



New Azure Experience in CSP

Frequently asked questions for partners

MICROSOFT CONFIDENTIAL – For Partner Use Only

Publication date: Updated September 2019

Document Use Policy: *This is a Microsoft partner internal-only use document providing partners answers to common questions around the Azure experience in CSP. This document cannot be shared or posted publicly, but the answers contained may be used along with partner created content to provide information to customers.*

Details are subject to change and may vary by geography.

OVERVIEW – WHAT'S NEW?

Microsoft partners have a fundamental role in helping customers use, consume, and realize value through digital transformation. With Microsoft's commerce experience enhancements, we are enabling partners to broaden their influence and further help customers to digitally transform – regardless of customer purchasing channel or stage in the customer journey. The most significant opportunities for partners come from providing value added solutions, from managed services to specialized business application deployment and projects that require planning, implementation, integration, security and compliance.

Earlier this year we launched a new commerce experience for Azure through Microsoft sellers, enabling Azure customers to transact more easily with Microsoft through a simple agreement, immediate provisioning, and a single management portal. Building on this experience, we are now launching a series of new customer and partner capabilities to enhance the Azure experience in CSP.

By simplifying the Azure purchase process, creating better pricing alignment across channels, reducing customer acquisition obstacles, introducing Azure Cost Management and expanding access to the Azure Marketplace, the new Azure experience in CSP expands partner opportunities to build and deliver managed services, further extend their customer base and help customers on their digital transformation.

This is an important milestone for selling Azure cloud services, in the future, enhanced partner capabilities will be announced for Microsoft 365 and Dynamics 365 cloud solutions to drive even more impact.

CONTENTS

1.	What has been announced regarding changes for Azure in CSP?	3
2.	When will the new Microsoft Customer Agreement be introduced to CSP?	3
3.	What is the new Azure experience Microsoft is announcing in the CSP program?	3
4.	How will the new Azure experience help me grow my business?	3
5.	How will the new Azure experience better enable me to drive customer success?	4
6.	What are the key differences between this new Azure experience and what I have today?	4
7.	Does the new Azure experience replace the existing offer right away?	4
8.	What is driving Microsoft to make these enhancements?	5
9.	How do these enhancements to Azure in CSP relate to Microsoft's new commerce vision?	5
10.	When will the new Azure experience be available in CSP?	5
11.	What is the new Microsoft Partner Agreement?	5
12.	Impact on Microsoft Cloud Reseller Agreement & Microsoft Cloud Distributor Agreement?	6
13.	What is the Microsoft Customer Agreement?	6
14.	When will the new Microsoft Customer Agreement be introduced to CSP?	6
15.	Are there further enhancements coming for Azure or other products in CSP?	6
16.	What functionality is Microsoft providing to help partners?	6
17.	What is the customer experience when moving to the new Azure experience?	7
18.	What should Microsoft partners do to learn about the new Azure experience in CSP?	7
19.	Any impact on existing Admin-On-Behalf-Of (AOBO) or Designated-Partner-of-Record (DPOR)?	7
20.	How do CSP Indirect Providers participate in the AOBO designation structure?	7
21.	Can a CSP partner lose admin access to a customer's Azure subscription?	8
22.	What happens if a customer removes partner admin access?	8
23.	What is the opportunity of this new Azure experience for CSP Indirect Providers?	8
24.	With the increased focus on a services-driven model, what is the role of resellers?	8
25.	Are CSP incentives impacted and, if so, how?	8

