

Ways to buy Microsoft software and services

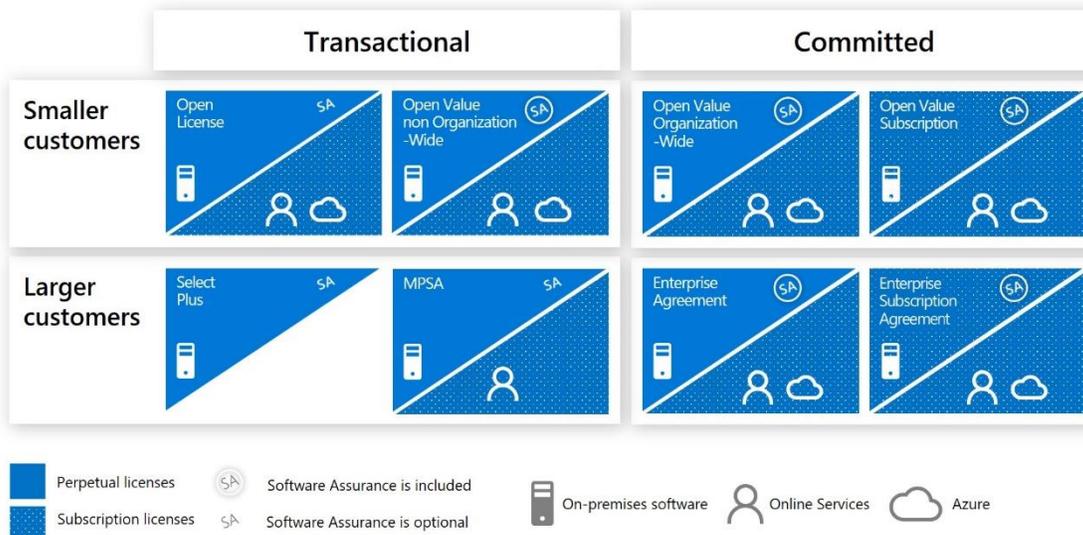
Introduction

Microsoft’s goal for the ways that customers buy software and services is simplification: simplifying the purchase experience for customers is a core element of making it easier to do business with Microsoft. Thus, a new commerce experience is being introduced which will eventually replace the complicated set of Volume Licensing agreements that exist today. The new commerce experience is already active for some products and services, and others will become available in the coming months and years

Volume Licensing agreements

Microsoft offers a variety of Volume Licensing agreements to suit different customers’ needs. When choosing a Volume Licensing agreement, customers will consider the following factors:

- the number of licenses
- whether perpetual or subscription licenses for software are needed
- whether Software Assurance is required
- whether the organization is prepared to make a commitment across their PC or server estate



Customer size

Larger customers are defined as one buying 250 licenses or more through the Select Plus or MPSA agreements, and one with 500 devices or users for the Enterprise or Enterprise Subscription Agreements. **Smaller customers** just need 5 or more licenses or PCs to start the Open or Open Value agreements.

Software Assurance

Software Assurance (SA) is included in many Microsoft Volume Licensing agreements, and is an optional extra purchase in others. SA contains a range of benefits which typically add deployment flexibility such as unlimited on-premises virtualization rights or the rights to use licenses in Azure.

Perpetual vs. subscription licenses

With a **perpetual license** for on-premises software the organization owns the license and can use the software throughout the term of the Volume Licensing agreement and forever afterwards.

