

Redmond Channel Partner

Driving Success in the Microsoft Partner Community

Taking the PARTNER PULSE

Our 2005 Partner Survey reveals members of the Microsoft Partner Program are mostly a happy, loyal lot. But there's room for improvement in areas ranging from pricing and licensing to accessibility and security. 2



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BY PAUL DESMOND



Let's Fix Licensing

Microsoft Partners are a loyal lot, as our 2005 Partner Survey points out, but that doesn't stop them from voicing opinions, one of which came through loud and clear: Something needs to be done about licensing and pricing.

Taken together, responses to various questions in the survey point to an obvious trend. Asked what complaint customers voice most often about Microsoft, the top answer was "Products are too expensive," with 31 percent of responses. "Security is lacking" was second at 28 percent, followed by "Licensing is too complicated" at 26 percent (see "Taking the Partner Pulse").

If you lump the pricing and licensing responses together, which is perfectly legitimate given that they're intertwined, that comes to 57 percent—making licensing- or pricing-related complaints twice as frequent as those regarding security.

Sound crazy in these days of worms and spam? There's more. We also asked partners what their top challenges were in representing Microsoft technology to customers. Pricing topped the list at 51 percent, edging out security by nearly two percentage points. Asked whether licensing policies make products difficult to sell, nearly half of all partners (46 percent) said yes; only 27 percent said no.

None of this is news to Microsoft. The company does make an effort to listen to its partners (another survey finding), so it has heard all this before. In fact, Allison Watson, vice president of the Partner Sales and Marketing Group at Microsoft, told us not long ago that the company has several executive teams looking at making licensing "better and simpler" and that we'll see the results within the next year or two.

That means Microsoft Partners have time to help shape what Microsoft comes up with. I know you're full of opinions on the

topic, so consider this your invitation to voice them.

What do you think Microsoft should do in terms of licensing? Extend the term on its Software Assurance (SA) contracts? Guarantee that SA customers get a product upgrade? Offer a core Client Access License (CAL) that covers more products? Get rid of CALs altogether? Offer fewer types of licenses? More? Reduce prices across the board?

In this issue, we've got a story on recent changes to the SA plan (see "New Software Assurance Plan Is Filled with Partner Goodies"). Over the last couple of years, Microsoft has been continually adding benefits to SA in hopes that customers will perceive value from the deal, even if they don't get a product upgrade within the three-year contract period. How is that going over with your customers? Is it enough, or do they think of SA primarily as an insurance policy that buys them upgrades? What more needs to be done with respect to SA?

These are just some of the licensing issues we'll be exploring. Drop me a line to share your thoughts, whether they be ideas on what Microsoft should do, issues you think we should explore or people we should talk to.

We'll be collecting responses and talking to experts (including partners) over the next several weeks to come up with a plan that we think is fair and equitable for Microsoft, its partners and customers alike. We'll publish the results in a future issue—and we'll send a copy to Microsoft. ♦

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Taking the Partner Pulse

By Paul Desmond

Our 2005 Partner Survey reveals members of the Microsoft Partner Program are mostly a happy, loyal lot. But there's room for improvement in areas ranging from pricing and licensing to accessibility and security.

Ilya Lehrman says the Microsoft Partner Program is “definitely the strongest one I’ve ever seen,” noting the “resources and attention Microsoft gives to partners is astounding.” But that doesn’t mean he doesn’t have concerns, including the investment in time required to maintain competencies—and whether that investment will pay off with customers—and keeping in step with Microsoft product strategies.

Lehrman, a principal with Xerox Global Services Inc., a Gold Certified Partner in Exton, Pa., is in many ways typical of the respondents to the Microsoft Partner Survey conducted by *Redmond Channel Partner*. As a group, the 564 respondents are quite happy, but many express concerns about various aspects of the program, from the accessibility of Microsoft channel executives to whether grandfathering Gold and Certified Partners into the program was a good idea. Partners also get an earful from their customers about Microsoft products and practices, with pricing and licensing cropping up most often. All of this fills partners with ideas on how things could be better—ideas they were not shy about

expressing in our survey and in follow-up interviews.

We took the pulse of Microsoft Partners in late May and early June (before the most recent round of changes and upgrades to the Partner Program were announced in July). Respondents ran the gamut from shops with less than \$250,000 in annual revenue (13.7 percent) to those that take in \$50 million or more (23 percent).

Responding to the simple question of, “How happy are you as a partner?,” with 5 being “extremely happy,” 64 percent of respondents rated themselves a 4 or 5, and 89 percent were at least moderately happy or better (see Figure 1, p. 3). As a group, 75 percent describe themselves as very or

extremely loyal, with 35 percent saying “nothing” could get them to drop Microsoft as a partner and support a competing platform (see Figure 2, this page).

Randall Nerison is one of those very loyal partners. The sole proprietor of Computer and Internet Solutions in Danville, Calif., Nerison got into the IT industry five years ago, after a broken neck suffered in a car accident forced him to give up physical labor. He’s been a member of the Microsoft

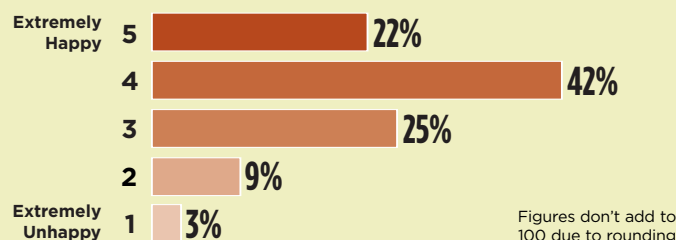
Brian Bourne, president of Toronto-based CMS Consulting Inc., is equally loyal and happy for reasons that include the level of communication he has with Microsoft, especially since becoming a Gold Certified Partner a few years ago. Prior to that, communication was mostly via e-mail. Now, he meets regularly with a partner account manager (PAM) who helps him get the most out of the program. Additionally, he says Microsoft these days is doing a “significantly better job at getting consistent messaging out” than in years past.



Microsoft is doing a “significantly better job at getting consistent messaging out” than in years past, says Brian Bourne of CMS Consulting.

Figure 1

How happy are you as a Microsoft Partner?



Partner Program for two years and, as a one-man shop, is especially fond of the no-charge Registered Member level implemented in 2004. “That’s fantastic; I like that a lot,” he says. “Since I became a Microsoft Partner, the tools that are at my disposal have really helped me lock down some good, solid clients.”

The ability to call Microsoft support in mission-critical situations at no charge is something he can tout as a \$250 benefit to clients, vs. calling support on their own. And Microsoft Action Packs give him access to the “latest and greatest” software for just \$295 per year.

Nerison is one of 78 percent of survey respondents who say they see a good future in being a Microsoft Partner. “I’m very excited for all the new products coming out and, being a partner, being in the know for best practices. It’s going to poise my company for expansion,” he says, noting he’s now looking to hire another Microsoft Certified Professional to handle small office implementations. “My long-term plan is to do as much remote administration as possible from the beaches of Hawaii.”

selected as one of about 25 partners worldwide to provide input to the Microsoft Internet Security and Acceleration (ISA) Server team on what features should and shouldn’t be included in the Enterprise Edition. “They definitely took the feedback of that group and applied it to the product,” he says. More recently, he participated in a roundtable discussion with David Hemler, president of Microsoft Canada, who was looking for partner input on various topics.