Top Questions

1. What has been announced regarding changes for Azure in CSP?	<p>Microsoft has announced a new Microsoft Azure experience in CSP, launching a series of new capabilities to expand partner opportunities to deliver managed services, build influence with customers, and help drive customer digital transformation. This is a next step in the Microsoft commerce journey building on prior launches, with new announcements anticipated in the forthcoming months.</p>
2. When will the new Microsoft Customer Agreement be introduced to CSP?	<p>We are bringing the Microsoft Customer Agreement to the CSP program in October 2019, providing a consistent digital contracting experience and a simplified agreement across all the ways a customer can buy through the Microsoft commerce platform. The Microsoft Customer Agreement will replace the current Microsoft Cloud Agreement. This is the same agreement announced earlier when we launched the new commerce experience for Azure through Microsoft sellers, that is now being extended to customers in the CSP program.</p>
3. What is the new Azure experience Microsoft is announcing in the CSP program?	<p>Microsoft is launching a new Azure experience in CSP that improves the customer and partner experience by:</p> <ul style="list-style-type: none"> • Providing a single offer catalog and a common price list in USD for Azure, bringing alignment to Azure customers across sales motions. • Delivering tools for the transition of customers to the new version of Azure in CSP, with the appropriate governance and policies. • Introducing credits to billed partners based on demonstrated value-added technical services provided to the customer, e.g., provisioning, configuring, patching, backing up, etc. This initiates a shift from a re-sell margin to a “CSP partner earned credit for services managed”, tracked automatically via a partner’s Azure admin access. • Providing CSP partners with Azure Cost Management tools that show organizational cost and usage patterns with advanced analytics, including Azure cost, usage, reserved instance, and Azure Hybrid Benefit use. Collectively, these tools empower users to visualize and monitor cloud costs and trends, improve organizational accountability, and optimize cloud efficiency. • Enabling CSP partners with Azure Lighthouse, with new, foundational automation and management capabilities to operate Azure at scale for customers with cross customer management features and precise access to customer’s Azure estate.
4. How will the new Azure experience help me grow my business?	<p>By simplifying the Azure licensing and purchase process, simplifying pricing across channels, reducing customer acquisition obstacles and expanding access to the Azure Marketplace, the new Azure experience helps partners grow by accelerating customer acquisition and enabling partners to build and deliver higher-value managed services.</p>

The Azure partner profitability model is also evolving to better support partners who provide value-add managed services and governance of their customers' Azure resources. Partners demonstrating influence over Azure consumption and trust with the customer - regardless of transacting motion - will benefit from increased opportunities to earn incentives, and can drive more business, connecting with more customers/partners, as well as the Microsoft sales team.

5. How will the new Azure experience better enable me to drive customer success?

New platform and tooling improvements in Azure will help partners deliver more successful customer outcomes while boosting purchase, deployment and management efficiency.

With the new Azure experience, all offerings will be supported by simplified licensing terms and a single digital customer agreement via the Microsoft Customer Agreement, covering all purchase channels.

Further, by providing a single, USD-based price list, and a transparent exchange rate reference updated monthly, Microsoft will enable partners to better predict deal cost and profitability.

A new transition tool with the appropriate governance and policies simplifies the process of transferring customer subscriptions. CSP's delegated privileges or "admin on behalf of" enables partners to attach a wide range of managed services, while also providing the management control partners require to deliver dependable service and highly responsive support.

To help partners optimize customer costs and minimize downtime, we are delivering new tools for managing multiple customer tenants and geographies, along with built-in Azure Cost Management functionality.

6. What are the key differences between this new Azure experience and what I have today?

In summary, the new Azure experience delivers on a set of requests from partners to streamline and consolidate the way customers buy and consume Azure services. This includes new tools with the appropriate governance and policies to easily transition customers, a consistent view of Azure pricing across sales motions, USD pricing for global consistency, billing date alignment, and access to Azure Cost Management.

7. Does the new Azure experience replace the existing offer right away?

While the new Azure offer provides partners with an improved experience, it will not immediately replace the existing Azure offer in CSP. To ensure partners have the time necessary to assimilate all enhancements that leverage the new Azure offer features, we plan to maintain the existing Azure offer in CSP for an extended period of time past the October 2019 launch date. Microsoft plans to maintain the existing Azure offer in CSP for one year from launch of the new Azure offer.

8. What is driving Microsoft to make these enhancements?

Microsoft has been operating with multiple commercial programs running on distinct commerce platforms that prevent an integrated customer buying experience. Customers have historically been segmented into these siloed experiences based on the offer they want to buy and the channel they want to buy through. Our new purchasing model better supports today's customers' more dynamic business needs.

A revamped purchasing experience is required to enable a large-scale transformation of the way we relate, serve and transact our 1st and 3rd party offers. We focus on prioritizing customer choice and allowing us to meet the customer where they are in their digital transformation journey.

To be successful, this new experience needs to support our partners as well. Partners play a crucial role in this transformation – influencing and enabling customer choice, and providing essential services to the customer, regardless of how a customer chooses to engage with Microsoft.

9. How do these enhancements to Azure in CSP relate to Microsoft's new commerce vision?

These enhancements further support Microsoft's commerce vision by empowering customer choice, providing greater consistency in Microsoft offers and pricing across purchasing channels. Thus, better enabling value-add partners to engage to manage customers at any customer entry point. CSP is *the* central partner motion for enabling customer transactions and providing value-add services.

