

# Microsoft® Volume Licensing Reference Guide

# Microsoft Volume Licensing Reference Guide

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## CHAPTER 1: INTRODUCTION TO VOLUME LICENSING

Acquiring software licenses through Microsoft® Volume Licensing is different than acquiring retail boxed software licenses. A retail software license is usually sold in a box and contains media (floppy disk, CD-ROM, or DVD format), a user's guide, access to product support, and Microsoft Software License Terms (formerly known as the End User License Agreement or EULA). The Software License Terms dictate how the software may and may not be used.

Software acquired through Microsoft Volume Licensing is a software license only. A software license provides the right to run a Microsoft software product.

Savings above retail boxed software prices can be realized by participating in a Microsoft Volume Licensing program. By acquiring software licenses through Volume Licensing, you can pay for only the software license. Or in the case of some Microsoft Volume Licensing programs, you can also purchase Software Assurance. Microsoft Software Assurance is a comprehensive maintenance offering that helps you get the most out of your software investment. It combines the latest software with phone support, partner services, training, and IT tools. You can choose Software Assurance at the time of purchase and begin using your benefits immediately for the term of your license agreement.

Depending on the Volume Licensing program, you may receive media, and you have the option to acquire media (or supplemental media), documentation, and product support separately as needed.

### Keys to Understanding Microsoft Volume Licensing

Listed below are a few keys to understanding the major characteristics of Microsoft Volume Licensing policies and programs and to choosing the best option for your organization:

- The size and type of your organization
- The products you want to license
- The way in which you want to use those products

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In this chapter...

- [Keys to Understanding Microsoft Volume Licensing](#)
- [How to Use This Guide](#)

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At the most elementary level, Microsoft Volume Licensing program models address organizations in two main categories: organizations with more than 5 but less than 250 computers and organizations with more than 250 computers.

For those organizations with less than 250 computers, the Microsoft Open License program provides volume discounts for a minimal up-front cost and is available broadly through a worldwide partner channel. Open License provides three different purchasing options for commercial businesses: Open Value, Open Business, and Open Volume.

- Open Value is for organizations with as few as five desktop PCs, and offers the advantages of Software Assurance, simplified license management, and an annual payment structure. The Open Value program offers two options: company-wide and non-company-wide.
- Open Value Subscription is for customers in some regions who want to subscribe to, rather than acquire, Microsoft software. Microsoft Open Value Subscription (not available in North America) provides the lowest up-front costs with flexibility to reduce your total licensing costs in years when your desktop PC count declines.
- Open Business is for customers who want a minimum initial purchase of five software licenses. This program is ideal if you prefer to pay-as-you-go, an important feature for a growing organization's changing business needs.
- Open Volume is for customers who can meet minimum purchase levels using a system of product pools and points. With an entry minimum of 500 points from a single product pool, this program offers deeper discounts for a greater up-front cost.

For companies with 250 or more computers, Microsoft offers the following three options:

- Select License is for organizations that have mixed software requirements. It is based on a forecast licensing model in which use is measured against the forecast. This program offers a flexible and cost-effective way to make licensing purchases on a pay-as-you-go basis.
- Enterprise Agreement is for larger organizations that want to standardize IT across the enterprise. Based on a three-year agreement term, it provides the deepest pricing discounts and the advantages of Software Assurance.
- Enterprise Subscription Agreement is a Volume Licensing program for large organizations that want to subscribe to—rather than purchase—Microsoft

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software licenses. This program provides lower annual payments than an Enterprise Agreement but the right to use the software ends at the end of the three-year agreement term.

In addition to size, the organization's primary function should be considered. For example, additional discounts are given to some public sector organizations such as schools and universities.

For public sector organizations with less than 250 PCs, Microsoft offers versions of the Open License program. The Open License for Academic and Open License for Government programs are similar to the Open Business program, but with different pricing and partner channels. In some regions, government organizations may also participate in the Open Value for Government program.

Government and education organizations with more than 250 PCs may participate in the Select License program. The Enterprise Agreement program is also offered to government organizations.

For education institutions that prefer to license their software on an annual subscription basis, Microsoft offers two unique programs: Microsoft Campus Agreement for higher education and Microsoft School Agreement for primary and secondary education.

Microsoft also has programs that can meet the specific needs of organizations that partner with Microsoft to provide additional software and services. These include the ISV Royalty Licensing Program and the Services Provider License Agreement (SPLA).

Another key factor to consider—aside from organizational type and size—is which products you need. Different product families require different licensing models. For example, a desktop PC program, such as the 2007 Microsoft Office system, requires a license for each device that is running the program. Any number of copies and any prior version may be installed on the device or on a network device.