Nearly a third of respondents, however, say they don’t know whether Microsoft listens to partners—presumably because they haven’t had any first-hand experience by which to judge. Another 11 percent say Microsoft does not listen.

Still, just over half of all respondents are quite happy with the level of communica-

tion they have with Microsoft representatives, rating it either 4 or 5 on the 5-point scale; 82 percent fall at 3 or above (see Figure 3, p. 4). But anecdotal evidence suggests Microsoft still has work to do on the communication front.

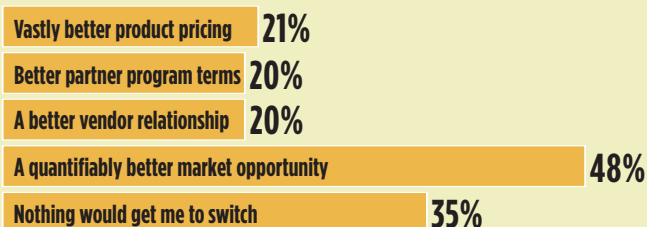
Consider Matt Richardson, manager of information technology and services for Information Control Corp. (ICC), a Certified Partner in Columbus, Ohio. ICC

IS ANYONE LISTENING?

But does Microsoft also listen to its partners? Bourne is one of 57 percent of respondents who say it does. One example is when he was

Figure 2

What would it take to get you to drop Microsoft as a partner and support a competing platform? (Multiple answers allowed.)



is a sizeable company; it has 350 employees and takes in about \$32 million annually. But Richardson says communication with Microsoft is “sporadic.” For a time, he routinely received calls alerting him to forthcoming events and the like. But he was unable to attend much of anything for

about eight months during a significant office expansion. "Now they don't call me anymore, or let me know what's going on," he says. "I'm not sure if it's because I didn't sign up for anything" during that eight-month period.

On the other hand, he says, he did get a call from Microsoft recently for a matter that pertained more to developers than to him. "It was good information," he says, even if it came to the wrong guy. Which points to a problem Microsoft faces—how to target the most appropriate person within a given partner firm. Is it Microsoft's responsibility to find the most appropriate contacts within each partner firm, or is it up to the partner to disseminate informa-

Lehrman of Xerox Global Services says the competency program is "a good thing," but notes it forces partners to invest more into the program than in the past. "That's not an unreasonable thing to ask," he says, "but not all organizations are structured in a way that they can immediately respond."

Xerox Global Services was grandfathered into the Information Worker competency a year ago, but won't be this year. That's a problem, because it hasn't been focusing on maintaining the customer references and various other items it needs to maintain its Gold status. "It's not necessarily our fault or Microsoft's; it just happened, fell through the cracks," he says. "Now we have to kind of rush and get through to maintain that status, and it's a bit of a challenge for us because we're very busy." As numerous partners point out, time spent gathering case studies and the like is time lost in terms of generating revenue.

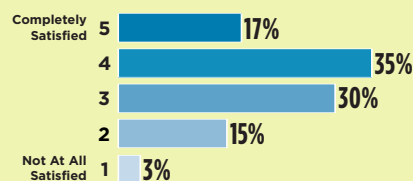
While he understands Microsoft wanting to demand an investment from partners in return for that Gold status, Lehrman ques-

tions whether it really resonates with customers. "Is it a medal that has meaning out there? It sounds good, but whether it's gotten us more business, I don't know."

Bourne does see value in his company's Gold Certified status, but says some of it was removed because Microsoft grandfathered his company and others with the Security competency each of the last two years, obviating the need for them to show the usual 120 points required for Gold. He was especially irked at being grandfathered last year, even after he invested the time to gather the required points. "For a smaller company like ours, getting 120 points really requires a lot of work, all the case studies and surveys," he says. "It's not a burden, but it's a differentiator, which is why I consider it valuable."

Figure 3

How satisfied are you with the level of communications you have with Microsoft representatives?



tion within the organization? No matter which way you come down on the question, it's easy to see how communication can—and does—break down.

QUESTIONING COMPETENCIES

Partners had a similar response to a question pertaining to one of the biggest changes implemented to the Partner Program last year: the Microsoft Competency program, which is intended to encourage partners to specialize in certain areas, such as Information Worker or Network Infrastructure. Just over half of all respondents (53 percent) rated the competency program as either important or extremely important in helping partners differentiate themselves. Only 13 percent were at the bottom of the scale, rating it as not at all or not very important (see Figure 4, this page).

Figure 4

How important is the Microsoft Competency program in terms of helping partners differentiate their companies?

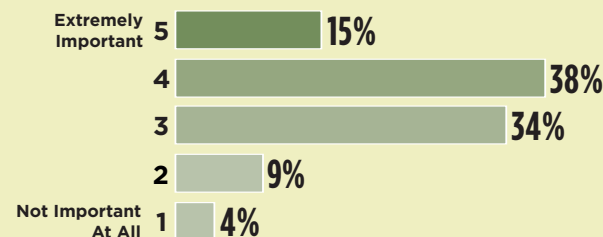
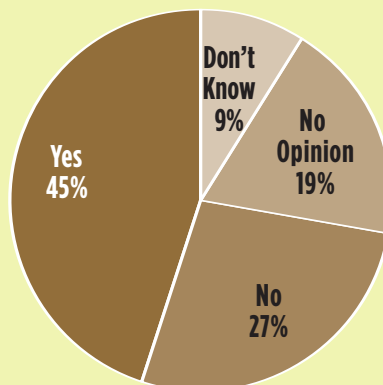
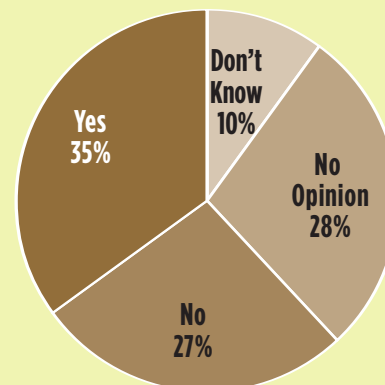


Figure 5

Do Microsoft licensing policies make its products difficult to sell?



Are Microsoft's licensing policies fair?



All things considered, partners are reasonably happy—if not ecstatic—with the changes implemented to the Partner Program over the last couple of years (keeping in mind the survey was taken before the most recent round of changes were announced). Nearly half (48 percent) rate the changes at a 4 or 5, with 5 being “extremely positive.” The single largest chunk—42 percent—were right in the middle, but only a handful rated the changes as either extremely negative (2 percent) or negative (7 percent).

