Windows Small Business Server 2003 R2 Review

I've been a big fan of Windows Small Business Server (SBS) for years, though my earliest memory of the product was an all-night install-a-thon of numerous Setup CDs and even more numerous reboots back in the version 4.x days. Since those early versions, however, SBS has improved dramatically, and as I noted in my preview of Windows Small Business Server 2003, the latest versions are more polished and more integrated than ever. In the coming months, Microsoft will ship Windows Small Business Server 2003 R2 to the public and market it as the minor upgrade you'd expect from its R2 ("release 2") moniker. But with a wealth of new functionality and better licensing terms, SBS 2003 R2 is the best version of Small Business Server ever. Let's take a look.

Something old, something new

For the most part, Windows Small Business Server 2003 R2 installs, functions, and behaves just like its predecessor, which is pretty much what you'd expect from an R2 product. Don't be confused by the name: SBS 2003 R2 does not include most of the features that Microsoft added to the mainstream Windows Server 2003 R2 releases (see my review), because most of those features are geared towards larger businesses. Some R2 features, however, would have been nice additions to SBS 2003 R2, including the new Print Management Console. Microsoft tells me that integrating features like that would have been prohibitively time consuming, and given the tight schedule for SBS 2003 R2, it just didn't make sense. Fair enough.

Despite the simplicity of SBS 2003 R2 from both an installation and management standpoint, when compared to Windows Server 2003, it can still be fairly complex if you don't know what you're doing. With Microsoft doing an increasingly good job of holding hand, even reasonably knowledgeable computer users should be able to get SBS 2003 R2 up and running. But I have doubts that the office's "computer guy" should be administering this thing, since there's a lot you need to know up front--including how the system will interact with your broadband connection and/or router--and after installation.

That said, anyone who's slogged through creating domains, installing Exchange, and getting users and computer set up in Windows Server 2003 will marvel at how easy these tasks are in SBS 2003 R2. Wizards abound, from Setup's network configuration phase, to the post-install tasks where you set up the additional server components, configure email, and choose which types of Web sites to set up. It really is a server infrastructure in a box. You'll laugh when you see how wonderful the Web-based Remote Web Workspace tools are, especially if you're not familiar with them. VPN? It's automatic. Got a smart phone? Those work too. It's an embarrassment of capabilities.

Changes in SBS 2003 R2

Once you are up and running, a sense of déjà vu will descend if you're upgrading from the previous version. Where are the new features? Actually, if you look close, you'll see a new Update Services node in the task-based Server Management console (again, hilariously friendly compared to the cold, stark interfaces Microsoft provides with other Windows Server versions). Reporting has been significantly enhanced. And of course there's that controversial SQL Server change for Premium Edition customers, which we'll discuss soon enough. Truth be told, SBS 2003 R2 actually includes a bunch of new functionality, as well as a number of non-technical changes that really enhance the

value of the suite.

Get the Green Check of Health

The simple biggest new feature in Windows Small Business Server 2003 R2 is the integration of Windows Server Update Services (WSUS). Wait, you say: Isn't WSUS a free add-on for all Windows Server users? What's the big deal?

In case I haven't highlighted this clearly enough yet, the beauty of SBS isn't so much the feature set, though of course that's incredible as it is, but rather how these features are integrated into a simple system of wizards and task-based management front-ends. SBS isn't about bundling features together, it's about integrating in ways that are absolutely impossible with standalone Windows Server versions. In fact, I'm surprised there haven't been more complaints from Windows Server users that they're not getting the same wonder tools that Microsoft offers in its less expensive SBS products.

So here's the deal. Yes, a free product called WSUS is bundled with and integrated into SBS 2003 R2. But because this is SBS we're talking about, you won't typically run into the WSUS name anywhere. Instead, you'll access a feature in Server Management called Update Services. This feature connects to Microsoft's eponymously-named Microsoft Update service and keeps all of your server and desktop machines up-to-date, automatically. Software updates for all of your connected systems are stored locally, on the SBS server, and issued according to a logical schedule: Critical updates are installed automatically, as soon as possible, and non-critical updates are sent out when approved by an administrator.

Of course, that's not simple enough. SBS 2003 R2 uses a "green check of health" graphic in the Update Services portion of Server Management as well as in its reporting so that administrators--or as is often the case with small businesses, partners that are remotely administering the system--can tell at a glance whether SBS and all its connected clients are up to date with the latest patches and security updates. It's right up front and center: If the server--and, more importantly, all connected clients (and servers) are completely up-to-date from a patch perspective, you'll see the green shield icon that first appeared in Windows XP SP2, along with a simple message: "Computers are up-to-date." The message here is so simple, it's hard to even comprehend how elegant this is. Your server is up-to-date, yes. But so is every single computer that connects to it. Your entire infrastructure is up-to-date. How wonderful is that?

If your systems are not up-to-date, you will see a yellow shield icon. This icon indicates that something is amiss. Perhaps a client computer is awaiting a reboot following installation of some updates, or there are non-critical updates waiting for the administrator to review. In such cases, the system will alert administrators or other users you've specified about these issues, using a variety of means, including email alerts and various report types. (Reports are also generated automatically every day or on whatever schedule you desire.)

