



New IT Systems Acquisition Models Take Sting Out of Licensing Cost and Complexity

Executive Summary

Today's business-as-usual methods for acquiring and integrating IT systems are obsolete, inefficient and under pressure to change. Confusing license terms and negotiating tactics are leaving buyers very unsatisfied and stifling demand for new IT spending and productivity.

Recent attempts to moderate the licensing mess, such as Microsoft's "assurance" programs, have generally fallen short, adding to buyer confusion (see Exhibit 1). Enterprises are exploring outsourcing options and open source approaches—not necessarily for technology performance improvements—to escape from the complexity and cost of traditional system acquisition, integration and maintenance.

In this climate of mistrust and fiscal cynicism, bold and effective innovations are needed to help buyers acquire, integrate, manage and maintain their IT systems. Evidence mounts daily that shows the next new growth spurt in enterprise IT depends on shifting economics and improving delivery models.

Sun Microsystems, realizing the old businesses model is under pressure, has crafted a highly simplified way to acquire and operate infrastructure software. Sun's approach to Java Enterprise System, as well as counterparts for tools and desktop systems, is a great improvement on the current economic models. It is based on per-employee licensing at aggressive terms with predictable and common upgrades year-over-year.

These simplified terms from Sun directly give buyers greater value and act as a powerful comparison tool to understand less competitive bids from traditionally licensed products and services.

This report examines the current levels of inefficiency in enterprise software acquisitions and explores how the per-employee pricing and integrated solutions packaging approach to acquiring and maintaining IT systems will affect buyers. The bottom line: Buyers should insist on simplified terms and vendors should adopt an open and direct model.

Exhibit 1

Confusion Around Evolving Licensing Terms

Source: Sunbelt Software and the Yankee Group, 2004

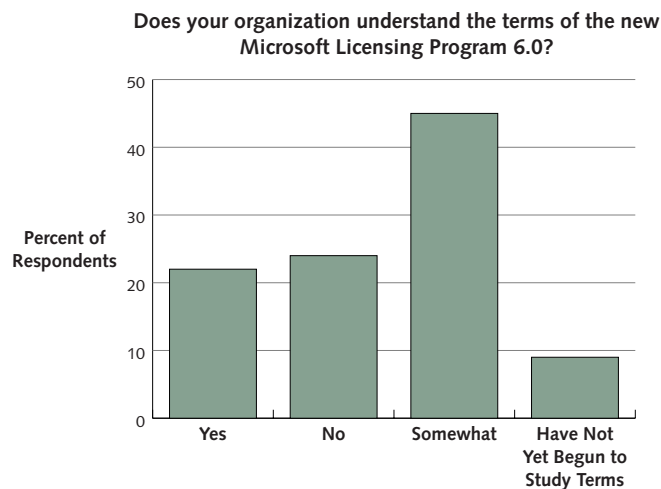


Table of Contents

| | | |
|------|---|----|
| I. | Introduction | 3 |
| | Confusion Reigns | 3 |
| | Diminishing Direct Competition | 4 |
| II. | Software Economics Need an Update | 5 |
| | Some Moves to Improvement | 5 |
| | Build from a Base of Use Knowledge | 6 |
| III. | An Answer: Software on Direct Terms | 6 |
| | Bold Innovation on Pricing and Operations | 7 |
| | Benefits for Buyers and Negotiators | 8 |
| IV. | Conclusions and Recommendations | 9 |
| | Technology Strengths | 9 |
| | Technology Challenges | 9 |
| | Recommendations for Enterprises | 10 |
| IV. | Further Reading | 10 |

I. Introduction

Licensing, integrating and maintaining IT systems—and repeating the process year after year for dozens of point products—are costly hassles for most businesses. However, the real mystery is the persistence of overhead and inefficiency associated with traditional IT software and systems licensing. CIOs routinely report that buying software is one of their most frustrating business activities.

Enterprises managing on-premises IT deployments typically remain saddled with many licensing contracts. Various active licenses are based on per entry, per client seat, per e-mail box, per CPU, or by annualized per server terms among others. There are typically five or more different licenses within a single major business application stack. Since the terms and periods of these licenses usually differ, operators and integrators struggle with hard-to-manage update and upgrade schedules across disparate products. Such complexity has caused IT operators to lose control on how to best use their IT systems and services.