Methodology

Via e-mail, we invited 24,000 active and inactive subscribers to *Redmond* magazine (a sister publication to *Redmond Channel Partner*) to complete our Web-based survey. The subscribers had all previously said on qualification forms that they worked for a Microsoft Partner company. The survey was conducted from May 24 to June 3. We received 564 completed questionnaires from qualified respondents, who again said they worked for a Microsoft Partner company. Of those respondents, 19 percent said they worked for a Registered Member, 34 percent for a Certified Partner and 31 percent for a Gold Certified Partner (the rest were not sure).

WORK REMAINS

Among the areas found lacking was ease of finding other partners with which to do business, which only 35 percent rated as much easier or easier compared to past years. That figure may bump up some now that Microsoft is enhancing its Partner Channel Builder Web-based tool, which helps partners find others with select competencies (see “6 Essential Microsoft Partner Tools”).

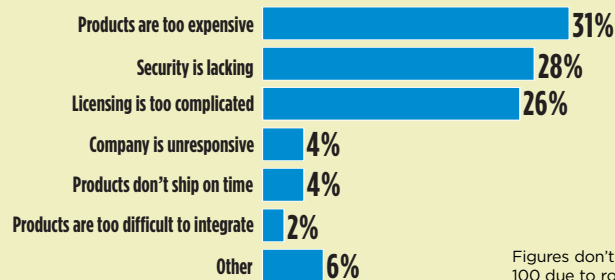
Partners are also split on whether Microsoft channel executives are accessible enough. Only 25 percent of respondents say they are, while another 25 percent don’t know, and 33 percent have no opinion. Apparently lots of partners simply don’t have occasion to try to contact Microsoft channel executives, which could be construed as meaning the PAMs are doing an effective job in their Microsoft liaison role. Registered Members, of course, don’t have the luxury of a PAM, but their responses weren’t all that much different from Certified and Gold Partners, with 27 percent of them saying executives are accessible enough.

But there are partners who say accessibility of key personnel could be better. K. Curtis Brown, an architect with Unisys in New Haven, Conn., says early this year, he was trying to reach certain product leads and Microsoft Quick Fix Engineers (QFE) on an issue having to do with a large-scale deployment. Instead, he kept getting pushed to Microsoft Consulting Services (MCS). “QFEs are the guys who have a lot of information and know about issues for which Microsoft is implementing fixes,” Brown says. “They’re nice people to have in your Rolodex.”

Another sore point among partners is licensing. Nearly half of all respondents (45 percent) say Microsoft licensing policies make its products difficult to sell and only 35 percent say the policies are fair. More than a quarter (27 percent) say the policies are unfair, while the rest

Figure 6

What is the most frequent complaint you hear from customers about Microsoft?



either have no opinion or don’t know (see Figure 5, p. 4).

“We don’t really hear a lot of complaints about Microsoft, except for licensing and pricing issues,” Brown says. “When I talk to customers, that’s the biggest question, ‘How much is this going to cost me?’”

Indeed, gripes about pricing and complicated licensing policies came in first and third, respectively, as the most frequent customer complaints that our respondents hear (see Figure 6, this page).

Software Assurance is always a question mark, Brown notes, because customers aren’t sure they’re going to see upgrades within their three-year term, which is where they perceive its real value to be.

ICC’s Richardson is a bit more pointed. A large part of his company’s business is staff augmentation, which means his employees work side-by-side with customers every day. In so doing, they hear

Figure 7

What is the biggest threat to Microsoft’s business?

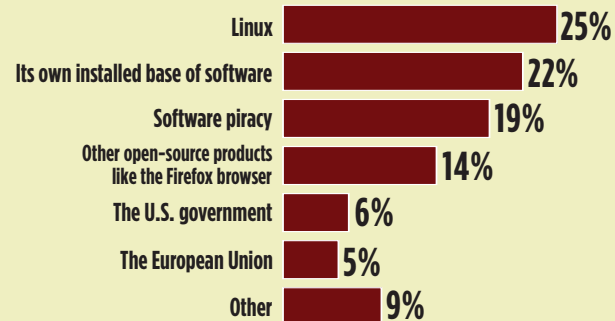
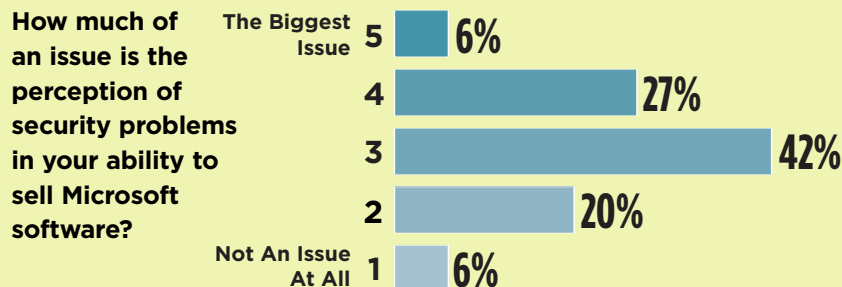
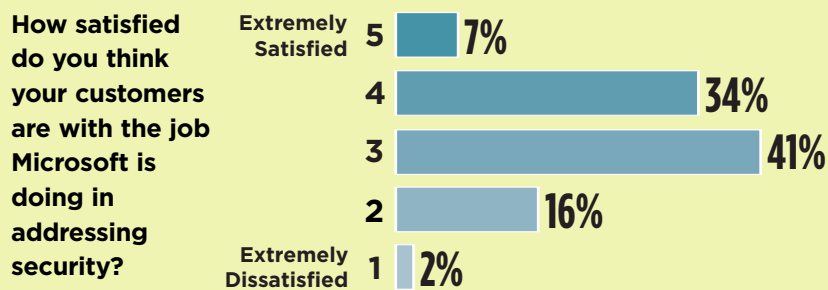
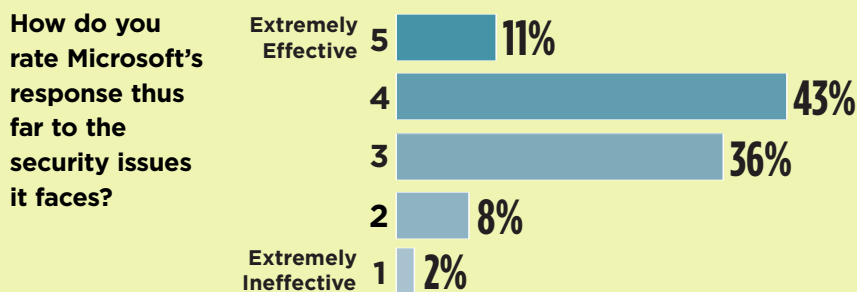
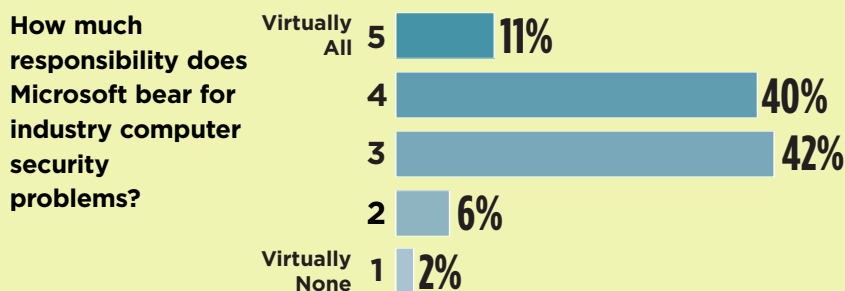
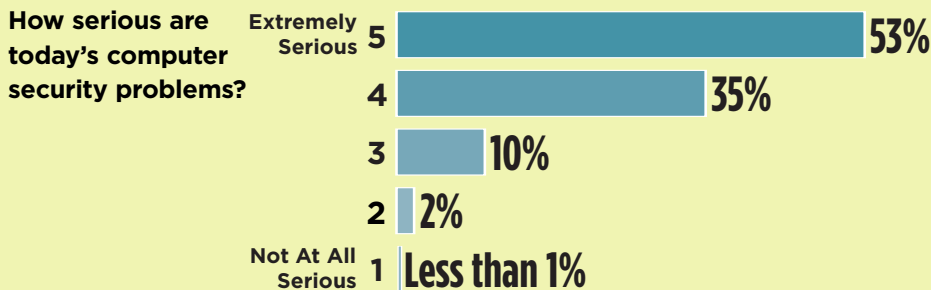
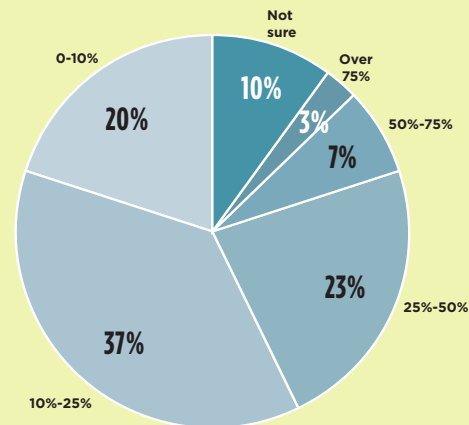


