LICENSE ADVISOR

Partner Sales Battlecard

Microsoft® Enterprise Agreements and Enterprise Subscription Agreements

Microsoft Enterprise Agreements and Microsoft Enterprise Subscription Agreements are both three year agreements designed for organizations with more than 250 PCs who need Microsoft software licenses. An Enterprise Agreement provides customers with the right to use the version of Microsoft software they buy forever and with Microsoft Financing allows the structuring of payments by month, quarter, on a bi-annual basis or to a customized timeframe. An Enterprise Subscription Agreement allows organizations to rent Microsoft software licenses, and as business needs change, to reduce or increase the number of licenses across the term of the agreement.

WHY SHOULD A RESELLER CARE?

- Close deals faster:
  - Because customers pay annually for licenses over a three-year period, it makes for an easier sell as they can make this year's budget go further. The subscription model with Enterprise Subscription Agreement means they have less cash to find up-front and over the course of the agreement, compared to buying their licenses outright.
  - As customers can choose to standardize on one, or all of the components of the Enterprise or Enterprise Subscription Agreement and get discounts for each element that they standardize, you can focus on making the sale in the way that best suits the customer.
- Build long-term revenue:
  - By spreading license payments over three years you secure revenue for the future.

WHY SHOULD A CUSTOMER CARE?

- Where organizations enroll all of their PCs into an Enterprise Agreement, they pay a single price per desktop. This makes licensing costs simpler and more predictable, helping to deliver accurate forecasting and greater levels of visibility and control.
- The ability to spread payments helps organizations improve cash flow - while supporting potential business growth and effective budgeting.
- All products in an agreement are always automatically covered with all the benefits of Software Assurance such as automatic upgrades to new software versions, the ability to use software at home as a staff benefit, 24x7 problem resolution support and training vouchers.
- If an organization can standardize by licensing all eligible PCs with all three platform products, they'll receive a 15% discount.
- Any new PCs can be added into the agreement and an Enterprise Subscription Agreement provides the flexibility to reduce as well as increase the number of PCs covered by the agreement.

THINGS TO KNOW

1 AVAILABILITY OF ALL SOFTWARE ASSURANCE BENEFITS

The availability of Software Assurance benefits vary by agreement type, but Enterprise Agreements and Enterprise Subscription Agreements include all benefits.

2 INCREASE DEAL SIZE

Spreading payments and signing a subscription agreement frees up customer budget today, giving you the opportunity to pull other hardware or software transactions forward to increase the overall size of each deal.

3 ANOTHER OPPORTUNITY AFTER THREE YEARS

Enterprise Subscription Agreement customers will need to either renew or buy-out their licenses at the end of the agreement to continue using the software; thus creating another revenue opportunity for you.

TARGET CUSTOMERS

For Enterprise Agreements:

- Organizations with more than 250 PCs, who are prepared to include all eligible PCs in the agreement, want simple and predictable licensing costs, and prefer to own the software licenses.

For Enterprise Subscription Agreements:

- Organizations with more than 250 PCs, who are prepared to include all eligible PCs in the agreement, want the lowest up-front costs, need the flexibility to decrease as well as increase PC count, and prefer to rent the software licenses.

TRIGGERS, REALITIES, AND RESPONSES

Conversation Starters	What You Hear	The Business Challenge	Your Response
"How effectively are you able to understand and predict your licensing costs?"	"I don't really know what licenses we've paid for, or what my next payment is likely to be."	A large and un-standardized IT environment makes it difficult to understand and predict costs.	"With an Enterprise Agreement or an Enterprise Subscription Agreement, you enroll all of your eligible PCs and pay a single known price per desktop. This helps to deliver accurate forecasting and greater levels of visibility and control."
"How could desktop standardization benefit your organization?"	"We've got a mixture of software versions which is expensive to support."	The difficulty and expense of supporting a large mixed desktop IT infrastructure.	"If you standardize on desktop products you'll not only receive a 15% discount on your purchase, but this kind of standardization can greatly minimize ongoing support costs."
"How does your current licensing purchasing model deal with increasing or decreasing numbers of desktops?"	"As our business changes, we are not always cost effective in our license purchasing."	Over-paying for licenses if the desktop count decreases.	"An Enterprise Subscription Agreement offers the flexibility to reduce as well as increase the number of desktops paid for – which, together with spread payments, helps your cash flow."
"What is your strategy for staying current with software and managing the software lifecycle?"	"It is simply too expensive for us to stay up to date and deploy new software."	Struggling to budget for the different elements of managing the software lifecycle.	"All products are covered with all the benefits of Software Assurance such as automatic upgrades to new software versions, the ability to use software at home as a staff benefit, 24x7 problem resolution support and training vouchers."