Best of all, each issue can be resolved right from the console. And that's where the SBS integration comes full circle: This isn't a glorified front-end to an event log. It's a cockpit from which you can both discover problems and fix them.

Exchange changes

Both versions of Windows SBS 2003 R2 includes the 75GB mail storage limit that was added with Microsoft Exchange 2003 Service Pack 2 (SP2), though the version of Exchange included with SBS 2003 R2 is limited to just 75 mailboxes because of licensing restrictions. Previously, Exchange 2003 was limited to a 16 GB mail store.

SQL Server changes

One of the few controversial changes in Windows SBS 2003 R2 is that SQL Server 2000 Standard Edition has been replaced with SQL Server 2005 Workgroup Edition, a lower-end SQL product with few features. (Note that SQL Server is available only in SBS 2003 R2 Premium Edition). Before raising the alarm, consider the rationale here. First, there was no Workgroup Edition in the SQL Server 2000 product family, and if you compare feature-for-feature, SQL Server 2000 Standard Edition most closely matches SQL Server 2005 Workgroup Edition, mostly because SQL 2005 Standard has added some significant new features that aren't really applicable to small businesses.

Second, using Workgroup Edition enabled Microsoft to lower the price on SBS 2003 R2. Because the standalone version of SQL Server 2005 Workgroup Edition costs less than the functionally similar SQL Server 2000 Standard Edition, SBS 2003 R2 Premium Edition is now $200 less ($1299) than its predecessor. This change should open the door for some partners who were previously having difficulty selling the higher-end SBS versions to customers.

I guess the point here is to not get too excited about names. SQL Server 2005 Workgroup Edition is much more closely aligned with the needs of small businesses than in Standard Edition, and it's cheaper to boot. This is a win-win.

Dramatically expanded CAL rights

One of the best changes in SBS 2003 R2 is that Microsoft has dramatically expanded CAL rights in this version. Previously, each user or device connecting to an SBS server needed to have a CAL, but the language of the license specified that the CAL was applicable only to that one server. Thus, when customers added a second server to the domain (which, yes, is quite easy with SBS, contrary to rumors), they would have technically needed to purchase additional CALs for any users or devices that accessed that server as well. Clearly, that could get expensive.

With SBS 2003 R2, Microsoft has changed the CAL so that it covers an additional Windows Server-, SQL Server-, or Exchange-based server. That way, customers can add additional capacity--say, to allow for more or larger mailboxes or to add a backup domain controller--and not pay for what are essentially duplicate CALs. Obviously, the organization will still need to separately purchase whatever versions of Windows Server, SQL Server, and Exchange it wants to add.

Financing options

In a bid to make it easier for small businesses to purchase SBS, Microsoft is also opening up Microsoft Financing to smaller purchases for the first time. In the past, customers wishing to finance purchases through Microsoft had to buy at least $10,000 worth of merchandise. But this amount was prohibitively expensive for some small businesses, many of which are cash strapped and on month-to-month budgets. To help these businesses, Microsoft is lowering the minimum purchase amount to $3000. So even small business customers can spread payments out over time--typically 36 months--and pay for the technology as they're using it. Microsoft Financing is currently offering a 12.5 percent interest rate, according to the company.

Geek Squad support

In an interesting development, Microsoft is working with Best Buy to provide training for the Best Buy Geek Squad, who were previously focused only on supporting client-side technologies. Now, the Geek Squad will be qualified to install, service and support SBS 2003 R2 and other server products, allowing small businesses to utilize the local electronics superstore for technology purchases and support. This should further expand the reach of SBS to customers who might have previously been totally unaware of SBS and its possibilities.

Availability and version information

Microsoft finalized Windows Small Business Server 2003 R2 in July 2006 and will ship it to customers sometime in September or early October 2006, depending on partner and OEM (PC maker) schedules. Customers that purchase the original version of SBS 2003 via a new system purchase between March 1 and August 31 will be able to upgrade to SBS 2003 R2 for only the cost of shipping and handling. You can find out more about this Technology Upgrade Program from the Microsoft Web site.

As with its predecessor, Windows Small Business Server 2003 R2 ships in two product editions, Standard and Premium. Standard Edition includes Windows Server 2003, Windows SharePoint Services, Exchange Server 2003 with SP2, and Outlook 2003. Premium Edition adds ISA Server 2004, SQL Server 2005 Workgroup Edition, and FrontPage 2003. Both versions are available as standalone software purchases or, as if often the case, you can acquire SBS 2003 R2 with new entry-level hardware.

Final thoughts

SBS 2003 R2 is the finest version of this product yet, and thanks to the Green Check technologies and integration of Update Services, the Exchange 2003 SP2 mailbox enhancements, the new CAL rights, and other new features mentioned in this review, it's a tremendous value for small businesses. My guess is that Microsoft's work to reach out to new types of customers is really going to pay off with this release. Sure, R2 isn't a major flashy upgrade, but so what? Whether you intend to manage the server in-house, or work with one of Microsoft's partners, Windows Small Business Server 2003 R2 is a winner.

--Paul Thurrott
July 30, 2006