LICENSE ADVISOR

Partner Sales Battlecard

Microsoft® Volume Licensing Basics

A license provides the right to use software and can be purchased in a number of different ways. An FPP (Full Packaged Product) license is acquired from retail outlets in a box along with the media; an OEM (Original Equipment Manufacturer) license applies where the software is pre-installed on new hardware; and a Volume Licensing agreement is designed for customers running software on multiple computers within an organization. Microsoft offers a variety of Volume Licensing programs to address different needs and requirements.

WHY SHOULD A RESELLER CARE?

- Close deals faster:
  - Most Microsoft Volume Licensing programs allow the customer to spread payments so they incur less up-front costs and make it an easier sell.
- Build long term customer relationships
  - With volume licensing you have another sales opportunity at the agreement end to discuss renewal options.
- Create new business opportunities:
  - By selling Software Assurance you can create new opportunities by cross-selling products, planning deployments, and promoting other services that leverage Software Assurance benefits.

WHY SHOULD A CUSTOMER CARE?

- Purchasing licenses through a Volume Licensing program is the most cost effective way for a customer to acquire the rights to use Microsoft software.
- The ability to spread payments with most Microsoft Volume Licensing programs helps organizations improve cash flow - while supporting potential business growth and effective budgeting.
- Volume Licensing offers the opportunity to purchase Software Assurance which offers a comprehensive range of benefits to help maximize the value of their software investment.
- Purchasing licenses through a Microsoft Volume Licensing program provides the easiest way for organizations to manage their software assets and thus help avoid fines, corrective license fees, and overspending on licenses.

THINGS TO ASK

1 HOW LARGE IS THE ORGANIZATION?

When helping a customer choose the right Volume Licensing program, the first thing you need to know is the organization size:

- Open or Open Value programs will be suitable for organizations with less than 250 desktops
- One of the Enterprise or Select programs will suit larger organizations

2 DOES THE ORGANIZATION WANT TO STANDARDIZE?

- Smaller organizations who want to license all eligible PCs in their business should choose between Open Value Company Wide and Open Value Subscription
- Larger organizations who want to license all eligible PCs in their business should choose between Enterprise Agreement or Enterprise Subscription Agreement

3 DOES THE ORGANIZATION WANT TO RENT OR OWN THE LICENSES?

- Smaller organizations who want to want to rent licenses should choose Open Value Subscription
- Larger organizations who want to rent licenses should choose Enterprise Subscription Agreement

TARGET CUSTOMERS

Any customer requiring 5 or more licenses, or with 5 or more PCs, can purchase Microsoft licenses through a Volume Licensing program. Look especially for organizations whose IT infrastructure has grown organically in an unstructured way over time by purchasing ad-hoc licenses through a variety of channels. These organizations will benefit from the cost savings and management advantages of a Volume Licensing program.

When advising customers, choose a program to match the organization's size and requirements.

	Volume Licensing Program	License Type	License all eligible desktops?	Software Assurance	Sold by
5-250 PCs	Open	Perpetual	No	Optional	Any Microsoft reseller
	Open Value Non-Company Wide	Perpetual	No	Included	
	Open Value Company Wide	Perpetual	Yes	Included	
	Open Value Subscription	Non-Perpetual	Yes	Included	
250+ PCs	Select	Perpetual	No	Optional	Microsoft Large Account Resellers
	Select Plus	Perpetual	No	Optional	
	Enterprise Agreement	Perpetual	Yes	Included	
	Enterprise Subscription Agreement	Non-Perpetual	Yes	Included	

TRIGGERS, REALITIES, AND RESPONSES

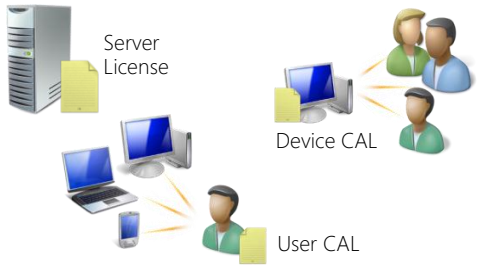
Conversation Starters	What You Hear	The Business Challenge	Your Response
"Are you confident you are purchasing your licenses in the most cost effect way?"	"We buy software licenses as and when we need them – it seems very expensive."	Difficulty in understanding and predicting software licensing costs.	"With a Volume Licensing program you can be sure that you are buying licenses in a cost effective way, with the benefit of spreading your payments to help your budget go further."
"What processes do you have for managing software assets?"	"I don't know what I've paid for and I'm worried what would happen in an audit."	Struggling to manage software assets with ad hoc purchasing of licenses.	"When licenses are purchased through a Volume Licensing program, you can use the Volume Licensing Service Center (VLSC) to manage your license purchases all in one place."
"What is your strategy for staying current with software and managing the software lifecycle?"	"It is simply too difficult for us to stay up to date and deploy new software."	Difficulties budgeting for different elements of the software lifecycle.	"With Volume Licensing you can choose to cover products with Software Assurance which provides a range of benefits such as new version rights, support, training and deployment services."