Buyer feedback shows that the IT procurement process itself is inefficient and often is a charade that creates a high degree of variability in how systems are acquired. When pressed, systems and components vendors often cut their list prices by up to 50% to secure contracts. When a competitive bid process is involved, the list price can be cut by 70%.

For example, terms granted to one enterprise can vary greatly from another for similar products and services. Salespeople—bent on making short-term quotas—seek the best deal based on their compensation package that month. This means terms from one contract to another at the same site can also vary greatly. Users end up paying 30% maintenance on one product and 10% on another for no apparent reason. With few pricing standards to determine if they are getting fair value, buyers feel burdened and unable to predict their costs.

Confusion Reigns

Why has this unfair license pricing continued? Vendors wanting to maintain profits use complexity to keep buyers in the dark. Each cut in list price tends to have hidden “gotchas” in the maintenance terms:

- Loading on more maintenance contracts and usage options than needed
- Placing the onus for renewal on the customer, with terms reverting to “list” if the terms aren’t renegotiated on time
- Changing the method of measuring and tracking the usage patterns and costs
- Hiding integration needs and costs that require additional contracts
- Inferring that a switch to other systems will incur more cost than the new increases
- Threatening an audit of current usage and/or deployment levels at negotiation time

Integrators have long benefited from vendor licensing confusion by offering packages and solutions-based services that remove the frequency and granularity of point product licensing. However, this value-added layer of commerce and bureaucracy can ultimately increase costs, even as it makes the buying and deployment process faster and easier. End buyers still don’t know the true terms of vendor licensing to the integrators and, therefore, don’t necessarily know if they are getting the best value from their integrator contracts.

If these methods of trade don’t work to the vendor’s advantage, some have been known to change the rules of pricing and increase the prices dramatically or end support for older products to force an upgrade under new terms. The present system works for sellers, because they can easily concoct new ways to gather revenue beyond the actual licensing terms. The vendors, as a CIO recently put it, “usually hold all the cards.” Because when there is a lack of clarity, the vendors make the rules.

Licensing frustration is playing a significant role in many companies' decisions to seek various forms of outsourcing for IT functions. Under such deals, an enterprise enlists a third party to operate some or all of its IT needs, including buying and maintaining systems. In a number of these cases, IT executives have simply thrown up their hands in frustration and sought to completely off-load IT management and oversight to a global systems integrator. This is often done at higher initial costs than direct acquisitions and operations, although true total cost comparisons are difficult to determine by transitioning to such varied sourcing activities.

Yankee Group research indicates the forces of enterprise frustration—buying from commercial vendors, integrators and outsourcers—also play a significant role in the appeal of open source products, such as Linux, JBoss and MySQL. This has made the relatively simple, free software, pay-for-services model attractive. Even when the total value may be higher due to more hands-on installations or inferior functional and performance sets, buyers flocked to the simpler acquisitions model that many open source approaches afford.

Diminishing Direct Competition

A lack of innovation on the buyers' behalf and sellers entrenched in licensing shenanigans sidesteps fully open competition. Once contracts are signed, technology lock-in and the perceived high cost of changing systems preserves the vendor's high aggregate profit margins and reduces the buyers' bargaining power for the next licensing period. Annual or multiyear contracts actually tend to imply much longer use periods. Due to the advantages of incumbency, the level of open competition at the end of the original license term is reduced, giving the installed vendor more power to set the terms higher over time.

These practices are not the norm for all vendors, and many contracts are completed with all parties satisfied. However, the licensing status quo problem is large enough that enterprises have sought expensive ways to fight back. Many companies lack the necessary in-house negotiating expertise, either in terms of the purchasing managers or corporate attorneys, and hire outside negotiating and legal expertise. Some have then hired on-staff purchasing professionals to pour over terms and make negotiations of IT systems an internal core competency.

Many companies, particularly smaller organizations, feel they lack the leverage and the skills to successfully negotiate with vendors, so they simply don't bother. Others have frozen budgets and refuse to buy new products for as long as possible. However, the majority of IT systems buyers tend to swallow the high prices and undue complexity from the IT suppliers and then pass the costs on to their own customers.