The new Azure commerce experience, as well as prior Azure commerce investments (making reservation offers available in all channels, bringing modern server and subscription offers into CSP) accrue to these principles. We are now at the next frontier of this evolution, which centers around improvements to the CSP platform and the management of Azure to better enable to win and retain customers.

10. When will the new Azure experience be available in CSP?

The new Azure offer in CSP is scheduled to be available in October of 2019. It is important to emphasize that, while Microsoft is announcing this new offer, the existing Azure offer in CSP continues to be available to allow sufficient time for partners to build new services that leverage the new Azure features and start moving their customers over.

11. What is the new Microsoft Partner Agreement?

The Microsoft Partner Agreement is a new, simple contracting experience that supports all offers with consistent and relevant terms across GTM entry points while enabling Partners to sell/build through/with Microsoft.

Effective September 1, 2019, the Microsoft Partner Agreement (the new version of the Cloud Solution Provider program partner agreement), is available to all regions on Partner Center, replacing the following existing agreements:

- Microsoft Cloud Reseller agreement for CSP Direct Bill partners
- Microsoft Cloud Distributor agreement for CSP Indirect Providers
- Multi-tier terms

	<ul style="list-style-type: none"> • Indirect reseller terms • US Government terms <p>As part of the new enhanced process, all partners in the CSP program (indirect providers, direct bill partners and indirect resellers) are required to accept the Microsoft Partner Agreement on Partner Center by January 31, 2020.</p>
12. Impact on Microsoft Cloud Reseller Agreement & Microsoft Cloud Distributor Agreement?	<p>After August 31, 2019, the Microsoft Partner Agreement is the agreement that gives partners authorization to transact under the Cloud Solution Provider program. Microsoft will officially provide a written, non-renewal notice to all partners who have the Microsoft Cloud Reseller Agreement (MCRA) and or the Microsoft Cloud Distributor Agreements (MCDA).</p>
13. What is the Microsoft Customer Agreement?	<p>The Microsoft Customer Agreement is a single agreement for customers transacting across sales motions, that will enable all parties to stay compliant and ensure transparency. As a key part of the Microsoft commerce vision, over time it will help replace the complexity and administrative overhead customers and partners had to deal with managing multiple programs, contract renewal cycles, and paperwork. The Microsoft Customer Agreement is a fully digital process optimized for cloud offerings. In CSP, the Microsoft Customer Agreement will replace the existing Microsoft Cloud Agreement.</p>
14. When will the new Microsoft Customer Agreement be introduced to CSP?	<p>The Microsoft Customer Agreement is available to the CSP program in October 2019, providing a consistent digital contracting experience and a simplified agreement across all the ways a customer can buy through the Microsoft commerce platform. The new Microsoft Customer Agreement will replace the current Microsoft Cloud Agreement for all new and existing CSP customers. After a transition period, the ability to create new Microsoft Cloud Agreements ends after January 31, 2020.</p>
15. Are there further enhancements coming for Azure or other products in CSP?	<p>These enhancements to Azure in CSP represent a significant milestone as we continue to deliver on our vision to better enable partners to transact, deploy and manage value-add cloud services based on Azure. While we have no specific information to share at this time, partners can expect future capabilities coming to Microsoft 365 and Dynamics 365 as we continue transforming the Microsoft commerce experience.</p>
16. What functionality is Microsoft providing to help partners?	<p>Currently, Azure offers in each of Microsoft's programs are configured differently, making it a challenge for customers wanting to move between programs. Partners will be provided with automated tooling for transitioning CSP customers to the new Azure experience in CSP. Maintaining the existing Azure offer on CSP allows partners and customers the time needed to facilitate the changes.</p>

17. What is the customer experience when moving to the new Azure experience?

To mitigate potential friction, we are developing functionalities in the new Azure experience to support complex transitions. Built with the appropriate governance and policies, tools will make it easier and faster to move customers between existing sales motions to the new Azure experience. Certain transition requests might be subject to Microsoft review, approval process, and qualifications - such as the requirement for a partner to be an Azure Expert MSP are to be determined.

These tools will enable an automated process that changes the billing relationship while keeping the existing Azure subscription structure and configuration intact, without service interruption.

18. What should Microsoft partners do to learn about the new Azure experience in CSP?

Whether in-person or online, we strongly recommend partners begin by viewing the Azure in CSP sessions at Inspire 2019. Partners should also review Microsoft's FY20 Cloud Solution Provider Incentive Guides for details on Azure in CSP incentives. Microsoft webinars and readiness activities are planned for the months leading up to the launch date and are recorded to also be viewed on demand. Together, we expect that this information will give partners the details required to develop a solid plan for building their business on the new Azure experience in CSP.