A desktop PC operating system, such as the Windows Vista® operating system, requires a license for each device accessing the software (locally and remotely). And only one copy may be installed on the device. In Microsoft Volume Licensing, the desktop PC operating system license is usually an "upgrade" license and must be for a device that is already licensed with a qualifying "full" operating system. Meanwhile, most server products require a license for each running instance of the server software you run on a server—whether in a physical or virtual operating system environment. By exception to the licensing model, some products provide broader use rights. For example, a Windows Server® 2008 Enterprise license permits a running instance in up to four virtual operating system environments plus one host instance on the physical

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device at a time on the licensed server. With some products, such as Windows Server 2008 Datacenter, any number of instances may run at the same time as long as each physical processor is licensed on the licensed server.

Most server operating system products require a Client Access License (CAL) for each user or device that accesses the server software. CALs are version specific. They must be the same version or later than the server software being accessed. CALs permit access to servers licensed by the same entity. They do not permit access to another entity's licensed servers.

Additionally, there are conditions applied to how certain products can be used—such as Web servers, which must be used only for Web-based applications.

## How to Use This Guide

This guide is an overview of the key features of Microsoft Volume Licensing programs. The information is presented by organizational type and size—two of the most important keys to determining your best Volume Licensing option.

The key chapters by organizational type are:

- Commercial Business
- Academic
- Government
- Software and Service Partners

Each chapter also contains information about the additional benefits and resources that are available with each program, such as software asset tracking tools, maintenance programs, and online management services. A quick feature comparison chart and an online selection tool are provided at the end of each chapter.

In addition, separate chapters provide overviews of two key areas: Product Use Rights, which provides an overview of product-specific terms and conditions that govern how Microsoft products can be used in the Volume Licensing programs, and Software Assurance, the enhanced Microsoft maintenance program. These important topics apply to all Volume Licensing programs in varying manners and are worthy of a more in-depth understanding.

## CHAPTER 2: CHOOSING A VOLUME LICENSING PROGRAM FOR YOUR BUSINESS

*This section focuses on the Microsoft Volume Licensing programs available for commercial businesses of all sizes.*

Microsoft offers a variety of programs to help businesses manage the purchase of software licenses. These programs cover everything from smaller organizations with a handful of desktop PCs to mega-organizations that manage tens of thousands of client and server units.

Volume discounts are the most obvious benefit of these programs. But Volume Licensing programs also help organizations with tasks such as:

- Tracking software use to ensure legal compliancy
- Deploying updates and new versions, especially on desktop PCs
- Organizing software license purchasing through centralized purchasing practices

In general, Microsoft Volume Licensing programs align to two main categories: programs for companies with fewer than 250 desktop PCs and programs for companies with more than 250 desktop PCs.

For companies with fewer than 250 desktop PCs, the Microsoft Open License program is flexible and accommodates low-entry requirements. Open License offers three variations to meet an organization's needs, all of which are available from a reseller channel, solution providers, and online vendors.

For organizations with 250 or more computers, Microsoft offers the Microsoft Select License and Microsoft Enterprise Agreement options through Microsoft Large Account Resellers (LARs) and Microsoft Enterprise Software Advisors (ESAs). Each provides flexibility in payment schedules.

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### In this chapter...

- Microsoft Open License
- Microsoft Select License
- Microsoft Enterprise Agreement
- Comparing Volume Licensing Programs



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## Microsoft Open License Is for Organizations with Fewer Than 250 Desktop PCs

This program is for organizations with fewer than 250 desktop PCs that want to make a minimum initial purchase of five or more software licenses.

Microsoft Open License, although available to any size business, is most often used by businesses with less than 250 desktop computers. It provides volume discounts for a minimal up-front cost and is available broadly through a worldwide partner channel.

The Open License program offers many benefits, including:

- **Simplicity.** Start using software as soon as your order is placed through an easy pay-as-you-go model.
- **Affordability.** With a simple one-time transaction, you can pay for what you need when you need it, helping you manage your software costs.
- **Flexibility.** A broad worldwide partner channel makes sure you have convenient and fast access to thousands of software titles.
- **Value.** Manage licenses easily and conveniently through online tracking tools, such as eOpen and Microsoft Volume Licensing Services (MVLs).

### THE MICROSOFT OPEN LICENSE PROGRAM FAMILY: FOUR OPTIONS

To increase program flexibility and keep the low-entry standard, the Microsoft Open License Program provides multiple purchasing options, including: Open Value, Open Business, and Open Volume.

