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improving, the operating systems make less difference and future mobile versions of the products ...

Randy Johnston • Mar. 11, 2016

We have three primary technology ecosystems to support our computing needs:

As we watch our major suppliers to the profession rebuild new suites and tools with CCH Axcess, Thomson Reuters ONVIO, Intuit Tax Online (ITO) & QuickBooks Online Accountant Edition (QBOA), AccountantsWorld Power Practice and the Sage Cloud offerings such as Sage View, Sage Payroll, Sage Live, Sage One, Sage Value, Sage Impact and Sage Match we will have new ways to serve our clients as well as new technology to deploy. But discussion of these publisher's strategies we'll have to save for future columns in 2016.

Even with the decision of using a Mac or an iPad with Windows virtualization software or remote access frequently required, the majority of the accounting professional market is still Microsoft-centric. 2016 may improve Microsoft's position further with the hardware additions of the Surface Pro 4 or the Surface Book hardware. Beyond that is the aggressive strategy of getting users to adopt Windows 10 and Office 2016. Microsoft will continue to adjust their strategy throughout the year, so this article should only be considered technically accurate and current near the time of publication. However, the intent is to make you aware of significant changes in Microsoft strategies that could affect your decisions for some years to come.

Microsoft is Changing the Rules

Microsoft has never "sold" software, they have always licensed their products. A shift in the last few years though, has been a shift from a perpetual license to a recurring revenue rental model. In the early days of Windows and Office, you purchased a copy of the software that you could use as long as you wanted. Products were not used forever because of hardware changes, attraction of new features and inconsistency among users based on the version in use...think ribbon menu versus the older drop down menu. Inconsistent versions make several things more difficult including technical support, training, and integration into other products.

These issues were addressed by adding "Software Assurance", a maintenance policy

discount programs on software aren't eliminated this year or next. Budget now for the purchases you are likely to have to make when these programs are eliminated. Office 365 and Windows InTune have both changed Microsoft products into rental models.

If you stop paying for the software, your right to use the software expires in 30 days, and a kill switch is activated. If you are purchasing software with your computers, these are Original Equipment Manufacturer (OEM) licenses, and there are notable restrictions such as not being able to virtualize, to run Windows Deployment Services (WDS) and enjoy other cost reducing strategies. Hosting providers have Service Provider License Agreements (SPLA) with Microsoft that allow them to provide firms current versions of Microsoft products, but not older versions. What are the current Microsoft policies of note?

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1)   Microsoft changes to policies for Windows operating system support and hardware:

a)   **IMPORTANT: Microsoft changed their support rules, and that may require you to update your operating systems sooner rather than later.** This is especially true if you waited until the last minute to move from Windows XP and then just moved to Windows 7. What's the problem?

b)   **Windows 7 / 8.1 will not be supported in some systems with Skylake processors.** This means that if you buy a new PC in 2016, the new chips will likely not be supported on the old operating systems of Windows 7 and Window 8.1.

i)   We don't know what this means yet. We're not sure if the new computers will

listed at this time.

iii)   Intel Skylake-based chipsets have a format of xx-6yyy, where xx is i3, i5, or i7, and the model is a four-digit number starting with a six.

(1)   I3-6xxx (although we still don't recommend i3 processors for accounting professionals)

(2)   i5-6xxx

(3)   i7-6xxx

iv)   Future chipsets will NOT be supported on Win 7/Win 8.1. For example,

(1)   Intel Kaby Lake, expected Q3 2016, assumed to be i#-7xxx models are not supported

(2)   Qualcomm 8998 (which has some involvement with Chinese chip investments, which you can check out posted on my Twitter feed or from The Economist, January 23, 2016)

(3)   AMD Bristol Ridge family

2)   How do updates work if you get Office 365? There are four update branches available to some Office 365 users[1]. They are:

a)   **Windows Insider** – This is the BETA channel of updates, and users must opt into Windows Insider on their PC to get these builds of applications. This is the least stable platform, and is not recommended for any production systems. Bugs are expected.

b)   **First Release (FR)** – This is the latest non-beta version of Office 2016

available for Office 365 Business and Office 365 Business Professional, which cannot use the slower Current Branch for Business.

ii)   **ALL consumers must take monthly updates** and we understand that if you don't take an update, you can't get security updates in the future (see footnoted links below for more information on this).

d)   **Current Branch for Business (CBB)** – This option has three feature updates per year. You must take at least two of them, and there are monthly security updates.

i)   CBB requires Enterprise Office 365 or Volume Licensing with Software Assurance **AND you must opt to "delay updates"**

ii)   NOT available to Business Office 365 (formerly Small/MidSize Business plans)

iii)   NOT available to retail or OEM purchasers

3)   Other considerations include:

a)   **There is NO LONG TERM SUPPORT (LTS) version** of Windows 10 or Office 2016 in Office 365.

i)   If you don't want the Office upgrades, the only option you have is to buy Office on volume license with software assurance, and then use downgrade rights to install the LTS version of Office 2013

ii)   Those who rent Microsoft Office through Office 365 will receive push upgrades in late Q3 2016/ early Q4 2016, and can no longer stay on Office 2013 after that date, presumed right now to be October 1, 2016.

b)   Mainstream support for IE 8-10 is largely over 1/12/2016[2]

c)   Support for Win 7 (pre SP1), Windows 8 is over

i)   QB: https://community.intuit.com/articles/1201230-windows-10-faq. We have been unable to get some QB add-on software to work with the combination of Windows 10/Office 2016, including the Intuit Statement Writer, which is explicitly supported only with Office 2010 and Office 2007.

ii)   Lacerte: Compatibility for 2015 returns (prepped in 2016) will not come out until after 4/15/2016. Prior year software (TY14 and earlier) may not be updated for Windows 10. See more at https://accountants.intuit.com/support/tax/lacerte/document.jsp?product=LACERTE_TAX&id=INF28064&src=GS_widgett

iii)   ProSeries: "supported for Windows 7, 8, 8.1" (but not Windows 10) https://taxpro.intuit.com/proseries/faqs-data-system-requirements/

c)   **Thomson Reuters:**

i)   Blog post: https://tax.thomsonreuters.com/blog/cs-professional-suite/windows-7-8-9-10-when-will-it-end/

ii)   KB article: https://cs.thomsonreuters.com/ua/fixa/cs_us_en/kb/windows-10-for-cs-professional-suite.htm

iii)   Product-specific guidance: https://cs.thomsonreuters.com/support/systemrequirements/

The Water is Deep in This Perfect Storm

Over the next few months, we'll investigate some alternative ways of dealing with your technology deployments. One of the concerns is that if a hardware feature known as UEFI lock down is enforced, that Windows may not be able to be readily uninstalled from a newly purchased system. We had discussed this issue in an earlier

column. Another concern is the way Windows will respond inside desktop

announcement (Isaac, we could post updates on the web site).

Therefore, our current recommendation is pretty plain: if you intend to use a Microsoft strategy, then you should plan on deploying Windows 10 between May 1 and July 15, 2016 to get the free upgrades that are available. If you wait until after July 28, 2016, you are likely to have to pay for upgrades. I have no issue with paying for upgrades, but don't expect to buy new hardware and run the older Windows 7 or Windows 8.1. Running older versions of Windows probably won't be doable on newer hardware. While you're at it, during the upgrade you should probably change to Office 2016, consider a change of your anti-virus, and encryption strategy, too. Whew! Where do we get more oars or a bigger outboard engine for this boat? More on all of these topics later.

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