

ANALYSIS

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VARs put Vista delays into perspective

The release date of Microsoft's latest version of its Vista operating system may have been delayed until next year, but channel players are in agreement that this will be something well worth waiting for. **Trevor Treharne** reports

>> When software giant Microsoft announced that Vista, its long-awaited operating system update, would be released in September, resellers could be forgiven for feeling optimistic.

With huge sales and up-sell opportunities on offer, Microsoft's extensive VAR base was keen to sink its teeth into what Vista could offer. As things stand though, Vista will now not be available until next year.

However, with January pencilled in for the belated launch, how much will the delay affect channel business for the second half of 2006?

David Weeks, Windows client marketing manager at Microsoft UK, told CRN: "We originally said Vista would be released in September, but it will now be out in January. We are working with partners to confirm a date. Before the delay, we had discussions with partners and the feeling was that it should not affect their overall numbers, only produce higher sales [after Vista is released] in January."

Weeks added that Microsoft could have released Vista earlier, but that would have entailed releasing a service packet with updates.

"We have held meetings with resellers to discuss the opportunities with Vista," he said. "We have a full product range from Vista Basic to Vista Premium that gives VARs a higher price-point to aim for."

The software giant will launch Vista in six formats: two for businesses, three for consumers, and one for emerging markets. They will be: Windows Vista Business, Windows Vista Enterprise, Windows Vista Home Basic, Windows Vista Home Premium, Windows Vista Ultimate and Windows Vista Starter.

"We have received very good feedback [about the different versions of Vista]," Weeks said. "Firms think we have got it right. Business people did not want the consumer features because they are more interested in security and manageability."

Weeks added that smart resellers will look to add value to Vista by offering add-ons such as printers or mobile devices.

"VARs can also sell Vista with Microsoft Office and put them together for one solution," he said. "Vista



Microsoft headquarters: The software giant was keen to play down the implications of Vista's delay and concentrate on the advantages that it can offer the channel.

offers a huge value-add opportunity."

Microsoft was quick to play down the implications of Vista's delays and concentrate on the advantages it can offer its channel.

Dave Simpson, sales and marketing director of Microsoft VAR Softcat, supported Microsoft.

"Nobody is holding back on doing business because they are waiting for Vista," he said. "People prefer to see Microsoft ensuring that it has got Vista right. If there was a further delay of another month or two, it would still not be very damaging to us."

Simpson added that he expected the uptake of Vista to be "fairly significant", with the operating system's new security features the main driver for demand.

"We have been trained on Vista and given masses of literature on it," Simpson said. "We have received a lot of education from Microsoft."

A BETTER VIEW OF VISTA

Microsoft said: "Windows Vista is the operating system that helps you keep your PCs running smoothly and securely, even without dedicated IT staff. Windows Vista provides new ways to find and use your information and an improved ability to connect integrated technologies, networks, systems and people, so you can focus on running your business."

The vendor also claims Vista's new features include enhanced security, mobile PC capabilities, improved user sharing and collaboration set-ups, additional faxing and scanning functions, a new built-in diagnostics system — which provides backup and restore features — and extra data protection.

Robert May, managing director of Microsoft VAR Ramsac, said: "I cannot think of any effect the delay is having. No-one is holding back on investing in technology because of the delay. The market is still buoyant."

"We have organised some seminars to look at the features of Vista and how businesses can use it. Some of the new features will be interesting. Businesses we have spoken to are particularly pleased that Microsoft has removed the messenger feature."

May added that Microsoft's communication with the VAR "hasn't been the greatest" as he could not expand on why Vista has been delayed or the exact date it will be out.

Russell Lux, managing director of Microsoft reseller LuxTech, said: "We see Vista as a key driver for our next financial year, alongside Microsoft Office 2007 and the new Microsoft Exchange server. Microsoft had got it

right on all of these products. The delay has had no effect. When Vista does come out we are ready to take it to market."

Lux added that there is a glut of services that can be added to Vista, including customer upgrades.

"There are some great new features for small businesses in Vista," he said. "There may be some bugs when it first comes out, but Microsoft will be quick to sort these out."

"If there is one company that knows about working with partners, it's Microsoft."

Nigel Wright, UK sales director at rival Red Hat VAR Abtech, said the delay to Vista underlines how the open source model can bring products to market quicker.

"Microsoft has had to develop Vista itself, but with open source you can throw it out to the market and gather feedback," Wright said. "Vista is something we keep an eye on, but most of our business focuses around server technology, not just a desktop product."

Wright added that the delay to Vista will not have a massive bearing on the Microsoft channel because most end-users wait a few patches before investing anyway.

It seems Microsoft and its channel share hope for Vista. Considering the supremacy that the Windows operating systems carry in the market, it is hard to argue against Vista. As long as there are no further delays and it delivers on months of hype and expectation, then channel players willing to add value and look beyond Vista standard margin can look forward to a profitable 2007. **CRN**

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