

Release Dates for Office 2007 Determine New Version Rights

Alvin R. Park, Michael A. Silver

Now that Microsoft has confirmed the release dates for Office 2007, Software Assurance customers should check their agreement end dates to see if they will receive rights to it.

NEWS ANALYSIS

Event

On 23 March 2006, Microsoft confirmed the timeline for the release and availability of its 2007 Microsoft Office System. Microsoft will make Office 2007 available to volume licensing customers in October 2006, and to retail and consumer customers in January 2007.

Analysis

Earlier in March 2006, Microsoft announced that the consumer release of its Windows Vista operating system will be delayed (see "Vista Slip, Enterprise Testing, Make 2007 Deployment Unlikely"). This announcement caused concern among some Microsoft customers, who wondered whether the delay would affect plans for release of the Office 2007 product line.

To alleviate this concern, Microsoft has proactively announced its release plans for Office 2007. The company stated that it is on track to complete work in October 2006 on the 2007 Microsoft Office System, which will be available to volume licensing customers at that time. To simplify sales and promotion, the retail and original equipment manufacturer (OEM) availability of the product is scheduled to coincide with the retail and OEM availability of Windows Vista in January 2007.

This is good news for most Microsoft customers who purchased Microsoft's Software Assurance (SA) maintenance offering on their Office products in three-year Select Agreements or Enterprise Agreements (EAs). However, Office 2003 was made available to volume licensing customers in September 2003. With this October 2006 announcement, the new version cycle has been extended to three years plus one month. This is the first time that the Office release cycle has exceeded three years — which raises concerns among some users who assumed that they would receive rights to a new version during the term of their agreement, based on previous Office release cycles, but may not, thus making SA of marginal value from their perspective.

If you are a volume licensing customer who purchased SA on Office under a three-year Open Value Agreement, Select Agreement or EA, the Office release cycle means that:

- If your agreement expires in August 2006 or earlier: You will not get rights to Office 2007. You did, however, receive rights to Office 2003 during the term of your agreement, because you bought SA on Office XP.
- If your agreement expires in October 2006 or later: You will get rights to Office 2007 as a result of buying SA on Office 2003 in the previous agreement.

However, if you renewed EA or SA on Office in September 2003, you already had rights to Office 2003 by virtue of your previous EA or other agreement with SA, and you will not receive rights to Office 2007 as a result of your current EA or other agreement with SA. Thus, you paid SA for 36 months, but did not acquire rights to a new version. You will have to renew SA for another three-year term to receive rights to Office 2007.

Recommendations

- **Volume licensing customers who renewed SA in September 2003:** Lobby Microsoft to make an exception and award you the upgrade to Office 2007.

- **Volume licensing customers who plan on purchasing Office licenses without SA:** Consider delaying purchases until Office 2007 is available and use downgrade rights if you intended to acquire Office 2003.

Analytical Sources: Alvin Park and Michael Silver, Gartner Research

Recommended Reading and Related Research

- "Microsoft Updates Server Licensing to Enable Virtualization" — Microsoft will update licensing for its server products to accommodate the growing use of virtual machines.
By Alvin Park and Brian Gammage
- "Microsoft Pushes SA With Exclusive Content in Windows Vista" — Microsoft is adding value to its undersubscribed Windows client SA program by including exclusive features.
By Michael Silver, Stephen Kleynhans, Alvin Park and Alexa Bona

(You may need to sign in or be a Gartner client to access the documents referenced in this First Take.)

REGIONAL HEADQUARTERS

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509