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Microsoft has been producing their "Small Business Server" line since 1997. JK Technologies installed the very first version and were so impressed with SBS that it became the foundation of our business in the early days. The major revisions of this family of products were:

> 1997 – BackOffice Small Business Server 4.0
> 1999 – BackOffice Small Business Server 4.5
> 2001 – Microsoft Small Business Server 2000
> 2003 – Windows Small Business Server 2003
> 2006 – Windows Small Business Server 2003 R2
> 2008 – Windows Small Business Server 2008
> 2010 – Windows Small Business Server 2011

During this period, Microsoft has created and owned the market for servers in the small business market space. The most common features of these products were: 1) Windows Server, 2) Exchange, 3) SharePoint and 4) the availability of full Microsoft SQL.

For most businesses, the combination of these major products is a home run. Buying one computer that hosts these four platforms was (and still is) true genius...a perfect solution for any small business with 5-75 users. These small businesses had access to the same software that larger businesses use. Productivity is almost always enhanced. Security has been excellent. In the early days, it even ran well behind a 9600 baud modem.

However, Microsoft has concluded that the market has changed dramatically for the small business:

- Internet access speeds have increased dramatically in most areas
- Cloud computing becomes more common
- Virtualization saves dramatically on hardware costs. One physical server can host many separate servers, which is more reliable than SBS

Therefore, Microsoft has ended the Small Business Server product line. Microsoft thinks that today's small businesses want to use the cloud for email, calendaring and collaboration. For this reason, Microsoft now offers cloud solutions as separate contracts, instead of integrating the email into a small business server product. SBS 2011 is no longer available in the retail and volume

licenses channels (even though SBS 2011 is available through the OEM channel for a few more months, best practice is to avoid installing end-of-life-cycle products).

Microsoft now offers four server products for core business usage:

1. **Windows Server 2012 Foundation--15 users limit:** Foundation has the basic features a typical Small Business needs. It acts as a single server and will be a fine solution for offices that do not expect to go over 15 users. It is only available via the OEM channel and runs on a server with only one processor. For email support, Microsoft expects that the customer will use a hosted exchange solution.

   - Hosted Exchange Lite is available at $2.95 per user/per month. This is an excellent webmail based solution
   - Hosted Exchange is available at $12.95 per user/per month
   - Office 365 is available at available in a variety of plans between $8.95 and $21.95 per month

2. **Windows Server 2012 Essentials—25 users/50 devices limit:** All the features a typical Small Business needs. It acts as a single server and Microsoft expects that the customer will either use a hosted exchange solution or buy Exchange separately.

   - Hosted Exchange Lite is available at $2.95 per user/per month
   - Hosted Exchange is available at $12.95 per user/per month
   - Office 365 is an online solution available at available in a variety of plans between $8.95 and $21.95 per month
   - Install Microsoft Exchange on a second server. Exchange pricing has been reduced to $660 per server, plus $78 per user (without recurring monthly fees)

3. **Windows Server 2012 Standard:** All the available features and two virtual machines per license. This allows a small business to build a small datacenter at an affordable price. The licenses allow you to use two virtual servers for less than $850 in licensing fees and hardware virtualization is no longer prohibitively expensive.

   - Hosted Exchange Lite/Hosted Exchange and Office 365 are all available to any company
   - Install Microsoft Exchange on a second server (perhaps one of the virtual servers). Exchange pricing has been reduced to $660 per server, plus $78 per user (without recurring monthly fees)

4. **Windows Server 2012 Datacenter:** All the features and *unlimited virtual machines* on one physical server. It works best in a business datacenter, or where growth is expected. It costs about $5000 per license, but can save a fortune in the right circumstances, especially if the customer needs many machines, needs redundancy, needs failover server clusters, or needs flexibility to add machines on short notice.

Please call us soon to discuss the new environment so that we can plan your next upgrade.

Wayne

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