FREQUENTLY ASKED QUESTIONS

What You Hear	Your Response
"What is an FPP license?"	"FPP stands for 'Full Packaged Product' and refers to boxed software purchased from a retail outlet. It is typically the most expensive way to buy a license because it includes the media, a user guide and other packaging elements. Generally speaking, one box equals one license."
"What is an OEM license?"	"OEM stands for 'Original Equipment Manufacturer' and an OEM license applies when software comes pre-installed on new hardware. The license is non-transferrable which means that the software lives and dies on the computer it was bought with."
"What is the difference between a Perpetual and Non-Perpetual license?"	"With a perpetual license the customer owns the license and can use the software throughout the term of the licensing agreement and forever afterwards. With a non-perpetual license, like a rental agreement, the customer can only use the software throughout the term of the licensing agreement."
"What is Software Assurance?"	"Software Assurance is best known for rights to version upgrades, but is actually much more than just that. It is a comprehensive offering that includes technology, support, and service features that help extend the value of your technology investment. Each benefit supports specific business challenges, and collectively the benefits can help you boost productivity, increase uptime, and reduce costs. Software Assurance is included as part of Open Value, Enterprise and Enterprise Subscription agreements and is an optional extra purchase with Open, Select and Select Plus agreements. "
"What is SAM?"	"SAM stands for 'Software Asset Management'. Software licenses, however purchased, are an organization's software assets and the management of these is called Software Asset Management (SAM). SAM processes are easier to implement when licenses are purchased through Volume Licensing rather than ad hoc through a variety of channels."
"What does 'on-premise' and 'hosted' mean?"	"When an organization has technology installed on their own servers, then this is described as 'on-premise'. Some products have the option of the technology being installed on Microsoft's servers (Microsoft hosted) or on a hosting partner's servers. For a hosted solution, the customer typically pays an all-inclusive subscription to allow them to connect to the hosted server."

VOLUME LICENSING MODELS

There are a number of licensing models; the most common are listed here together with example technologies to which they apply:

Model	Description	Examples
Server License and CALs	Purchase a Server license for each server, and Client Access Licenses (CALs) to allow the clients on the network to access the services of the server. CALs can be assigned to either users or devices: • A Device CAL is assigned to the device and allows multiple users to use that device to access the services of the server • A User CAL is assigned to the user and allows that user to use multiple devices to access the services of the server 	• Microsoft® Windows Server® • Microsoft® Exchange Server • Microsoft® Office Communications Server • Microsoft® SharePoint® Server • Microsoft® SQL Server®
Standard and Enterprise CALs	Some server products offer different levels of functionality that can be exposed to users or devices, and there are CALs that correspond to this functionality. The core functionality offered by the server (depicted by the blue shading) is linked to a Standard CAL (depicted by the blue license). If the extended functionality (depicted by the red shading), is utilized, then the purchase of an Enterprise CAL is required (depicted by the red license) *in addition to* the Standard CAL.	• Microsoft® Exchange Server • Microsoft® Office Communications Server • Microsoft® SharePoint® Server
External Connector Licensing	External users are people accessing the services of the server who are not employees of the organization. They can often be licensed by purchasing User CALs for them. Alternatively, a server license can be purchased for the server which the external users will access, and then an additional External Connector license to license all external users and devices without the need for CALs. 	• Microsoft® Windows Server® • Microsoft® Exchange Server
Per Processor Licensing	Purchase a license for each processor used by the product in the physical servers. These licenses entitle ALL internal and external devices and users to connect to the server and so there is no requirement for CALs. 	• Microsoft® SQL Server® • Microsoft® BizTalk® Server • Microsoft® Forefront™ Threat Management Gateway
Online Services Licensing	No Server license needs to be purchased and clients accessing the online service are licensed with either a USL (User Subscription License) or a DSL. (Device Subscription License): • A USL is required to enable the functionality of an online service for a particular user. It is assigned to the user and allows that user to use multiple devices to access the online service • A DSL is required to enable the functionality of a service for a particular device. It is assigned to the device and allows multiple users to use that device to access the online service	• Microsoft® Forefront™ Client Security USLs only: • Business Productivity Online Standard Suite (BPOS)