Figure 8

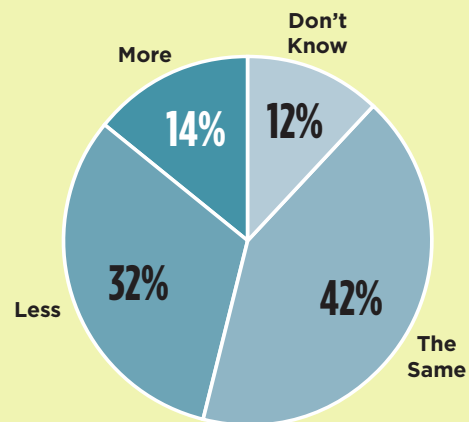
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How much of your services business is related to security problems?



Are Microsoft products more or less secure than those of other platforms, such as Linux, Macintosh and Java?



customer gripes and relay them to Richardson. "Everybody realized nothing happened after they bought Software Assurance," he says. "They all realized it was an enormous waste of money."

SECURITY QUESTIONS LINGER

Sandwiched in between cost and licensing is security, cited by 28 percent of respondents as the top customer complaint. Our survey points to a perception problem with respect to security. First, nearly all partners (88 percent) rate today's security problems as either serious or extremely serious, and just over half think Microsoft bears a great deal of responsibility for those problems (see Figure 8, p. 6). A slightly larger percentage (54 percent) rate Microsoft's response as either effective or extremely effective. But partners don't

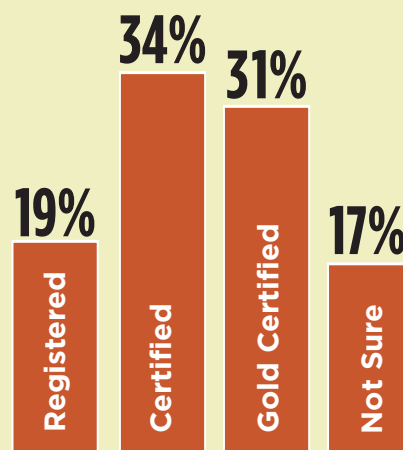
think their customers are as satisfied. Only 41 percent think their customers are largely satisfied with the job Microsoft is doing in addressing security.

Windows XP SP2 is a case in point, according to Richardson. "SP2 was extremely good at securing the operating system, but also extremely good at debilitating it and slowing it way down," he says. In his own small office, he had to spend about \$15,000 on hardware upgrades, mostly RAM, for computers that were running SP2 along with Office 2003, he says.

Others say the security picture is skewed because the media tends to blow problems out of proportion. "I think Microsoft is doing at a minimum as good, if not significantly better, than the other vendors, from a vulnerability count standpoint," says Bourne of CMS Consulting.

Figure 9

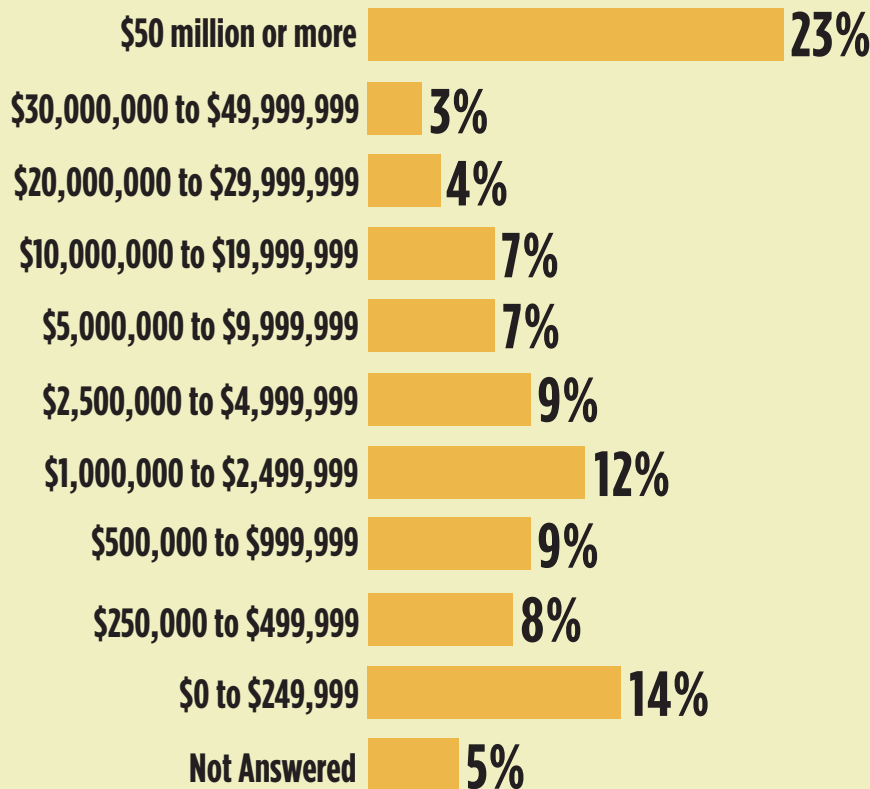
What level partner is your company?



Figures don't add to 100 due to rounding

Figure 10

What is your company's annual revenue?