19. Any impact on existing Admin-On-Behalf-Of (AOBO) or Designated-Partner-of-Record (DPOR)?

Access to the customer environment is a sign of trust and influence, and, no matter how a customer buys Azure, partners can support a customer's needs through managed services, influence consumption and be recognized for this outcome. Microsoft measures this access and link to a partner organization using either AOBO or PAL (Partner Admin Link) information. In CSP, partners that have a billing relationship with Microsoft have AOBO (also called admin access) rights granted to their customers' Azure subscriptions by default.

In the partner-led sales motion, the new Azure offer on CSP continues to grant full AOBO rights by default to partners billed directly by Microsoft.

In the self-serve and field-led motions today, Microsoft provides a method to enable partners to track and attribute their influence over Azure consumption. The Partner Admin Link (or PAL), associates a partner organization (MPN ID) to the user account provided by the customer. PAL supports multiple partners per customer tenant.

Both AOBO and PAL help partners track their influence in Azure engagements more precisely, so they can more accurately represent activities and value to specific customers on a granular basis.

DPOR will remain in place for customers that are buying Azure in Enterprise Agreements and other motions.

20. How do CSP Indirect Providers participate in the AOBO designation structure?

All partners in the CSP program that are billed by Microsoft, including indirect providers, are granted admin on behalf of (AOBO) by default. As a managed services-partner oriented program, we expect partners in CSP to provide ongoing value-add services to customers. In the new Azure offer in CSP, partners billed directly by Microsoft continue to have AOBO (admin access) rights granted by default – partner influence over

	consumption will be tracked based on the partner's continued admin access to the customer's Azure subscriptions sold by the partners.
21. Can a CSP partner lose admin access to a customer's Azure subscription?	As mentioned, partners in CSP are granted admin on behalf of (AOBO) access by default to all new Azure subscriptions. A partner can grant customers admin access upon request. At that point, a customer must actively choose to cancel a partner's admin access. However, a customer can cancel a partner's admin access only <i>after</i> they have been granted admin access privileges by the partner.
22. What happens if a customer removes partner admin access?	It should be noted that a partner without full or partial admin access in CSP still retains the customer's Azure billing relationship and accountability with Microsoft. While this does not affect a partner selling the current Azure offer in CSP, for the new Azure offer the Microsoft invoiced partner will not be eligible for CSP services managed credits on their Microsoft Azure invoice.
23. What is the opportunity of this new Azure experience for CSP Indirect Providers?	Microsoft will continue to support indirect providers to build and grow business with their resellers. The key is for indirect providers to provide managed services through resellers or by partnering with resellers that offer customers these services. Either way, by demonstrating Azure influence through Azure admin access, indirect providers will be eligible for CSP services managed credits. A focus on managed services is a higher margin business opportunity that Microsoft strongly encourages partners to adopt.
24. With the increased focus on a services-driven model, what is the role of resellers?	Microsoft will continue to support partners to build and grow their business through the Microsoft Partner Network programs. Partners who focus on customer success by providing upfront assistance and delivering services and management support that drive Azure consumption will benefit most from opportunities to qualify for incentives and to connect with customers, other partners, or Microsoft sales teams to sell their solutions.
25. Are CSP incentives impacted and, if so, how?	<p>Specific incentives for FY20 announced in July 2019 are available via the annual incentive guides, per Microsoft's regular practice.</p> <p>Partners are essential to a customer's digital transformation journey. By moving their customers to CSP's new Azure commerce model, partners can leverage Microsoft's leading edge, fully upgraded commerce platform to better support customer needs, streamline their business and successfully compete.</p> <p>The golden opportunity for partners lies in providing value added services above and beyond the transaction. Partners will accrue CSP incentives based on the measurable outcomes (building, managing and deploying) that Microsoft can track in Azure. In return for moving their customers to the refreshed CSP Azure commerce model, partners can continue to earn attractive CSP incentive rates.</p>

Beginning October 1, 2019, the CSP incentive program's Azure incentive rates will decrease for transactions completed in the existing platform. In comparison, partners will earn higher rates for Azure billed revenue derived from the new commerce platform. CSP partners should take advantage of this opportunity to accelerate FY20 Q1 revenue.