Microsoft Enterprise Agreement

Microsoft Enterprise Subscription Agreement

COMMON OBJECTIONS

What You Hear	Your Response
"I don't like the idea of renting licenses."	"Renting licenses with an Enterprise Subscription Agreement incurs the lowest upfront costs – but if you prefer to own your own licenses then you can buy perpetual licenses through an Enterprise Agreement instead."
"I don't really want to standardize all my desktops. I'd be paying for software licenses that some users simply don't need."	"When comparing costs with a Select Agreement, standardizing desktops gives you a 15% discount – and this kind of standardization can greatly minimize ongoing support costs, thus reducing your TCO."
"I prefer to just purchase software licenses as and when I need them."	"Additional products do not have to be company wide and can in fact be added at any time. And an Enterprise Subscription agreement even allows you to decrease the number of desktops you pay for as your business changes."

AGREEMENT STRUCTURE

- The starting point of every Enterprise Agreement is an MBSA (Microsoft Business Services Agreement). The MBSA is an umbrella under which the Enterprise Agreements sit.
- It is an evergreen agreement between the customer and Microsoft, and contains high level terms and conditions. After the MBSA has been signed, the customer can sign multiple agreements under it.
- The Enterprise Agreement is the foundation for a set of Enterprise Agreement Enrollments.
- An affiliate company (which must be more than 50% owned) would have their own Enrollment under the Enterprise Agreement.

DESKTOPS AND PRICE LEVELS

- Customers must order licenses for Enterprise Products for all qualifying devices
- The following devices are optional:
  - PCs that are used as a server
  - Devices with embedded operating systems such as thin clients and Pocket PCs
  - Devices that are only used for a line of business application
- There are 4 price levels based on the number of desktops:

Eligible Desktops	Price Level
250	A
2,400	B
6,000	C
15,000	D

OPERATIONAL NOTES FOR ENTERPRISE AGREEMENTS

Desktop Payments:

- At the beginning of the Enrollment, a fixed annual price per desktop is agreed based on the cost of the License plus 3 years Software Assurance (SA).
- The initial number of desktops is paid in three equal annual installments, due at the start of the first, second and third year.
- Additional desktops are to be paid at the end of the first, second and third year at the Annual True Up. The price is License plus half a year's SA for the year added plus SA for each complete year of the Enrollment remaining.

PLATFORMS

- There are two Platforms: "Professional Desktop" and "Enterprise Desktop", each containing three components as shown below:

Professional Desktop

Windows 7 Enterprise | Microsoft Office Professional Plus 2010 | Microsoft Core CAL Suite Client Access License

Enterprise Desktop

Windows 7 Enterprise | Microsoft Office Professional Plus 2010 | Microsoft Enterprise CAL Suite Client Access License

- The customer must take at least one component for every eligible desktop. If all eligible desktops are licensed with all 3 platform products then the customer will receive a 15% discount.
- The customer makes their selection of Platform Products on signing the Enrollment and since the choice is made at the Enrollment level, affiliates can choose their own products on which to standardize.
- Products taken company wide are known as Enterprise Products:
  - Platform Enterprise Products must be ordered at the start of the Enrollment. New Enterprise Products cannot be added; only additional quantities of the original Enterprise Products included on the Enrollment may be added. A new Enrollment must be signed to add an additional Enterprise Product.
  - Non-Platform Enterprise Products are additional products taken enterprise-wide and attract the same price level as Platform Enterprise Products. They can be added at any time
- Additional Products do not have to be company wide and can be added at any time. If the customer has already taken an Enterprise Product in the same pool as the Additional Product, then the price will be at the same level. Other Additional Products are at level A.

OPERATIONAL NOTES FOR ENTERPRISE SUBSCRIPTION AGREEMENTS

Annual Desktop Count:

- A payment (based on the pre-established price per desktop) is due each year at the anniversary date of the Enrollment.
- The customer pays only for the number of PCs on site at the anniversary.
- A customer signs their Enrollment and makes the first payment for the cost of the License plus Software Assurance (L&SA) for the total number of PCs they have. Each anniversary they pay for L&SA for the total number of PCs regardless of whether the number has increased or decreased.

Customers have three options at the end of the 3 year agreement:

- Renew the agreement.
- Do nothing and de-install the software.
- Buy-out the licenses. The cost is 1.75 x annual fee and ALL platform products must be bought out. For increased desktops in the third year the customer must also pay the annual fee prior to buy-out. Any quantity of additional products can be bought out.