Figures don't add to 100 due to rounding

Lehrman agrees with that assessment. Microsoft now makes security a primary consideration in product development and in how it deals with partners, he says, noting partner training now focuses on security more so than in the past. "I think Microsoft has put a great deal of effort in addressing the issue from a substance and public relations point of view,"

"Since day one, I've thought Microsoft should buy a Linux distribution and make it its own."

Ilya Lehrman, Principal, Xerox Global Services

Lehrman says. "It's more of a PR issue than a technical one."

A more serious threat to Microsoft's business, he says, is Linux. He's not alone in that assessment, as one-quarter of respondents rated Linux as Microsoft's biggest threat (see Figure 7, p. 5).

Lehrman favors an "embrace and extend" policy. "Since day one, I've thought Microsoft should buy a Linux distribution and make it its own, and make Office run on Linux," he says.

“That would be a great way to just end this whole mess.”

Richardson likewise thinks open source software is the biggest threat to Microsoft. Today, he says, open source is “useable, but it’s difficult to do anything standardized because there are so many flavors. If anyone can get all the pieces under one roof, that’d be the biggest threat.” Even companies like Red Hat have thus far not succeeded in that effort, he says, because they offer too many choices.

Other top threats to Microsoft include its own installed base (22 percent) and software piracy (19 percent). Google, on the other hand, received only one write-in vote. (Admittedly, we didn’t put it on the list of options for respondents to select from, a decision we don’t regret.)

In general, though, most partners are happy with the Partner Program, perhaps none more so than Virginia Cox, vice president of client relations for The Lyndon Group, an independent consulting firm in Newport Beach, Calif., that Cox founded in 1992. The company now has 11 employees and is a Certified Partner. She appreciates the technical support assistance the program affords her, along with inexpensive access to software.

“For a very small amount of money, I gained a lot of knowledge from the back and forth with Microsoft’s staff,” she says. “The investments I’ve had to put in, I’ve gotten back four-fold.” ♦

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Figure 11

How much of your profit comes from selling Microsoft software?

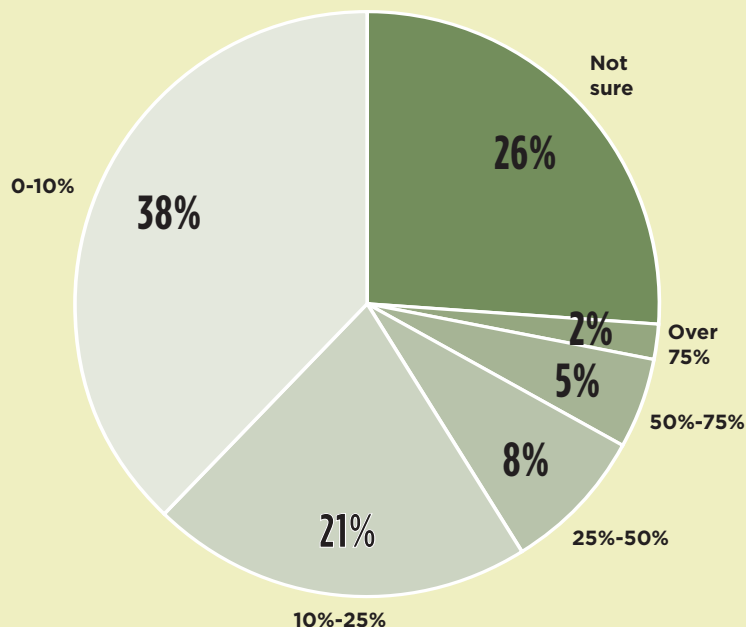


Figure 12

How much of your profit comes from services?

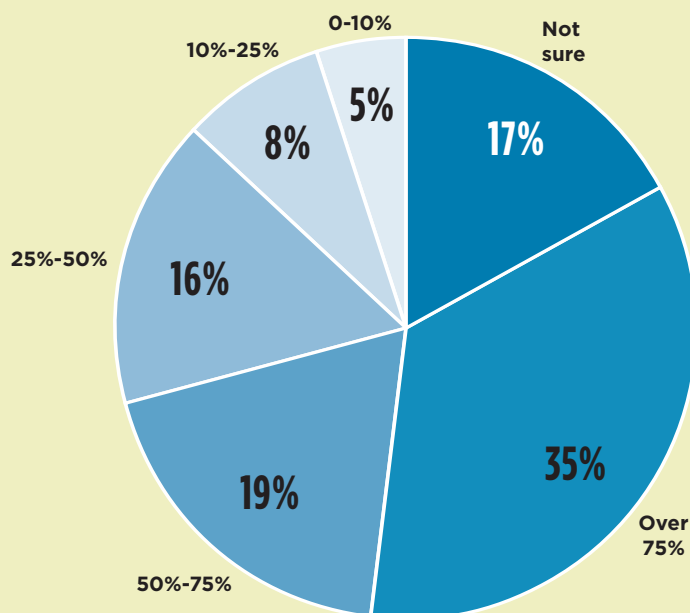
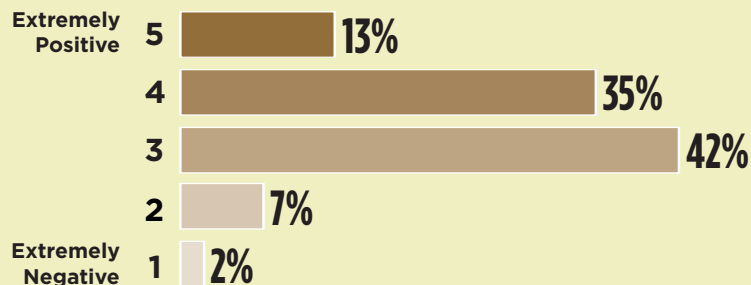




Figure 13

Rate your opinion of the changes implemented to the Microsoft Partner Program since early 2004.



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Figure 14

Given the Partner Program changes, rate how much easier is it now to find other partners with which to do business.

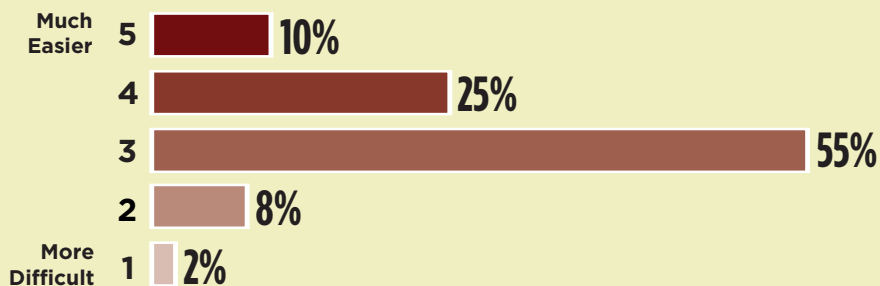


Figure 15

Is Microsoft a fair company to deal with?