The current cloudy model of acquiring IT systems is obsolete and inefficient. Certainly there are better ways to acquire and maintain IT systems, ways that can save buyers time, angst and money. Innovative new models are emerging that should not only make buying easier and more affordable, but also improve vendors' business outlook.

Clearer terms and predictability can reduce the seesaw of revenue fluctuations for the sellers, which would decrease surprises for their investors. Simplified and direct licensing models would also reduce the need to offer knee-jerk discounts and discourage quotas-based salespeople from resorting to the business-as-usual pricing and terms games.

Both buyers and sellers would benefit from better licensing practices. However, the industry is stuck in an acquisitions system that is less and less sustainable due to an increasingly cynical and frugal corporate buying environment. Fortunately, a number of forces are currently at work that should jump-start the long needed transition to improved IT systems licensing practices.

II. Software Economics Need an Upgrade

Few things have remained constant in the IT world like enterprise software licensing models have. Thankfully, the IT sector is market-driven, competitive and experiences swift and frequent change. Since there has been an increased amount of scrutiny on costs, complexity and productivity during the recent technology spending downturn, vendors are forced to seek out innovation. In the lingering climate of doing more with less, the waste inherent in a lot of IT licensing, software use and maintenance is being exposed.

Evidence mounts daily that the next new growth spurt in enterprise IT usage depends on innovative economics and improved packaging, delivery and maintenance models. Technology benefits alone have not been enough in recent quarters to spur greater spending on new IT projects. Moore's Law of swiftly increasing processing density and declining costs can no longer support the compelling value of regularly upgrading systems. The compelling business benefits of investing in new systems and models should be more obvious. The business value and worker productivity benefits from IT systems must be easily comprehensible.

After all, users should be clamoring for functionality upgrades that modernize their systems and create productivity benefits and competitive differentiators. Instead, buyers today are resisting new products and updated versions. This lingering reluctance to advance shows the erosion of trust that some vendor-driven licensing practices have caused.

Some Moves to Improvement

Lately there have been some attempts to address these systems' economic issues. Most are partial or incremental approaches that haven't significantly satisfied the buy side. Yankee Group surveys show that some of these modest attempts can actually cause more harm than good.

In the past year, we've seen some transition in pricing model adjustments. Most notably, the Windows "assurance" programs (Microsoft Licensing Program 6.x) allow buyers to license a product or system throughout its upgrade path over several years. However, many users report early on that they feel they are paying more, or feel let down when products don't ship on time. Microsoft has made adjustments to its plans.

Companies such as IBM and Salesforce.com are offering "on-demand" delivery of applications and processes, which when coupled with a subscription pricing of services, is quickly gaining mindshare and traction. However, this model has yet to expand beyond a handful of applications, since buyers are hesitant to suddenly switch and then have a hard transition with their accounting approaches.

What's more, a growing emphasis on IT governance, partly in response to regulatory pressures such as Sarbanes-Oxley in the United States, is advancing the notion of internal user subscribers and chargebacks as a primary means to determine actual application needs and costs within enterprises. In this case, IT departments play the role of service providers and charge internally for use, but the implementation of chargebacks is at the early stage in most businesses.

We believe subscription-based pricing, a deferred revenue model for sellers, will be increasingly accepted and then demanded in the market. We also expect that business applications, web applications and web services will be increasingly metered and delivered as subscription services, both internally and via external suppliers. Expect 30% of U.S. enterprise software budgets to be devoted to subscription-type usage by the end of 2006.

More must be done to rehabilitate how IT services are delivered and consumed. Users need to easily determine the value of IT infrastructure, middleware, applications and processes, not just have a murky sense of the costs via traditional licensing. Users should be able to conduct accurate comparisons of IT costs between on-premises, mixed source, outsource, or open source options.

Build from a Base of Use Knowledge

Many enterprises never really understand their own IT spending habits. Even when spending is tracked, it is difficult to document contract compliance across the myriad of terms of use. Users that outsourced often did not know what they were actually paying for total IT costs before the move, which makes it difficult to know if the prices they are paying someone else to operate their systems are competitive, or to what degree they are actually benefiting.

