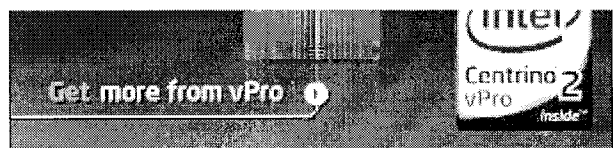1. *diskpart*
2. *list disk* (find the disk number for the removable media)
3. *select disk #*
4. *clean*
5. *create partition primary*
6. *select partition 1*
7. *active*
8. *format fs=fat32*
9. *assign letter=y* (or any free drive letter)
10. *exit*

Once that is complete mount the ISO and run the following command.

*xcopy x: | *.* /s/e/f y: |*

X COPY G: *.* /s/e/f J:

Where "x" is the drive letter of the mounted ISO. Once complete boot off the device and install the OS. When a new Windows 7 or 2008 R2 build is released, simply delete the contents, rerun the xcopy command and you are ready to go again. As a note this also works for Windows Vista and Server 2008 but you already figured that out :)

You can grab the Windows 7 and Server 2008 beta (as of January 9th, 2009) at http://www.microsoft.com/windows/windows-7/ and there are plenty more Windows 7 resources coming to the TechNet Springboard site as well!