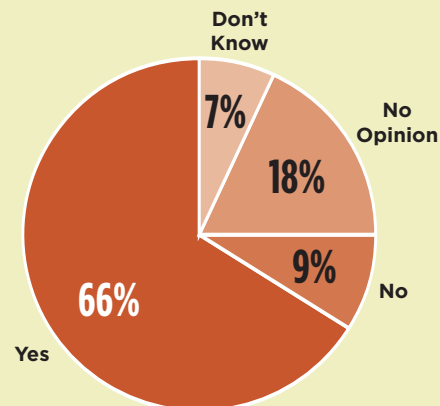
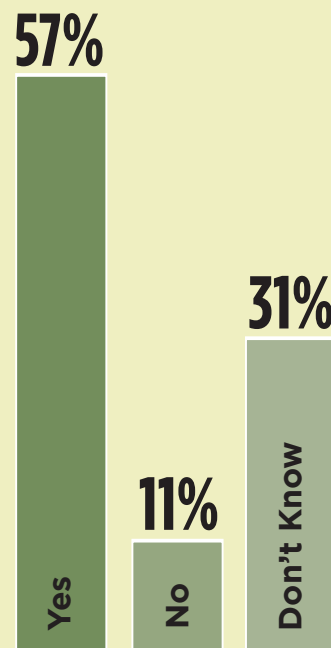


Figure 16

Does Microsoft listen to its partners?



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Figure 17

Is there a good future in being a Microsoft Partner?

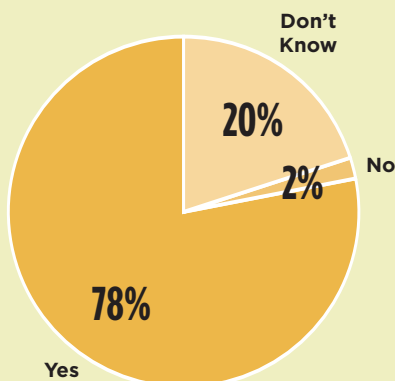


Figure 18

Do you actively support or promote Linux alternatives?

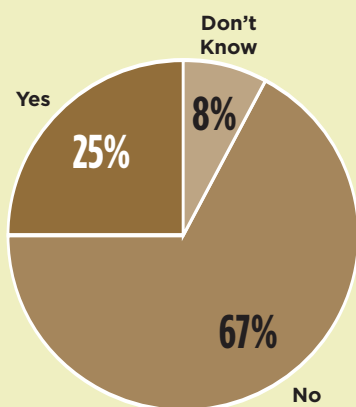


Figure 19

Do you plan to actively support or promote Linux alternatives in the future?

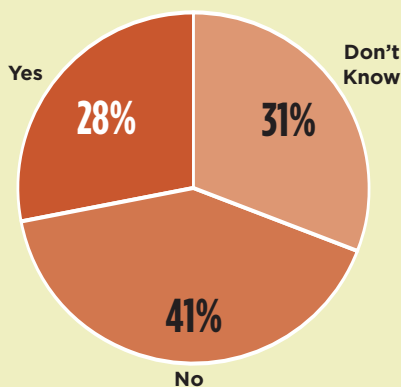
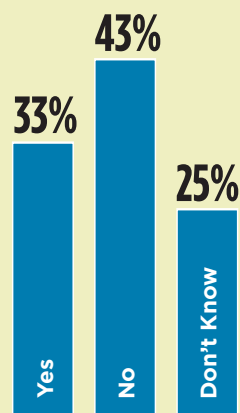


Figure 20

Would you actively support or promote Linux if you didn't have to worry about it damaging your relationship with Microsoft?



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Figure 21

Should Microsoft software run on other platforms like Solaris and Linux?

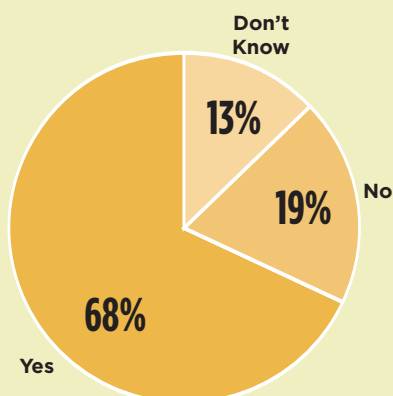
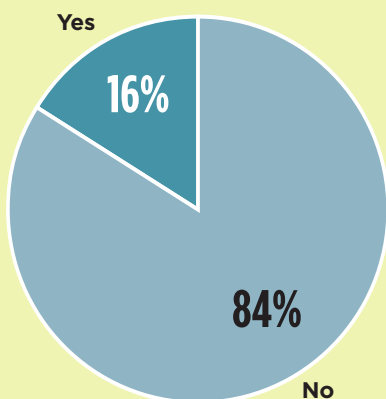


Figure 22 What are your top challenges in dealing with Microsoft?

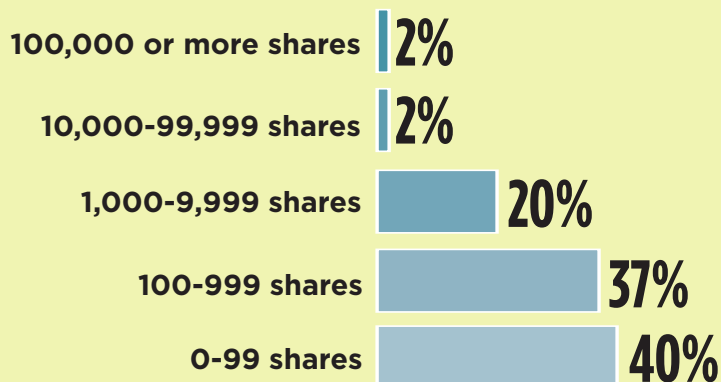


Figure 23

Do you own stock in Microsoft?



If yes, how much?



Figures don't add to 100 due to rounding

Figure 24

Would you like to work for Microsoft

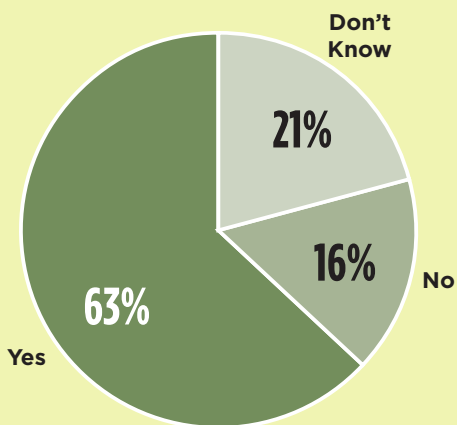
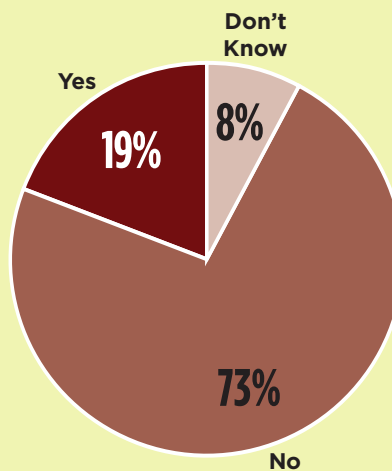


Figure 25

Does Microsoft compete against you?



