten Reasons You Should and Shouldn't Care About Microsoft's Windows Vista Client" — Many of Vista's features will be improvements over its predecessor, but users may not find them compelling enough to upgrade. **By Neil MacDonald and Michael Silver**

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