



# A simple guide to understanding software licensing

No matter what business you're in, chances are you rely on software to run your operation. That means you need software licenses. It gives you the legal right to install, use, display, run and interact with software on your computer. There are different types of software licenses available and the option that's right for you will depend on the unique needs, size and purchasing preference of your organisation.

## How can you purchase Microsoft software?

The three most popular ways to purchase Microsoft® software are:

### Full Packaged Product (FPP)

#### What is it?

Full Packaged Product (FPP) is software that you buy off the shelf from a retailer, e.g. Microsoft Windows® software. Each box contains a copy of the software that you manually install on your computer and one license. This type of license is perpetual. This option is ideal for home use and for small businesses that need less than five software licenses and minimal user rights associated to the software. FPP is the most expensive way to purchase Microsoft products.

#### Pros vs. Cons

Pros	Cons
Software can be purchased from a retail outlet or online, and can be installed quickly and easily.	This is a more costly option than Volume Licensing if your business is growing because it's difficult to manage multiple PCs running software acquired via FPP.
Some software programs offer complimentary technical support from the Microsoft help desk.	You're limited to installing your software on a single computer only; otherwise you would not be complying with the agreement.

#### Who is it for?

FPP is ideal for customers that have between 1 – 5 computers or that need less than 5 software licenses.

### Original Equipment Manufacturers (OEM)

#### What is it?

With OEM, you buy the hardware (such as a laptop) with the software already installed. The software license is attached to the computer. That means the software cannot be transferred to another computer. This option is suited to home users and organisations with minimal IT requirements within their organisation.

#### Pros vs. Cons

Pros	Cons
When you buy the computer it comes with the software pre-installed and ready to use.	OEM Licenses are not transferable (except applications and server products for which Software Assurance has been obtained).
Software Assurance can be added at the time of system purchase or within 90 days of the purchase.	This is a more costly option than Volume Licensing if your business is growing and you need maximum use rights of the software.

## Who is it for?

This option is suited to customers that prefer to acquire the latest Windows Operating System as well as additional software such as Microsoft Office with their new PC and require minimal use rights.

## Volume Licensing

### What is it?

A software license acquired through Microsoft Volume Licensing is a simple and cost-effective way to purchase multiple licenses under a single agreement. It offers volume discounts and flexible payment plans, and provides an effective way for you to add the latest Microsoft products and upgrades to your business. This option is best suited to businesses that plan to grow their business over time because it provides them with a seamless management and procurement process. Licenses can be transferred from one computer to another, and organisations with as few as 5 PCs can benefit from this option.



While you multiply.  
**We simplify.**

There are two types of Volume Licenses available for businesses with fewer than 250 computers: Open Business and Open Value.

### Open Business

Open Business is a single agreement offering a 2-year term and upfront payments. It's designed for businesses that don't want to purchase large volumes of software but would prefer to pay for software licenses, as they need them. The initial order must be for five or more licenses but can include any combination of Microsoft products thereafter.

### Open Value

Open Value is a single agreement that offers a 3-year term and allows you to spread your payments over the term of the agreement. It allows you to add Microsoft licensed products throughout the agreement term with annualised pricing, making it easier for you to manage your cash flow. Open Value also provides options for you to acquire additional services, tools, support and training to help you maximise your software assessment.

## Benefits

**Flexibility:** Volume Licenses can be tailored to suit the size and type of any business.

**Transfers:** Licenses can be transferred from one computer to another.

**Software Assurance:** When you purchase Software Assurance, you gain access to a comprehensive set of benefits designed to help you stay current, manage costs, and increase productivity. Benefits include: help with your IT maintenance, additional technical support and training, deployment assistance, software upgrades, home use rights, and more. Open Value includes Software Assurance and it is optional with Open Business.

**Control:** Volume Licenses serve the needs of organisations that acquire multiple licenses, but do not need numerous copies of the media and the documentation.

**Volume discount:** Businesses with as few as 5 PCs can acquire licenses with discounts. Lower pricing is also available for eligible government and academic organisations.

## Who is it for?

### Open Business

This option is designed for corporate organisations that require 5 or more software licenses. Government and eligible academic organisations may purchase through Open Government and Academic Open.

### Open Value

This option is designed for corporate and government organisations that require more than 5 software licenses and that want the option of spreading their payments over time and the added benefits offered through Software Assurance.

## Solutions for businesses with more than 250 computers

If your business runs more than 250 computers, there are two types of Volume Licensing programs that are designed specifically for larger businesses.

**Select License:** Ideal for large businesses that have mixed product and purchasing requirements. With this option you receive a volume price for each group of products you need (applications, systems or servers), based on a three-year term.

**Enterprise Agreement:** Allows businesses to standardise their desktops with licensed Microsoft products at a discount price based on a three-year term. This option is available as a perpetual or subscription agreement.

If you have between 5-50 PCs and would like to find out if a Volume Licensing agreement is suitable for your business, contact a [Microsoft Volume Licensing Specialist](#) today.