



LICENSE ADVISOR

Partner Sales Battlecard

Microsoft Enterprise Agreement and Enterprise Subscription Agreement

Enterprise Agreement (EA) is the optimal Volume Licensing program for large enterprise customers with 250 or more PCs, devices, and/or users. The EA provides the option to standardize on one or several Microsoft enterprise products and cloud services through Enrollments, and provides customers with the flexibility to purchase software and cloud services for different user types. Based on a three-year agreement term, with attractive volume pricing and the ability to add and adjust products and services over time, it offers price advantages beyond standard license and subscription pricing, and includes Software Assurance (SA) benefits for on-premises licenses.

Enterprise Subscription Agreement (EAS) provides similar advantages to the Enterprise Agreement with a lower initial cost based on a three-year subscription, and the ability to increase or decrease subscription counts on an annual basis. EAS is for customers who would rather subscribe than purchase Microsoft software licenses.

WHY SHOULD A RESELLER CARE?

- Close deals faster:
 - Since EA customers pay annually for licenses over a three-year period, customers can make the current year's budget go further, making for an easier sell. With EAS, customers have lower short-term costs up-front and over the course of the agreement when compared to buying their licenses outright.
 - As customers can choose to standardize on one, or all of the components of the Enterprise Agreement through Enrollments, which provide attractive discounts, you can focus on making the sale in the way that best suits the customer. EA and EAS customers can standardize with the Enterprise Enrollment and the Enrollment for Core Infrastructure (ECI). The Enrollment for Application Platform (EAP), however, is only available to non-subscription EA customers.
 - Customers can easily choose software and cloud services for different user types and deployment scenarios in a single agreement, optimizing their technology spend to fit their IT and user needs, and streamlining their software compliance process and their asset management.
- Build long-term revenue:
 - By spreading license payments over three years, you secure revenue for the future.

WHY SHOULD A CUSTOMER CARE?

- Enrollments are designed to help organizations license Microsoft solutions, delivered via on-premises licenses and/or cloud services subscriptions as a cost-effective way to standardize on PC and device technologies, build secure and well managed datacenters and help their IT staff build, manage and maintain up-to-date application platform structures.
- When organizations enroll all of their PCs through the Enterprise Enrollment, 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. When customers standardize organization-wide on all three platform products (Windows o/s, Office ProPlus and Client Access License (CAL) Suites customers receive an additional 15 percent discount.
- The ability to spread payments helps organizations improve cash flow, while supporting potential business growth and effective budgeting. Subscribing to software license coverage through the EAS can provide financial benefits since companies can treat the expense as an operational expenditure, which may provide tax savings.
- All products in an EA are always automatically covered with all the benefits of SA which combines the latest product versions with support, planning services, training, and IT tools to help customers deploy, use, and manage their Volume Licensing purchases.
- Customers can also easily access additional on-line services, such as Dynamics CRM online and Windows Azure.
- Customers can equip additional hardware, devices, or users with software and online services for which they're already licensed, and account for these changes through the annual reconciliation process known as "True-p." The EAS provides the flexibility to reduce or increase the number of PCs covered by the agreement.

THINGS TO KNOW

1 AVAILABILITY OF ALL SOFTWARE ASSURANCE BENEFITS

The availability of SA benefits varies by agreement type, but EA and EAS include all benefits. This means that customers can enable hybrid cloud deployments and employee-owned device options, plan for deployments, ready users for new software, and receive support for Microsoft products and services without incurring additional costs.

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

EAS customers will need to either renew their agreement or buy-out their licenses at the end of the agreement term to continue using the software, creating an additional revenue opportunity for you.

TARGET CUSTOMERS

For Enterprise Agreements:

- Organizations with more than 250 PCs, devices, and/or users that are prepared to include all eligible PCs in the agreement that want simple and predictable licensing costs, a seamless way to license both on-premises software and cloud services in the same agreement, and prefer to own their software licenses.

For Enterprise Subscription Agreements:

- Organizations with more than 250 PCs, devices and/or users that are prepared to include all eligible PCs in the agreement, want the lowest up-front costs, need the flexibility to decrease or increase PC count, and prefer to rent their 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 unstandardized IT environment makes it difficult to predict costs and manage licenses.	"With an EA or an EAS, 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 incurred with supporting a large mixed desktop IT infrastructure.	"If you standardize on desktop products you'll not only receive a 15 percent discount on your purchase, but standardization can greatly minimize ongoing support costs."
"How does your current licensing purchasing model deal with increasing or decreasing licensed desktops?"	"As our business changes, we are not always cost-effective in our license purchasing."	Customers may be over-paying for licenses if their desktop count decreases.	"An EAS offers the flexibility to reduce as well as increase the number of licensed desktops, 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."	Customers may be struggling to budget for the different elements involved in managing the software lifecycle.	"All products are covered with all the benefits of SA, which include automatic upgrades to new software versions, the ability to use software at home as a staff benefit, 24/7 problem resolution support, and training vouchers."

