

Enterprises Should Demand Windows Upgrade Option

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Microsoft has limited the number of free Windows 7 upgrades that can be claimed via its Windows Upgrade Option. Organizations need to understand their Windows 7 requirements and obtain rights for the best value.

NEWS ANALYSIS

Event

On 25 June 2009, Microsoft announced its Windows Upgrade Option (WUO) program. WUO provides free upgrades to Windows 7 for anyone purchasing a new PC preloaded with Windows Vista. It is limited to requests of 25 PCs or fewer. Windows 7 is expected to ship on new PCs starting 22 October 2009.

Analysis

The WUO program replaces what used to be known as the Technology Guarantee, which was available in the months leading up to prior operating system (OS) shipments. The program is important because it ensures that sales of new PCs don't stall in the months preceding general availability of a new version of Windows, which may prompt people to delay PC purchases until the PCs ship with the new OS. However, Microsoft aims these programs at consumers and very small businesses. Before Windows Vista shipped, the Technology Guarantee limited the number of free upgrades requests to five. With Windows 7 WUO, Microsoft has increased that limit, but only to 25. Therefore, organizations without client Windows Software Assurance that are purchasing more than 25 new PCs between now and 22 October would have to enroll these PCs in Software Assurance at an additional cost to get the right to upgrade them to Windows 7.

Microsoft has not publicized this limitation to our knowledge. However, the WUO announcement comes on the heels of last week's disclosure that after Windows 7 ships, organizations needing to buy a PC deployed with Windows XP will be allowed a free upgrade to Windows 7 only until SP1 becomes available (or 18 months, whichever is earlier). Gartner believes that Microsoft designs these program limitations to persuade organizations to enter Enterprise Agreements, enroll licenses in Software Assurance or purchase upgrades to obtain rights to run Windows 7.

Organizations need to understand what their requirements for Windows 7 will be and learn how to get the rights to Windows 7 for the least cost or best value. From now until Windows 7 ships on new PCs, organizations should exercise one of several options (see recommendations below) to obtain those rights.

RECOMMENDATIONS

Organizations without SA on Windows client that need Windows 7 Licenses:

- Press your OEM to give you free Windows 7 upgrades for all the PCs you buy until Windows 7 ships on new PCs. Larger OEMs administer their own programs, have latitude to do this and have made exceptions for organizations in the past.
- If that does not work, buy no more than 25 PCs between now and 22 October 2009, if you need Windows 7 for them. Delay additional purchases until 22 October or after, and then purchase with Windows 7 preloaded.
- Examine Software Assurance (at a cost of \$100 to \$150 for three years), understand the value of the various benefits and consider enrolling new PCs within 90 days of purchase (180 during a promotion that ends 31 August 2009), if the value of the benefits —aside from new version rights — exceeds the cost.

RECOMMENDED READING

- "How to Quantify the Value of Software Assurance for Windows Client" — Organizations should evaluate Software Assurance to justify the annual fee. **By Michael Silver and Frances O'Brien**
- "Windows 7 Won't Need SP1, but Will Still Need 12 to 18 Months Before Deployment Begins" — Organizations should include SP1 with their initial Windows 7 deployments. **By Mike Silver**

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