Trading with Bill

Just for kicks, we asked respondents a couple of questions about Bill Gates. Asked whether they like Gates, 71 percent of respondents said yes, while only 5 percent said no. Twenty four percent weren't sure; when you consider most respondents probably don't really know him, that's not a bad answer.

We also asked whether respondents would trade places with Bill Gates. Here the response was pretty evenly split: 43 percent said yes, 41 percent no and 16 percent didn't know.

In follow-up interviews, however, it was difficult to find anyone who would admit that they wanted to walk in Gates' shoes.

"I'd trade bank accounts, but I don't know that I'd want his stress," says Virginia Cox, vice president of client relations for The Lyndon Group. "I don't think I have the qualifications," admitted Randall Nerison,

founder of Computer and Internet Solutions in Danville, Calif.

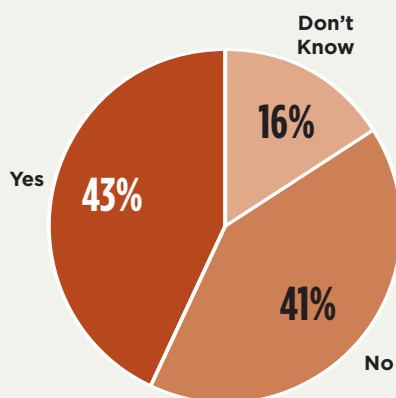
"I think no," says Brian Bourne, president of CMS Consulting Inc. "Last time I saw him speak in Toronto, I'd seen him about three years earlier, and it looked like he'd aged 10 years. I think he has a little too much stress."

"I love Bill for what he's done for charity and with technology, but no, it's too much stress," says K. Curtis Brown, an architect with Unisys.

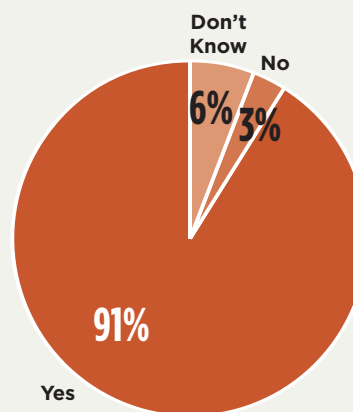
The lone exception was Matt Richardson, manager of information technology and services for Information Control Corp., although he had a caveat. "Trade for how long—forever?" he asked. "If it's forever I probably would. But just for a short amount of time, no. I wouldn't want the responsibility and the headaches that go with it only for all the benefits to be taken away."

— Paul Desmond

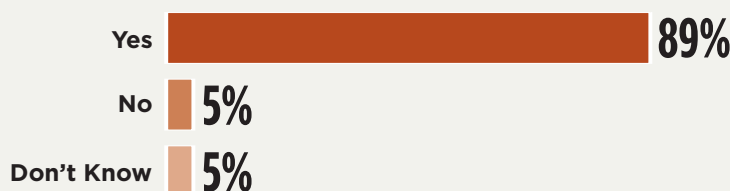
Would you trade places with Bill Gates?



Do you like Microsoft?



Do you respect Microsoft?



Some figures don't add to 100 due to rounding

If I Ran Microsoft ...

At the end of our survey we asked an open-ended question, “What would you do if you ran Microsoft?” Out of a total of 564 respondents, 332 of them—or 59 percent—took the time to give us their thoughts. And this after they’d already answered some 50 questions, which just goes to show that Microsoft Partners as a group are nothing if not opinionated. Following are a representative sample of their (lightly edited) responses.

- Never grandfather Gold Certified Partners from year to year. This is the second year of grandfathering and completely reduces the value. I’d also introduce a third level of partner to indicate who was closely engaged with Microsoft and truly has proven ability.
- Provide more money, products and support to educational organizations to ensure that there are properly trained engineers.
- I would endeavor to work with the open source market to develop a public relationship which could be used to have a “leg up” on the private and public sectors. I would continue providing strong business solutions while expanding further into the consumer/home market. And finally ... I’d actually make time to take a vacation!!!
- Decrease the price of Microsoft Office!
- To be more profitable: Start vertically focused business units that offered pre-packaged solutions for the industry. To be more IT friendly: Start a unit focused on improving installation of server applications. It shouldn’t take an MCSE to install an application correctly—but it does. To be more family friendly: Offer improved/cheaper Windows/Office licensing for home users. To *really* put Microsoft in the living room: Build a server OS specifically for the home with basic server functions as well as Media Center functions.
- Embrace open source more. Not GNU or any of the OSS ideologies, but just pure open source and developer collaboration. I do not believe open source is a threat to Microsoft and I think cooperating as much as it has so far (such as the SSCLI/.NET, the Application Blocks for .NET, GotDotNet.com Workspaces, etc.) has greatly improved the image of Microsoft in the development world, at least. Continuing to foster rapid development and collaboration while still selling products like Visual Studio and Team System is the best approach
- 1. Make Office run on non-Microsoft platforms.
2. Make a Microsoft-branded distribution of Linux that can run Office. I bet that Microsoft can put IBM, Novell, Red Hat, etc. out of Linux business and own the market *everywhere*. “Want an open source-based platform? No problem, we’ve got it. Want to run Windows XP because your users are happy with it? No problem here either. Already have WinXP, but are adopting the government’s open source direction for the future? Well, we have a flavor of MS Linux that’s at least as good as the other guys’ but we’ve made it play better with our server offerings,” etc.
- 3. Stop with the partner briefings. Instead, assign a representative per partner and have them schedule individual briefings, individual sales strategy, etc. When will Microsoft understand that partners compete for business with each other most of the time? I have no interest in sharing *anything* with other partners and, frankly, seeing a multitude of us all in one place is a bit discouraging at times.
- Microsoft could do a much better job of marketing to the educational community. The U.S. economy is a knowledge economy which needs/requires a better educational system. Microsoft could add value to both the teacher side and the student side of education. I have long thought of starting a school that would meet the needs of the technology society. In order to train employees for the future, technology firms should be involved with the technical schools by aiding them through financial support. This would help Microsoft improve its public image and help to better prepare students for their future careers.
- Reverse the erroneous idea that computer technology is cheap and support is free. People will think nothing today of spending \$800 for a set of tires, but will balk at spending that on a piece of software or hardware that their livelihood depends on. This is a perception problem. Information

technology is neither easy nor cheap. The bottom line should not be, how little I spend on IT. Rather, it should be on how reliable, secure and how high the ROI is on IT. Often I see clients skimp on things and I tell them, "So, you've decided to go out of business?" It's a joke but it gets their attention. Microsoft has made this technology much more affordable. But it will never be cheap.