As a result, the financial officers at many corporations have developed a jaundiced view of IT spending and operations. They view IT through the lens of costs, with few accompanying metrics for gained business value—and a typical reaction has been to freeze IT spending as a preventive tactic to manage overall finances.

Ultimately, the IT vendor sector is left on a roller coaster of cyclical demand (and reinforces predatory sales practices). IT operators are then forced to beg for discretionary resources or have projects that are terminally under-funded. This shortchanges the full productivity benefit that well-managed IT systems can bring.

III. An Answer: Software on Direct Terms

Yankee Group research indicates that enterprises are now highly receptive to changing the way they acquire and use IT systems and services. CIOs are searching for strategies to better manage their disparate platforms, obsolete, standalone servers and expensive-to-run middleware products. They want better technological *and* business approaches.

For example, when survey respondents were asked about spending priorities for 2004, IT governance (a set of operations processes and project management capabilities that control how IT departments function) ranked very high compared to other types of projects. Interest in IT governance is growing rapidly according to a Yankee Group December 2003 survey on spending trends for 2004.

The Yankee Group survey clearly showed a pervasive recognition that a holistic fix is needed to reduce IT's level of disorganization and inefficiency. The survey respondents, U.S.-based directors of MIS/IT/IS (64%) and CIOs (17%), describe IT governance as a set of project management and organizational principles and tools that offer views into the progress (or stumbles) of IT performance across the lifecycle of IT activities. When asked where they would spend if they had freer budgets, IT leaders showed a clear desire to acquire application management and IT governance capabilities.

In other words, these IT executives want better tools to manage their operations, including simplified acquisition of systems. In examining its own relationship to customers in the past 18 months, Sun has devised an approach to IT systems acquisition, integration and maintenance. Yankee Group research shows that this approach is very compelling and interesting to enterprise buyers. The simplified Sun approach holistically addresses the issues that matter most now: control over costs, predictability of future costs, measuring value and productivity, and integrated product support and maintenance.

Bold Innovation on Pricing and Operations

In the summer of 2003, Sun announced a novel economic model for Java Enterprise System, a family of integrated server components designed, developed and delivered as one entity, which it refers to as a Software System. The components, currently at 14 and growing, form a cross-platform deployment and infrastructure software system based on the enterprise Java specifications for distributed computing (the platforms supported are Solaris on UltraSPARC, Solaris on x86, Linux on x86, Microsoft Windows (next release) and HP-UX (next release):

- Web Server
- Sun Application Server
- Access Manager
- Directory Server
- Directory Proxy Server
- Sun Cluster Server
- Message Queue Enterprise Edition
- Portal Server
- Portal Server Mobile Access
- Portal Remote Access Server
- Instant Messaging
- Calendar Server
- Messaging Server

The entire software system is priced at \$100 per full-time employee per year. Pricing is based on an annual automatic renewal license and is recalculated at renewal, based on the latest number of employees. Operating system licenses are factored separately, depending on the hardware and platform chosen. This cost includes support, maintenance, consulting, training and education for the term of the license for those employees licensed, and is provided with every annual renewal of the contract. What's more, customers can use the software as much as they want with employees, customers and partners, and they can deploy as many copies of any of the software components as they wish without having to come back to Sun to buy more licenses. Additionally, the system is designed to reward, not penalize, growth by placing a cap on per employee annual increase in total licensing of no more than 5% CAGR.

Taken as a whole, the cross-platform Java Enterprise System software system (Solaris, Linux and soon HP-UX and Windows) provides an infrastructure foundation for enterprise Java-based distributed computing. The Java Enterprise System, once licensed and deployed in whole or parts, will be updated regularly and predictably (whichever parts of the system that are due for patches, upgrades or maintenance). Users will pay the same price whether they use all or part of the software system.

There are restrictions and caveats, but the system-wide licensing approach, based on per-employee pricing, cuts upfront and longer term total costs over nearly all published price lists for comparable products. Sun is refining the overall system to share and increase the set of common components, reducing complexity and releasing additions and upgrades on regular intervals.