#### Microsoft Open Value Subscription Licensing Provides Flexibility for Low Up-front Cost

Founded in 1958, C. Rokas SA is a leader in renewable energy sources and electromechanical projects.

In 2002, Rokas conducted an internal audit of its IT infrastructure and found that its desktop PC systems were running countless combinations of software. Clearly, it was time for the Rokas IT team to streamline its operations. However, the cost of upgrading each desktop PC and server individually was prohibitive.

Evi Fousteri, Rokas' IT manager, chose the subscription option of the Open Value program because it gave Rokas the flexibility to reduce its total licensing costs if the number of desktop PCs at Rokas happened to decline, for the lowest up-front cost.

Today the company is in its fifth year of an Open Value Subscription agreement with Microsoft and reports that time spent managing and maintaining systems is 30 to 40 percent lower.

To read the full story, visit

[http://www.microsoft.com/casestudies/casestudy.aspx?cases\\_tudyid=4000000216](http://www.microsoft.com/casestudies/casestudy.aspx?cases_tudyid=4000000216).

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## Open Value

The Open Value program is a three-year term commitment and includes Software Assurance as a mandatory component. Open Value offers two options for you to choose from: Company-wide, and non-Company-wide.

Company-wide Option: The Company-wide option provides stable annual payments and the lowest long-term costs. This option features:

- Additional savings on company-wide licenses.
- Desktop PC count at the beginning of your agreement determines your annual cost.
- Paying for new licenses in the month they are installed so that you can spread out the costs throughout the remaining years of your agreement.
- Original equipment manufacturer (OEM) licenses can be transitioned onto your agreement when you purchase Software Assurance.

Non-Company-wide Option: The Non-Company-wide option is available for any licensed product purchases. If you need licenses for servers or for a limited number of desktop PCs, you can open a Non-Company-wide agreement. With the Non-Company-wide option, you cannot track all of your licenses under one agreement. However, if you already have a Company-wide or subscription agreement, you can tag your non-company-wide licenses to either of those agreements so that you can track your licenses all in one place.

## Open Value Subscription

Open Value Subscription offers flexible annual payments tied to the number of desktop PCs you have and the lowest up-front costs. (Note: Open Value Subscription is not available in the United States or Canada. The Subscription option features:

- Additional savings in the first year if you have current or previous versions of company-wide licensed product.
- Annual payment made based on your desktop PC count for that year.
- Option to add the company-wide licensed products you have selected on new desktop PCs throughout the year at no additional cost for that year.
- Lower payment through the years as your desktop PC count declines.

### Tip...

One of the main features in Open Value Company-wide is its manageability. If you manage multiple agreements, you can use company-wide purchasing to consolidate multiple Microsoft contracts into a single agreement, track licenses online, and standardize all of your desktop PCs on the latest software version.

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## Open Business

Open Business is a good choice if you want a minimum initial purchase of five software licenses. This program is a two-year term commitment and is ideal if you prefer to pay as you go, an important feature for a growing organization's changing business needs.

## Open Volume

If you are purchasing larger volumes of Microsoft software licenses, Open Volume is a two-year term commitment with product pools and points and may be the best price option for you. This option does increase your up-front cost, but provides deeper per-unit discounts—and savings if the volume of software licenses is high enough.

To determine the viability of Open Volume, you need to forecast the software product mix and license quantity you plan to purchase to determine the applicable product pool and price level. Since Open Volume uses product pools and points to establish the entry minimum and, ultimately, the price you pay for your software licenses, it is important to understand the product pools and points formula.

Product pools group similar Microsoft software products to achieve deeper volume pricing discounts. For example:

- The applications pool includes products such as Microsoft Office, Microsoft Office Project, Microsoft Office Visio® drawing and diagramming software, and the Microsoft Visual Studio® development system.
- The systems pool includes the Windows® operating system upgrades such as Windows Vista.
- The server pool includes products like the Windows Server Standard Edition operating system and Microsoft Exchange Server.

Point values are assigned to each software product. For example:

- Microsoft Office Professional Edition is worth two points.
- Windows Server is worth 15 points.

By adding the number of points earned, you can determine the price discount for the products in that particular pool.

## Software Assurance

Microsoft Software Assurance is a comprehensive maintenance offering that helps you get the most out of your software investment. It combines the latest software with

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problem resolution support, partner services, training, and IT tools that help customers deploy, manage, and migrate software.

With Software Assurance, you can increase worker productivity, accelerate organizational performance, and quickly realize a return on your software investment.

