

Highlights from a webcast about Microsoft Licensing

SIX REASONS TO CONSIDER THE CLOUD SERVICE PROVIDER PROGRAM BEFORE SIGNING AN ENTERPRISE AGREEMENT

A Digital Dialogue based on a Redmond Fireside Chat featuring Chris Pyle, President of MessageOps, a Division of Sirius



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Cloud Solution Provider (CSP) is becoming Microsoft's preferred licensing model for customers to obtain everything from cloud subscriptions to software licenses.

Yet the term itself is shrouded in mystery and confusion for customers, not least because "CSP" doubles for both a licensing model and a type of Microsoft channel partner. CSP partners offer customers licenses and subscriptions through the CSP program.

If there is one essential takeaway for enterprise customers to understand about CSP, Chris Pyle, President of

MessageOps, believes it is this: "It's the power of choice. The CSP is a lot more flexible. I think that you really have the opportunity as an IT buyer to look at what's available, and the Enterprise Agreement is not the only game in town anymore."

Pyle, whose cloud business unit, MessageOps, has been a leading CSP partner since before Microsoft even used the term CSP, shared his insights during the recent Redmond Fireside Chat webcast, "CSP: The Hidden Benefits, Savings and Support from Microsoft."

Here are six key reasons that Pyle says organizations do themselves a favor when they take a close look at CSP, or when they take another look if they haven't assessed CSP recently:

1. CSP Lets You Budget IT as an Operating Expense

The CSP model allows customers to buy Microsoft software and services on a month-to-month basis, or for price advantages on an annual contract or three-year contract. Unlike with an Enterprise Agreement, the customer can choose.

"A lot of it has to do with the cash flow," Pyle said. "In the past, you would

have to pay a three-year, cash-up-front deal. Now with CSP, you can pay by the month ... Instead of maybe coming up with hundreds of thousands and in some cases millions of dollars for a three-year in-advance, purchase, you don't need to do that anymore."

Pyle cautioned that CSP isn't always cheaper than EA, but emphasized that CSP's flexibility is key.

"The biggest difference for clients that have migrated from an EA to a CSP agreement is the ability to pay as you go, and pay as you grow or as you slow. If you're growing -- great, you would purchase more licensure as you need it. If your business is slowing down, you would then only pay for the licenses you're using. So there's no upfront commitment," he explained.

2. CSP Includes Most Microsoft Products Now

The CSP model grew out of the Office 365 suite, a bundle of cloud email, collaboration and other services, along with online and desktop versions of the Office suite. However, CSP has expanded exponentially to include nearly all of Microsoft's products.

"A couple years ago, you could ask me and we would have said, 'Maybe we had 15 new line items in there.' But now, there's literally hundreds and hundreds of line items that you can purchase," said Pyle, citing the availability of Microsoft products like Windows Server CALs, SQL Server and other server software.

Where customers a few years ago might only have been able to buy cloud services through CSP and would need another licensing vehicle for their on-premises server software, that's no longer the case.

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—Chris Pyle, MessageOps

3. The EA Bar Keeps Getting Raised

If it's been awhile since you've signed an Enterprise Agreement, or if your organization has become smaller in the past few years, the EA may not be an option any longer. "EA is not even available anymore for 500 seats and below," Pyle noted.

4. It's Easier to Stay Compliant

Organizations have gotten in trouble in the past by losing track of how their Microsoft licenses lined up with their software usage. Think of it as the flip side of shelfware, complete with big fines from Microsoft. Pyle called such software compliance "the elephant that's in the room that nobody really likes to talk about. But with the CSP program, I haven't heard of anybody ever getting fined for being out of licensing compliance."

5. There Are a Lot of CSP Partners to Choose From

Customers' choices with CSP aren't limited to payment periods or Microsoft services and software. They also have a choice of CSP providers. The CSP channel has been growing rapidly for the past few years, with many partners joining the program and the amount of Microsoft revenue moving through that channel growing even faster.

6. CSP Partners Are Competing on Services

With all those CSP partners available,

customers can be choosy. Pyle listed some of the services that his company, MessageOps, offers as examples of the types of things that enterprises should look for in a CSP partner.

The baseline requirement is excellent support and high-quality onboarding systems, but partners can go much further for their customers. For MessageOps, services include tools for turning off licenses that aren't being used; the ability to track usage and scale down to less-expensive SKUs if necessary; and even SharePoint templates to help customers get started with Microsoft's collaboration platform. MessageOps also offers security reporting, cost-savings reporting and other methods to help customers level out their cash flow.

Beyond those services, MessageOps seeks opportunities to connect customers with Microsoft incentives for projects and services that can be generous, but that are often difficult for customers to identify and qualify for without the help of a well-connected partner.

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