

# Technology Forecast

The outlook for Vista and Office 2007 in bank computing

By Julie Monahan



**L**ike a speech by a Federal Reserve chair, what Microsoft Corp. does with its Windows operating system holds the potential for widespread impact on business.

So with the long-anticipated January 2007 debut of Windows Vista, industry experts have been digesting the new system, and the general consensus thus far has been mostly positive. But most community bankers are taking a wait-and-see approach.

“We’re not planning to make a move anytime soon,” says David Franklin, information security officer at \$130 million-asset FirstState Bank in Lineville, Ala., which runs XP on most of its desktops. “I’d like to sit back and wait and let other companies be the guinea pigs.”

FirstState’s approach makes sense for many small independent banks. “Vista is not going to make a huge difference initially for community banks,” says Darla Brogan, a senior consultant and certified systems auditor at Professional Bank Services in Louisville, Ky.

According to experts, the burden of testing the new system under industry and regulatory requirements and gauging its compatibility with established programs already used by employees guarantees slow adoption. That some institutions still happily run older Windows versions no longer supported by Microsoft while others are just upgrading to XP suggests that existing Microsoft products are already serving the industry quite well.

## Slow Rollout Expected

But widespread industry adoption of Vista is inevitable, even if, as Brogan says, it happens “a couple of years down the road.” It will take that long to first assess potential risk to existing data and systems and then to iron out the inevitable wrinkles, organize employee training, update policies related to Vista’s new features and revise security procedures.

“Begin planning now by developing detailed software training and migration plans,”

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To ease implementation, Microsoft Corp. supports a range of online resources. Check out [www.microsoft.com/windowsvista/](http://www.microsoft.com/windowsvista/)

says Jimmy Sawyers, director of consulting at Reynolds, Bone & Griesbeck PLC in Memphis, “but wait until at least the third quarter of 2007 to deploy.” This, he says, “will allow banks to test application compatibility and hold out for Service Pack 1, which is expected in third quarter 2007.”

To be sure, a Vista implementation is no walk in the park. Efficient deployment can take as much as 18 months, so community banks can expect to beef up their information resources, either with existing staff or with contractors. To ease implementation, Microsoft supports a range of online resources from its Web site. A learning catalog, solution accelerator, Vista blog and IT Web forums aim to help businesses through the transition.

### User Challenges

One implementation challenge regards the possibility that programs running under Windows XP Service Pack 2 may face some compatibility issues running under Vista. Though Microsoft asserts that most programs should continue operating seamlessly, the company also offers an online application compatibility toolkit. Bankers may also be able to run incompatible programs with a free integration tool, called the Microsoft Virtual PC 2007, which runs programs in a virtual XP or Windows 2000 session.

By the time banks do upgrade to Vista, they will find plenty to like about the new operating system, which is rolling out along with Office 2007 and powerful new versions of Word, Excel, Outlook and PowerPoint. Banks

will see the most value from Vista’s security enhancements, say industry experts. “Vista’s two-way firewall is superior to XP’s in that Vista offers inbound and outbound protection,” Sawyers says. “XP only blocked dangerous inbound connections, which is not effective if the PC is infected with spyware or a Trojan horse.” Banks also gain the ability to encrypt data on individual computers, a big safety boost for employees carrying laptops to and from work.

Those security features are what Franklin at FirstState in Alabama says he most looks forward to implementing when the bank gets its upgrade underway. “With all the patches we have to do these days, which is cumbersome,” he says, “it will be nice to have something more secure.”

Some users, however, may find that Vista security can go a little too far. While the user account protection feature aims to prevent unauthorized software downloads, the tool can make legitimate downloading and installation a cumbersome task. That’s because the process of convincing Vista of your authenticity requires passing through a spiraling series of pop-up messages. “The user access control [UAC] is a well-intentioned attempt to detect threats but will be annoying until improved,” Sawyers says.

### Data Repository

Among other new features meant to wow users is the ability to store results from a desktop search in a file, which then becomes a quick reference to information related to that subject. The file

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## Feature Highlights from Windows Vista



- Search folders that organize documents from different programs in one place
- Enhanced graphics and more conversational language in text boxes
- Desktop search
- Better protection against viruses, worms and spyware
- Consolidated lists of headlines from RSS (Really Simple Syndication) subscriptions with Internet Explorer 7
- Mini desktop applications such as calendar, news headlines and sticky notes
- Faster loading applications and files
- Speech recognition software
- Networking tools to create ad hoc networks for peer-to-peer file sharing

## What’s New in Office 2007

- User interface, dubbed The Ribbon, for providing quicker access to commonly used features
- Color coding for grouping and prioritizing e-mails in Outlook
- Improved junk mail and anti-phishing features
- Text messaging for PDAs and cell phones in Outlook
- Preview changes utility in Word for viewing different formats before applying them
- An advanced graphics engine for better-looking Excel, Word and PowerPoint documents
- Contextual tabs for bringing features forward related to specific tasks, such as adding photos or drawings to a Word document

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**—Jimmy Sawyers, technology consultant**

eliminates the need to copy and relocate files and folders to different drives as projects evolve. Vista will also change the way the desktop looks, with the option to drag and drop mini-applications such as calculators, stock quotes or weather to the screen. Future versions may also give users the ability to craft their own gadgets for the desktop.

The slicker Vista desktop shows Microsoft is paying attention to user experiences with other products. “My PC’s interface should be as clean and functional as my Tivo interface or my kids’ PlayStation or iPod interfaces,” Sawyers says. “Vista moves us one step closer to that reality.” Vista, for example, has a streamlined Start menu, a live icon feature that provides a glimpse into a document before actually selecting it and 3D effects for viewing past menus and popup screens of the applications and windows.

Microsoft also claims that the system’s enhanced reliability and troubleshooting tools will mean Vista-powered computers will no longer crash or refuse to run a program. Improved diagnostics are the reason, according to the company; so to avoid frustrating moments staring at a stalled screen, Vista will provide a snapshot of impending trouble by periodically taking the pulse of the hard drive to detect problems and send a warning notice for those problems that require action.

Companies that provide community banks with core banking services have been testing the new software and

ensuring continued smooth operation for branch platforms, call centers, Internet banking and other core functions for months prior to the product's market debut. "That's a pretty daunting task to go through," says Jim Sizemore, the chief information

officer at Information Technology Inc., the Lincoln, Neb., provider of the Fiserv core banking system.

But Sizemore expressed confidence that customers putting Vista desktops into operation will experience business computing as usual. "Fiserv is very strong in

qualifying our solution so customers don't have any disruption of service," he says.

### System Drawbacks

While there is much to like about Vista, the system is a bigger resource hog than existing Windows versions, so implementation plans will more than likely require new PCs. "This will be like the move to Windows 95, still the greatest catalyst the PC industry has ever seen," Sawyers says. Banks can still run a basic version of Vista on existing systems, but they will then likely be wondering what all the fuss is about, as many Vista improvements, such as graphical displays and live animation, won't be accessible.

But a shopping spree won't address the nagging issue of compatibility. Jim Banks, manager of technology research at Jack Henry & Associates in Monett, Mo., says compatibility issues with existing bank products may make the system unstable. "Vista reminds me of XP when it came out," Banks says, "XP was almost unusable until Service Pack 1."

While Vista comes with some caveats, you won't hear many reservations about Office 2007 from reviewers, who have been dazzled by the feature-rich software system. Its programs will equip users with an improved ability to share and analyze data. And in what may be a relief to banks eager to capitalize on advances in Office 2007, they won't need Windows Vista to run it. **ib**

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