- Split Microsoft into at least three companies—OS, Office and server apps. Dump all the consumer stuff: games, MSN, etc. Fire all of the empty suits that started appearing 2-3 years ago. Reinvigorate the company with talent. Basically, avoid becoming the next IBM, which is what I perceive is happening right now. Stop perverting standards with proprietary extensions/interpretations that make interoperability difficult. Complement open source software and projects—it's not a zero-sum game out there.
- Greatly simplify the licensing. Create a more useful core CAL [client access license] including Exchange, SQL, Terminal Services, Windows File & Print. Include the SQL licensing for products that depend on it indirectly. Too many products *seem* cheap, until you add on all the SQL licensing on top of everything else.
- Eliminate all CALs.
- If I ran Microsoft I would heavily pursue the ideas of marketing leasing options of software licenses and giving companies the lower cost option to upgrade over time. If Windows Server 2003 single licenses are priced for purchase at roughly \$1,500, then a lease option could be granted for say, \$45 per month, covering a degree of support costs and allowing the company to upgrade as soon as the next server release is effective. Because I believe piracy is a huge detriment to Microsoft's profit margin, this would allow Microsoft to create a

clearinghouse through lease licenses that prevent operating systems and software that has not been paid for to be partially deactivated until paid.

- Hire myself to revitalize and renew the "smart client" push within Microsoft (e.g. Windows and Office platforms powered by .NET technologies). I would also make a *major* push to revamp SharePoint Portal Server 2003 into a much more user-friendly and flexible product.
- Make licensing much easier. Reduce the cost of Home OS. With the massive profits, people would not pirate as much if the OS were \$50. I have three children, each with homebrewed machines that I built to teach them the internals. That results in over \$600 in XP licenses.
- Forget the entry-level customers that don't pay for services and support. Provide first class support to customers that pay for Unix type of revenue, i.e. enterprise computing solutions. Create a cheap-o brand name that sells for a penny with no frills, no support, self-help type software and then allow a back door to upgrade to a premium level type of software package. For example, allow free downloadable copies of "MSWorks" providing they register their copies to their company. This should push the bloody Open Office aside.
- Mandate that channel reps personally meet with Certified and Gold Certified Partners to work with them in developing business plans that create sustainable business practices using Microsoft products.
- Explain to the public through an even more aggressive marketing plan how Microsoft is helping businesses, the economy and people in general. It seems like you are doing that for the most part but there still is a (very vocal) portion of the population that is anti-Microsoft even though most businesses use Microsoft products. Perhaps if Microsoft had more

open source products this may help people with the fear of the unknown.
Regardless, I love Microsoft!

- Divide the organization into separate product companies for achieving greater operating efficiencies and long-term focus to safeguard shareholder returns.
- Decrease OS pricing to increase user base, and give back some of the vast profits to the customer.
- I would find ways to better isolate the OS so that hackers could not access my machine and find endless backdoor holes.
- I would make IE more responsive to current user needs. It's getting wiped out by Firefox and if Microsoft is not careful it will be replaced as the browser of choice.
- Cheapen the OS to respond to Linux and Mac, and make money selling Office and development tools. Make PowerPoint capable of functioning logically on dual-monitor systems.
- Continue developing strong channel partners based on results, not just sales. Our company influences Microsoft's success by our support efforts. These efforts may not show up as sales, since many of our customers seem to find "better pricing" or have product before engaging our services. Our contribution to Microsoft's bottom line is we provide the support that makes Microsoft products perform as they should!
- Lower the pricing of development products.
- Need to rethink the strategy for providing information to partners because we're overloaded at the moment.
- Rewrite all applications to use non-proprietary standards. Become SEI level 5 certified, and actually run software process at that level.

- I would offer better incentives to get the SMB market to buy Open Licensing. I find it difficult to get SMB owners to make the switch from OEM.
- I'd accept that Linux and Mac OS X are out there, and begin offering more products that run and are data-interoperable with them.
- Completely redesign the Windows OS so that it runs leaner, faster and doesn't require more processing power and memory every time I upgrade. Backward compatibility is always an issue, but if Microsoft came out with something that didn't require restarts so often, or system rebuilds once a year, I would certainly switch to it and give up some of my old programs. Look at Solaris and OSX as examples of OSes that do not need to be rebooted or rebuilt as often.
- Create a lighter OS.
- Focus on the disconnected world of wireless and portable hardware and software. Mimic the iPod, PlayStation Portable and cellular video products and further promote the idea of "working from home" with better software and hardware. Open a Microsoft Customer Support shop where people can walk in and chat to a Microsoft rep. People still want to see who they are talking to. Maybe soon they can make a video call to a Microsoft rep, but until then, put a face on the company that one can talk and relate to.
- I would take a page from Macy's of the '40s and promote industry best practices and products based on best fit. If Microsoft does not have the right answer for the client or partner, honestly tell them who does.
- Develop a hosted service offering for customers, small to large, that cannot afford to deploy and manage the required infrastructure themselves.
- Pressure governments and ISPs to stamp out spam and viruses that cost billions. This should be stopped at the gateway. Attempt to provide technology to small businesses (five to 10 users) at more competitive rates to allow them to be competitive and grow their businesses. Provide more free support and training to partners and help them use Microsoft technology to then sell on the concept to their customers.
- Allow for better partner growth options. Cisco, for example, provides SMB partners that open new businesses with Cisco equipment at significant savings. Microsoft has nothing of the sort that I know of.
- Offer free premier service for Microsoft Partners to better help them serve their customers.
- If I ran Microsoft I would purchase Novell.
- For public beta testing of new products I'd use Registered Members because of their technical expertise and experience. This would guarantee a strong, competent pool of beta testers and strengthen their loyalty and commitment to Microsoft.
- I would reduce the price of Microsoft products, reduce the number of products offered, make the licensing structure easier, allow competitors to develop applications that run on Microsoft OS platforms and spend more time in R&D so as to release good products that don't require a series of service packs to patch up holes.
- Train the world. I would heavily subsidize training for users, admins and developers. Most webcasts are little more than technical sales presentations, not real training. If users knew more of the features then they would press for the upgrades. But now they use 20 percent of the features so they don't demand upgrades or ask developers for more. Next, I would start nationally advertising how we scale and how we are secure. Those are my two biggest battles every day.
- Produce an Office that runs on Linux
- Start an open source project for an OS based on the Windows kernel; this should be free for people to run on their systems, without any of the advanced features usually available with the fee-based version of the OS. ♦

The Lighter Side

Some respondents had less-than-serious responses to our question, “What would you do if you ran Microsoft?”

- I would adopt whole towns in underdeveloped countries, educate the population to work on my products and when they came of age send them out as sales and workforce staff all over the world.
- The gadgets and things I thought were the most useful and just plain NEAT, I would partner up with and promote the heck out of as bundled items. Even toasters would have Microsoft operating software to keep the toast from burning. That is what I would do. Some of the things anyway. Lastly, I would really, truly try hard to learn to spell better than I currently do (grin). Next would come grammer (sic) ...
- Buy an island in the Caribbean.

- Wake up every day with a smile.
- Go sailing regularly.
- Free paint ball weekend for employees.
- Move to Hawaii. It rains too much in Washington.
- Give myself one hell of a big raise!
- Look for another job immediately.
- Go crazy.
- Do what Paul Allen did. Take my stock and buy a sports team and retire.
- Secretly hire hackers to attack Linux.

And then there were these folks, who couldn't even consider such a weighty question:

- I have no plans to run Microsoft.
- Sorry, but that is way beyond my ability so would be foolish to speculate about.
- No idea. Would have to really think about it.

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