

Introduction to Microsoft Azure and its licensing

What is Microsoft Azure?

It's Microsoft's cloud platform: a growing collection of integrated services to help customers move faster, do more, and save money.



Examples of Azure services:

- Virtual machines
- Storage and backup
- Mobile applications
- Artificial Intelligence
- Internet of Things

Buying Microsoft Azure

Customers can buy the Azure services in the following ways:

- Via a partner through the Cloud Solution Provider program
- Through a Volume Licensing agreement
- Direct from Microsoft via an internal salesperson
- Direct from Microsoft via azure.com

Azure Subscriptions

An Azure Subscription must be set up before a customer can use the consumption based Azure services. As resources are created, they are assigned to a Subscription.

When the Subscription is initially set up, there is no commitment to paying for anything; only when the resources start to be used do charges start to be incurred.

All Azure Subscriptions are tied to a payment mechanism, be that an Enterprise Agreement, a credit card (for azure.com customers) or a CSP customer account.

Customers may have multiple Azure Subscriptions on the same tenant so that they can track spend by different departments or projects, for example.



Types of Azure services

The Azure services are sold in the ways shown below:

Consumption services	User licensed services	Marketplace solutions
<p>For example:</p> <p>Virtual machines: \$/hour Storage: \$/GB & \$/transaction Databases: \$/GB Artificial Intelligence: \$/transaction</p>	<p>For example:</p> <p>Azure Active Directory Azure Information Protection Microsoft Defender for Identity</p>	<p>For example:</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid gray; padding: 5px;"> <p>Microsoft Healthcare Bot by Microsoft SaS</p> <p>Contact ISV</p> </div> <div style="border: 1px solid gray; padding: 5px;"> <p>Azure IoT Edge on Ubuntu by Microsoft virtualmachine</p> <p>Easily deploy Edge intelligence and analytics to Ubuntu virtual machines with Azure IoT Edge</p> <p>Contact ISV</p> </div> </div>

Consumption services

Services such as virtual machines are billed on a consumption basis where customers pay only for the services when they are in use. There are some examples of these services and how they are charged in the diagram above.

Consumption services are paid for in one of two ways: either with an Azure prepayment or monthly in arrears, dependent on the way the customer buys the Azure services.

Azure prepayment

- A customer pays an amount of money upfront, and as services are used, this amount decreases
- Azure prepayment is used in Volume Licensing agreements such as the Enterprise Agreement or an Open Value agreement, and is an option when customers buy direct from Microsoft via an internal salesperson

Monthly in arrears

- Invoices are issued monthly in arrears for the services that the customer has used
- This method of payment is used when customers buy direct from Microsoft, or through CSP

User licensed services

Some services are bought as User Subscription Licenses (User SLs) on a per user per month basis, where the user may use the service as required with no additional charges based on the amount of usage.

Azure User SLs behave in the same way as other User SLs such as Microsoft 365. They are typically paid for upfront annually when bought through a Volume Licensing agreement and either annually or monthly when purchased through the Microsoft website or through CSP.

Marketplace solutions

The Azure Marketplace allows partners, and Microsoft, to offer solutions built on Azure for customers to buy. These solutions are either licensed and paid for at the end of the month on a consumption basis, or as a monthly or annual license for use of the service.

The Azure Pricing Calculator

The Azure Pricing Calculator allows customers and partners to estimate pricing for all the Azure consumption services. Find it here:

<http://bit.ly/AzurePricingCalculator>.

Customers and partners may log in to the calculator to see customized pricing. For example, EA customers will see pricing particular to them, and Direct CSP Partners will see CSP to-partner pricing.



Managing Azure resources

Azure resources are created and assigned to Subscriptions in the Azure Management Portal: <https://portal.azure.com>.

This portal is used by all customers as below:

- **Volume Licensing:** used directly by customers purchasing through all agreements
- **Direct from Microsoft:** used directly by customers purchasing through azure.com or from a Microsoft salesperson
- **CSP:** either used by partners on behalf of customers, or access is granted to customers