If you choose to purchase Software Assurance, we recommend purchasing an Open Value Agreement instead of an Open Business or Open Volume Agreement, because Open Value comes with Software Assurance.

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

## Managing Open License Agreements

### **EOPEN**

For Open Business and Open Volume, eOpen offers an easy, online way for you to electronically manage your license orders, view purchase history, track compliance, and receive order confirmation. You can also use it to create personalized views of this information.

When Microsoft processes an Open License order, the authorization number and license number are created and posted to eOpen within 24 hours. Once you have placed an order, access to the following information is available through the eOpen site:

- Authorization number
- License number
- Name and address of purchaser
- Date of initial order
- Expiration of authorization number (last day to reorder)
- Products and quantity ordered

eOpen benefits include:

- Online access to license agreement and Product Use Rights (PUR)
- Easy access to transaction history, including acquisitions, reorders, and returns
- Access to Volume License Product Keys to install your software products
- Online updates of license contact information

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You can learn more about this tool at

<http://www.microsoft.com/licensing/programs/open/manage.mspx>.

## MICROSOFT VOLUME LICENSE SERVICES (MVLS)

With Open Value, you can easily and conveniently track and manage your licenses online using the Microsoft Volume License Services tool. MVLS is a password-protected Web site that lets you view your license agreements and purchases, acquire Volume License Keys (VLKs), download licensed products, activate and use your Software Assurance benefits, and manage access rights for internal staff and Software Assurance administrators.

For more information, visit

<http://licensing.microsoft.com>.

When you enter into your Microsoft Volume Licensing agreement, the contact person you designate receives an invitation and directions for accessing the tool.

## Microsoft Select License Is Best in a Mixed Software Environment

The Microsoft Select License program was designed specifically for medium and large organizations with 250 desktop PCs or more that have mixed software requirements and want a simple, flexible, and affordable way to purchase the latest Microsoft technology on a “pay-as-you-go” basis.

The Select License program offers many benefits that help you to realize the value of your software investments, including:

- **Incentive-based Pricing:** Reduce up-front software costs through volume-based pricing based on your technology needs and purchasing volume
- **Purchasing Options:** The “pay-as-you-go” model gives you the freedom to purchase what you need when you need it.

### Select License Agreement Helps Volt Reduce Costs

Volt Information Sciences, Inc. (NYSE:VOL), based in New York, is an international business services firm specializing in staffing, IT, and telecommunications services. Until recently, employees in its more than 300 offices used different customer relationship management (CRM) solutions, spurring Volt to begin a search for an enterprise-wide CRM solution.

Choosing Microsoft Dynamics CRM, Volt procured the solution under its Select License Agreement because the company did not plan to deploy the solution to every single personal computer across the enterprise.

A Select License Agreement offers businesses the flexibility to purchase exactly what they need and provides software pricing based on a forecast of the total volume of Microsoft software licenses anticipated throughout a three-year period.

To read the full story, visit

[http://www.microsoft.com/casestudies/casestudy.aspx?cases\\_tudyid=1000003673](http://www.microsoft.com/casestudies/casestudy.aspx?cases_tudyid=1000003673).

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- **Accelerated Deployment:** Gain instant access to hundreds of software titles with media kits, making it easier to evaluate, deploy, and train employees.

## AGREEMENT STRUCTURE

The structure of the Select License Agreement consists of three components: the Select License Agreement, a Microsoft Business and Services Agreement (MBSA), and a Select License enrollment.

The Select License Agreement establishes the details of your organization's software purchase needs, such as forecast levels and product pools. It is worldwide and covers affiliated companies to achieve the best discounts.

1. A Microsoft Business and Services Agreement (MBSA) is required. This is a master agreement that defines contract terms common to Microsoft licensing, service, and support agreements and needs to be signed only once with or prior to the Select License Agreement.
2. The Select License enrollment supplies the basic information for affiliates to acquire software product licenses under the Select License Agreement. A Large Account Reseller (LAR) is also identified on the Select License enrollment.

The purpose of this agreement structure is to provide greater flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent, yet consolidated under one master program.

## HOW TO DETERMINE PRICING LEVELS

Select License Agreements work for companies of many sizes, largely due to their flexibility. One agreement can cover many sites around the world, so a company can aggregate purchasing to achieve the best volume discount. Pricing levels are determined by product pools and points. These are explained below.

## POOLS AND POINTS

Like Open Volume, Select License uses pools and points to calculate discounts.

With product pools, you can combine a variety of similar Microsoft software licenses to achieve higher volume pricing levels. Software products are categorized into three distinct product pools: applications, systems, and servers.