The software system will support any J2EE application, server, component and tool. It is designed to support leading ERP and CRM business applications packages. The integration features support for broad single sign-on and a groupware-oriented approach to messaging, collaboration and portal functionality.

The system is predominantly based on industry standards, from LDAP directories to IMAP e-mail servers to web services specifications. Sun allows enterprises to mix and match multivendor or open source components within the system based on standards. Sun also points out that greater value will come from using more of its software system component products under the common enterprise-wide license.

Traditional costs associated with the overhead of server component integration are slated for cuts as Sun pretests and preintegrates the Java Enterprise System to reduce incompatibilities between the software elements. The system also leverages a common installer. Further efficiencies will surely come from a vast reduction in license complexity by cutting the number of licenses in management, which will eliminate the need for audits in infrastructure use and manage upgrade timing, as well as relicense and negotiation issues.

Benefits for Buyers and Negotiators

Sun is out to change the enterprise supplier status quo. The innovative approach of Java Enterprise System acquisition, pricing and maintenance has garnered the attention of buyers, competitors, partners and ISVs. Sun is upsetting the apple cart with pricing, integrated solutions and playing its software off of its hardware and vice versa. It is attempting to disrupt its major competitors IBM, Microsoft, Intel, HP and Dell by offering higher total value.

This also gives enterprise negotiators a gift. Since Sun is offering technical superiority or parity on a variety of systems (hardware and software), buyers can bargain hard with its competitors in the RFP process and in final pricing negotiations.

A number of buyers we interviewed were intrigued by the Java Enterprise System model and used it (before even committing to it) to create what a competing vendor described as “RFP hell.” During the RFP process, buyers are asking Sun’s competitors to factor their costs on a per-employee basis too, regardless of how many products they sell. In effect, Sun’s pricing is forcing an upfront approach, similar to a “no dicker sticker” on automobiles for sale.

Interestingly, small to medium businesses (SMBs) are quickly exploiting the model with swifter decision processes that involve only a few people. SMBs can also more easily change systems in place because they typically face fewer trade-off choices on multiple platforms. The affordability and lower staff requirements—no need for multiple skillsets across many infrastructure components—also appeal to SMBs.

Beyond easily determined savings on direct costs, the simplified and clear pricing of Java Enterprise System also offers savings on traditional buying processes, including costs for tracking compliance, audits and the price hit from missed maintenance renewal deadlines. Since there is no penalty in either using too much or too little over the period of the license, IT operators can save by matching software demand with supply and roll out products at their own pace.

Sun has proposed an industry-wide, and potentially global, pricing shake-up. These changes will—more than any other similarly comprehensive offering today—help drive out complexity and reduce total costs across a burgeoning set of products and data center infrastructure. Sun could potentially erode competing suppliers’ ability to continue business-as-usual pricing and force them to adopt a more streamlined, predictable and subscription-oriented pricing. Java Enterprise System could create a new way for SMBs to acquire and use IT.

Only when companies fully and thoroughly evaluate licensing changes and the technical, financial and organizational impact of a systems conversion or adoption, can they determine what the change will really mean. The Yankee Group strongly suggests organizations make at least a 3-year financial plan when projecting the costs and benefits of a major IT systems purchase. Ideally, corporations should go even further and construct a 5- or even 6-year financial analysis, since modern IT systems last longer and major upgrades occur much less frequently.

IV. Conclusions and Recommendations

For many years, the Yankee Group has been coaching enterprise IT and service provider buyers on how to get more for their money. We have encouraged buyers to play hardball with vendors, aggressively use RFPs and proactively play the market's competitive forces. At the same time, buyers are encouraged to seek fair value and balance and to build partnerships—rather than adversarial relationships—with their vendors, resellers and suppliers.

Since the post-internet bubble spending downturn, the older balance between value and cost has broken down. Cynicism is rampant on perceived IT value. A new approach is required to modernize how businesses—large and small—acquire, implement, operate and account for the use of IT systems, services and solutions.

With innovative pricing and operational efficiencies in the Java Enterprise System, Sun has found itself in a unique position. In reinventing how to bring value to buyers, it may have ignited a catalyst toward a much wider reform of the traditional (and often inefficient) means for IT purchasing and upkeep. The trend toward reformed licensing joins greater acceptance of IT governance and tighter alignment of business and technology imperatives as the means to higher general productivity in corporations.

