



Gartner Says Demand for Windows 7 Migration IT Staff Will Exceed Supply until 2012, Leading to Higher Rates

The need to migrate from Microsoft Windows XP and Windows 2000 to Windows 7 in a tight time frame will create an extra budgetary and resource burden on companies from 2011 to 2012, according to Gartner, Inc. During that period, demand for highly qualified Windows 7 migration IT personnel will exceed supply, leading to higher service rates.

Gartner analysts said most organizations will need to find extra funds or redirect budgets away from other projects to complete the Windows migration on time.

Corporate

IT departments typically prefer to migrate PC operating systems (OSs) via hardware attrition, which means bringing in the new OS as they replace hardware through a normal refresh cycle, said Charles Smulders, managing vice president at Gartner. Microsoft will support Windows XP for four more years. With most migrations not starting until the fourth quarter of 2010 at the earliest, and PC hardware replacement cycles typically running at four to five years, most organizations will not be able to migrate to Windows 7 through usual planned hardware refresh before support for Windows XP ends.

Faced with this need to accelerate migration in 2011 and 2012, organizations have three options:

Accelerate PC Replacement Plans

Buying new PCs with the OS upgrade ensures that machines have a full set of compatible drivers and a basic input/output system (BIOS). This course of action also reduces the number of

times the machine is touched during its life and ensures that it will have a reasonably long operational life with the new OS over which to amortize the costs of the migration.

Assuming a 10,000 PC environment, where all PCs are replaced, Gartner estimates that the migration cost per PC will be between \$1,205 and \$1,999, depending on how well-managed the environment is. While the overall cost to migrate is lower than other scenarios, the down side is that the capital costs account for about 60 percent of the total replacement cost, so the capital budget will be larger than in the upgrade case.

Upgrade Installed PCs

Using existing PCs will reduce the capital costs of migration, but will not reduce the labor costs of migration. Assuming the same setup as above a 10,000 PC environment, where all PCs are upgraded the migration cost per PC will be between \$1,274 and \$2,069, depending on how well-managed the PC environment is. This assumes that 25 percent of the machines will need a hardware upgrade to run the OS.

While the capital costs are reduced in this case, upgrading an installed PC simply postpones the inevitable replacement for two to three years. Users will need to be migrated twice, rather than once, during a four-year period.

Evaluate Partial Migration

For task workers, such as data-entry roles (these account for about 15 percent of the population in a typical organization), migrating from a PC to a hosted virtual desktop (HVD) environment is an alternative to PC migration. It would potentially speed up deployment, because it is one image deployed centrally. However, an HVD does not solve the budget issues, because of the incremental cost of the data center and network infrastructure needed to run an HVD. Also, it does not solve the IT support staff issue, since they will be involved in the HVD rollout.

The

Cost of Labor

"Whether replacing or upgrading PCs, it is clear that Windows 7 migration will have a noticeable impact on organizations' IT budgets," said Steve Kleynhans, research vice president at Gartner. "Based on an accelerated upgrade, we expect that the proportion of the budget spent on PCs will need to increase between 20 percent as a best-case scenario and 60 percent at worst in 2011 and 2012. Assuming that PCs account for 15 percent of a typical IT budget, this means that this percentage will increase to 18 percent (best case) and 24 percent (worst case) which could have a profound effect on IT spending and on funding for associated projects during both those years."

Gartner expects the cost of IT labor to increase during 2011 and 2012 as demand for Windows 7 migration services spikes. These cost hikes are likely to continue in 2013, as organizations recognize that they are behind in their migrations.

We estimate that large and midsize organizations worldwide will migrate approximately 250 million PCs to Windows 7, during the migration timeline, so it makes sense for organizations that plan to leverage external services to line up service providers early, Mr. Smulders said. Begin talks with suppliers now about putting in place contracts that can deliver flexible levels of resources at a fixed rate over the migration period.

Additional detail is available in the Gartner report "Prepare for Your Windows 7 Migration Crunch". The report is available on Gartner's website at <http://www.gartner.com/resId=1390130>.

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