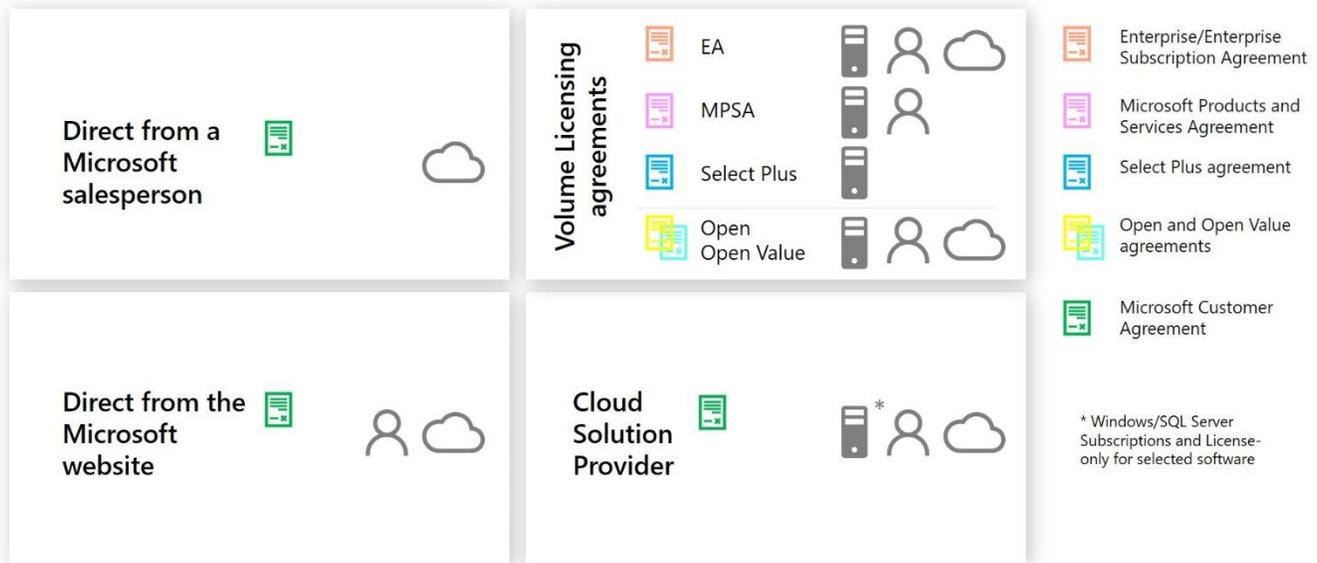
With a **subscription license** for on-premises software, the organization can only use the software throughout the term of the Volume Licensing agreement and at the end of the agreement must choose either to renew the agreement and carry on using the products, or to deinstall the software, or to use a special option called “buy-out” which allows a conversion of the subscription licenses to perpetual licenses.

Licenses for Online Services such as Microsoft 365 are always subscription licenses regardless of how they are acquired.

Transactional vs. committed agreements

Some agreements allow customers to buy on a transactional basis, buying the licenses they need, when they need them. Other agreements require a commitment where, typically, the customer is required to count the total number of desktop PCs in the organization (Qualified Devices) and then to license Windows, Office or a CAL Suite for all devices.

A journey to the new commerce experience



Cloud Solution Provider program

Customers can buy through partners via the Cloud Solution Provider program. Partners have an opportunity to deliver a complete solution to a customer which can be both the Microsoft licenses themselves and complementary partner services, with the partner billing a customer for everything in a single invoice.

Today the full set of Azure consumption services and Online Services are available through CSP, as well as Server Subscriptions for Windows Server and SQL Server, and licenses without Software Assurance for most software products.

Buying via Microsoft websites

Customers who want to self-serve may purchase licenses for the Online Services products and pay for the Azure consumption services directly via Microsoft's websites.

The Microsoft Customer Agreement

In time, Microsoft will offer just three ways to buy – through a partner, self-serving via the Microsoft websites or direct from a Microsoft salesperson. There will be a new agreement to facilitate this – a single Microsoft Customer Agreement that a customer will agree to the terms of once, and then be able to buy through the channel of their choice. This agreement is already available in the CSP program and in the Microsoft-led channel.

Buying direct from a Microsoft salesperson

Larger or more strategic customers can buy direct from a Microsoft salesperson who is engaged in the way the customer buys.

Today, only the Azure consumption services may be acquired in this way.