Per-employee, per-year pricing and integrated, yet granular, product sets—coupled with predictable upgrade paths and schedules—reduce IT integration and operations' labor, and accomplish the following:

- Make IT value readily apparent to financial executives
- Encourage growth and adoption of technology
- Reduce barriers to development and deployment
- Reduce buyers' resentment to underhanded contracts and terms

Sun's acquisitions model benefits buyers immediately with bargaining chips in the RFP and negotiation process. More importantly, the simplified acquisitions route reduces the business risk of using and consuming enterprise software once the deal is sealed. It really is a better way to acquire and use systems.

Making the transition from a handful of buying modes to a more unified approach is always tricky. The Yankee Group encourages enterprises to conduct a cost/benefits analysis and begin making the move to simplified and subscription-oriented pricing. Additional visibility into the smoky depths of long-term IT performance and remediation processes will allow a proactive, rather than reactive, assault on inefficiency.

Technology Strengths

- Java Enterprise System can reduce complexity and cost of IT infrastructure and provide a reliable and flexible platform for existing and new applications, portals and web services.
- Java Enterprise System will save solution providers and do-it-yourself enterprises significant time when installing software and applications across large distributed organizations.
- The virtualization of resources, Solaris 10, Linux on x86 and better infrastructure management will make Java Enterprise System stronger over time.
- Simplified licensing reduces the costs associated with software asset management and increases options for traditional, predictable and metered pricing.

Technology Challenges

- Version incompatibilities with non-Java Enterprise System software could reduce the predictability of migrations, allowing one element to hold up a wider upgrade effort.
- Managing an IT staff that doesn't have distributed computing expertise may prove difficult—time and money must be spent to align the staff to the products and technologies.
- Java Enterprise System is still new and unproven as a broad platform suite.
- Migrating existing applications to work on Java Enterprise System will vary from site to site, meaning that early cost savings may grow as more of the software is put to full use.

Recommendations for Enterprises

Current users of Sun's software portfolio should pay close attention to Java Enterprise System and immediately assess how the flat fee-based and regularly scheduled upgrade plan will affect them. They need to undertake a cost/benefit analysis and decide whether it makes more sense to adopt additional elements of Sun's software system over time. Non-Sun shops will have a hard time making the leap of faith to Java Enterprise System holistically, so they should look for best-of-breed elements from Sun's portfolio, particularly the use of Solaris as primary data center operating system.

- **Sun shops should seek an enterprise-wide business case for Java Enterprise System, backed up by a future-needs and adoption road map.**
- **Java Enterprise System prospects should look to ROI to weigh against competitors and implementation risks, such as not having the right skills.**
- **Seek candidate Java Enterprise System adoption projects within business units where consolidation and efficiency gains will pay off to identify the right mix of systems for possible Java Enterprise System migration.**
- **With any broad Java Enterprise System adoption, consider business drivers, current systems, application portfolio development plans and enterprise architecture standards and direction.**

V. Further Reading

Yankee Group Application Infrastructure & Software Platforms Research Notes

Sun's Creator Broadens Java's Appeal, July 2004

Sun Takes Java to the Next Level, March 2004

Yankee Group Application Infrastructure & Software Platforms Reports

New Hope Emerges for Ending the Costly Disparity Between Java and Windows, June 2004

BTO Gains Ground as Productivity Strategy by IT Executives, March 2004

Enterprises Worldwide Finally Plan to Increase IT Spending on Long-Overdue Software Upgrades, March 2004

Concurrent or Per Processor Licensing: Which One Is Right for your Business?, December 2003

Did You Know ? The Yankee Group...



Is the **world's most trusted** name for communications and networking research and consulting, focusing on strategic planning assistance, technology forecasting and industry analysis.

Has **unmatched expertise** across telecommunications, wireless/mobile communications, IT business applications and consumer technologies.

Was **founded in 1970** as the first research and advisory services firm.

Maintains research staff in **North America, Latin America, Asia-Pacific, and Europe/Middle East/Africa.**

Employs approximately **200 skilled professionals.**

Offers a portfolio comprising nearly **100 service offerings**—advisory services, decision instruments, signature events and consulting.