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COMMON OBJECTIONS

What You Hear	Your Response
"I don't like the idea of renting licenses."	"Renting licenses with an EAS requires the lowest up-front costs, but if you prefer to own your own licenses then you can purchase perpetual licenses through an EA 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."	"Standardizing desktops provides you with a 15 percent discount, and this kind of standardization can greatly minimize ongoing support costs, reducing your TCO."
"I prefer to just purchase software licenses as I need them."	"While you are required to purchase at least one Enterprise Product for all of your qualified devices/users for a 3-year term, additional product purchased your EA do not have to be company-wide. In fact, they can be added at any time. And an EAS even allows you to decrease the number of desktops you pay for as your business needs change."

* Licenses for cloud services are not perpetual under any circumstance unless specified otherwise in the Microsoft Product List and Product Use Rights documents.

AGREEMENT STRUCTURE

The Enterprise Agreement consists of three components: the Microsoft Business and Services Agreement (MBSA), Enterprise Agreement, and any Enterprise Agreement Enrollment(s).

- The MBSA 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 beneath it.
- The Enterprise Agreement governs all Enrollments which have a three-year term and are signed under the EA. The enrollments are the Enterprise Enrollment, the Enrollment for Core Infrastructure, the Enrollment for Application Platform, and the Enrollment for Windows Azure. The subscription program option is not available for the Enrollment for Application Platform.
- Cloud Services will typically fall into two classes, Enterprise Online Services or Additional Online Services, which may be added to an EA using the standard purchasing process, or, as in the case of Office 365 and Windows Intune, by transitioning users from Enterprise Products to comparable Enterprise Online Services.
- An affiliate company (which must be more than 50 percent 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 (personal desktop computers, portable computers, workstations, and similar devices).

The following devices are considered optional:

- PCs that are used as a server
- Devices with embedded operating systems, such as thin clients and pocket PCs
- Devices used only for line of business (LOB) applications

Pricing is based on a tiered volume discount structure as follows:

Desktop PCs	Price Level
250–2,399	A
2,400–5,999	B
6,000–14,999	C
15,000 or more	D

OPERATIONAL NOTES FOR ENTERPRISE AGREEMENTS

Enterprise Enrollment/Desktop Enrollment Payments:

- At the beginning of the Enrollment, a fixed annual price per desktop is agreed upon based on the cost of the license plus three years of SA.
- The initial number of desktops is paid in three equal annual installments, due at the start of the first, second, and third year.
- Customers can equip additional hardware, devices, or users with software and online services they've already licensed, and account for these changes through the annual reconciliation process, or "True-Up," which is due 30-60 days prior to their Enrollment anniversary. The price is license cost plus half a year's SA for the year added, plus SA for each complete year of the Enrollment remaining.

ADDITIONAL INFORMATION

Server and Cloud Enrollment (SCE) is a new enrollment under the Microsoft Enterprise Agreement that enables highly committed customers to standardize broadly on one or more key Server and Cloud technologies from Microsoft. For more information visit: <http://aka.ms/mpn-volumelicensing>

DESKTOP PLATFORMS

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



The EA customer must take at least one component for every eligible desktop. If all eligible desktops are licensed with all three platform products the customer receives a 15 percent discount.

The EA customer selects Platform Products upon signing the Enrollment, and since the choice is made at the Enrollment level, affiliates can select their own products on which to standardize.

Products selected 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 to the Enrollment; only additional quantities of the original Enterprise Products included in the Enrollment may be added. A new Enrollment must be signed to add an additional Enterprise Product.
- Additional products do not have to be selected company-wide and can be added at any time during the agreement.
- 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.
- EAS customers must reconcile through their true-up process, which is referred to as an Annual Order, which gives them the ability to increase or decrease subscription counts on an annual basis.
- Customers have three options at the end of the three-year agreement:
 - Renew their agreement.
 - Not renew their agreement and uninstall the software.
 - Buy-out the subscription licenses and convert them to perpetual 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.