Provides **complete** technology and management consulting capabilities.

Showcases a **full calendar of technology-related conferences and seminars** held around the globe.

Delivers a **full line of reports and research notes** via the Internet.

The Yankee Group

World Headquarters

31 St. James Avenue

BOSTON, MASSACHUSETTS 02116-4114

T 617.956.5000

F 617.956.5005

info@yankeegroup.com

Regional Headquarters

North America

31 St. James Avenue

BOSTON, MASSACHUSETTS 02116-4114

T 617.956.5000

F 617.956.5005

info@yankeegroup.com

951 Mariner's Island Boulevard, Suite 260

SAN MATEO, CALIFORNIA 94404-5023

T 650.522.3600

F 650.522.3666

info@yankeegroup.com

EMEA

55 Russell Square

LONDON WC1B 4HP

UNITED KINGDOM

T 44.20.7307.1050

F 44.20.7323.3747

euroinfo@yankeegroup.com

For More Information

T 617.956.5000

F 617.956.5005

E-mail: info@yankeegroup.com

Web site: www.yankeegroup.com

Advisory Services

Yankee Group advisory service annual memberships offer clients access to research and one-to-one expert guidance.

Advisory services represent our best value for clients. The services help our members understand industry, regulatory, competitive and market-demand influences, as well as opportunities and risks to their current strategies.

Membership includes an invaluable in-person strategy session with Yankee Group analysts, direct access to a team of analysts, research reports, forecasts, research notes and regular audioconferences on relevant topics.

We offer advisory services on almost 30 selected topics in Telecommunications; Wireless/Mobile Communications; Consumers, Media & Entertainment; and Information Technology Hardware, Software & Services.

Decision Instruments

The Yankee Group offers a full portfolio of technology and market forecasts, trackers, surveys, and total cost of ownership (TCO), return on investment (ROI), selection and migration tools. Decision instruments provide our clients the data required to compare, evaluate or justify strategic and tactical decisions—a hands-on perspective of yesterday, today and tomorrow—shaped and delivered through original research, in-depth market knowledge and the unparalleled insight of a Yankee Group analyst.

Trackers

Trackers enable accurate, up-to-date tactical comparison and strategic analysis of industry-specific metrics. This detailed and highly segmented tool provides discrete proprietary and performance data, as well as blended metrics interpreted and normalized by Yankee Group analysts.

Surveys

Surveys take the pulse of current attitudes, preferences and practices across the marketplace, including supply, delivery and demand. These powerful tools enable clients to understand their target customers, technology demand and shifting market dynamics.

Forecasts

Forecasts provide a basis for sound business planning. These market indicators are a distillation of continuing Yankee Group research, interpreted by our analysts and delivered from the pragmatic stance our clients have trusted for decades.

Signature Events

The Yankee Group's signature events provide a real-time opportunity to connect with the technologies, companies and visionaries that are transforming Telecommunications; Wireless/Mobile Communications; Consumers, Media & Entertainment; and Information Technology Hardware, Software & Services.

Our exclusive interactive forums are the ideal setting for Yankee Group analysts and other industry leaders to discuss and define the future of conversable technologies, business models and strategies.

Consulting Services

The Yankee Group's integrated model blends quantitative research, qualitative analysis and consulting. This approach maximizes the value of our solution and the return on our clients' consulting investment.

Each consulting project defines and follows research objectives, methodology, desired deliverables and project schedule. Many Yankee Group clients combine advisory service memberships with a custom-consulting project, enabling them to augment our ongoing research with proprietary studies.

Thousands of clients across the globe have engaged the Yankee Group for consulting services in order to hone their corporate strategies and maximize overall return.

www.yankeegroup.com

The Yankee Group believes the statements contained in this publication are based on accurate and reliable information. However, because our information is provided from various sources, including third parties, we cannot warrant that this publication is complete and error-free. The Yankee Group disclaims all implied warranties, including, without limitation, warranties of merchantability or fitness for a particular purpose. The Yankee Group shall have no liability for any direct, incidental, special, or consequential damages or lost profits. This publication was prepared by the Yankee Group for use by our clients.