Examples of software products in each pool are:

- Applications pool: Microsoft Office, Microsoft Office Excel® spreadsheet software, and Microsoft Office Project.

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- Systems pool: Windows desktop PC operating system upgrade such as Windows Vista.
- Server pool: Windows Server and associated Client Access Licenses (CALs).

To calculate points, you need to know that each software product carries a point value. For example, Microsoft Office Professional is 2 points, and Windows Server Standard is 15 points. Your price level for each pool is based on product points that you forecast during the term of your agreement. The points you forecast apply to all enrollments under the agreement.

Three options are available to acquire points for each product pool:

- Acquire new licenses.
- Acquire License and Software Assurance.
- Acquire Software Assurance alone for software products already covered with Licenses and Software Assurance from a previous order or where Software Assurance is purchased based on the eligibility rules.

## FORECASTING

With Select License you need to forecast, which is based on your best estimate of the total number of points per product pool you think you will reasonably purchase during a three-year period.

A forecast of 1,500 points for each product pool during a three-year agreement term is required to qualify for the minimum volume price level. There are four price levels. The points for each price level are listed below.

Price Level	Point Minimums for a 3-year Forecast Per Pool
A	1,500
B	12,000
C	30,000
D	75,000

## PRICE LEVEL ADJUSTMENTS

An annual price level adjustment is part of the Select License Agreement. Price levels for each product pool may be increased, decreased, or remain the same depending on actual purchases after the first year. If points totaling one-third or two-thirds of a higher pricing level at the 12-month and 24-month checks are acquired for any given product pool, Microsoft adjusts the price level for those product pools upward. As a result, orders for software licenses in the product pools with adjusted price levels cost

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less. If total points acquired per product pool are less than the milestone quantity of the three-year forecast, the price level is adjusted downward (meaning your future license acquisitions will cost more).

The following table shows the minimum points required for each price level throughout the three-year forecasted term.

Price Level	End of Year 1	End of Year 2	End of Year 3
A	500	1,000	1,500
B	4,000	8,000	12,000
C	10,000	20,000	30,000
D	25,000	50,000	75,000

## Software Assurance

Software Assurance can help you get the most value from the latest Microsoft technology. A comprehensive maintenance offering, it offers many benefits, including upgrade protection. You can purchase it with the purchase of a new license. The combined purchase can be spread out during the term of your Select License enrollment through a series of installments. This can help reduce initial up-front costs and provide a framework for annual budget predictability.

Software Assurance is always purchased for the term or remaining term of the enrollment. For example, if you were to purchase Software Assurance at the inception of the agreement, you would be paying for three full years. Alternatively, if you were to purchase Software Assurance in the third month of the agreement, you would be required to pay for 33 months. Software Assurance expires at the end of the Select License term and may be renewed either through a one-time renewal of the existing Select License Agreement or at the signing of a new Select License Agreement.

Software Assurance may also be purchased as a stand-alone enrollment for:

- Systems or server software product licenses that are purchased either through retail full packaged product (FPP) or from an original equipment manufacturer (OEM) within 90 days of purchase of the license(s).
- For Microsoft Office 2003 or newer version licenses purchased through an OEM within 90 days of the purchase of the OEM license(s).

To ensure that upgrade protection remains uninterrupted through Software Assurance, simply re-enroll all Software Assurance-covered software products when renewing an existing agreement, or by signing a new Select License Agreement within 30 days of the previous Select License Agreement expiration.



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If Software Assurance coverage lapses, new License and Software Assurance purchases are required before Software Assurance may be acquired again.

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

## Managing Select License Agreements

### MICROSOFT VOLUME LICENSE SERVICES

The online Microsoft Volume License Services tool makes managing your licenses easier. MVLS is a password-protected Web site for viewing your license agreements and purchases, acquiring Volume License Keys (VLKs), downloading licensed products, activating and using your Software Assurance benefits, and managing access rights for internal staff and Software Assurance administrators.

For more information, visit <http://licensing.microsoft.com>.

When you enter into your Microsoft Volume Licensing agreement, the contact person you designate receives an invitation and directions for accessing the tool.

## Microsoft Enterprise Agreement Is for Larger Organizations that Want to Standardize Their IT

Enterprise Agreements are for organizations with a minimum of 250 desktop PCs that want to license 100 percent of their qualified desktop PCs for a three-year period.

The Enterprise Agreement (EA) is a premier option for organizations with a minimum of 250 desktop PCs that want to implement enterprisewide standards on qualified desktop PCs. An EA can provide a framework for making software license acquisitions and management easier. This cost-effective way to acquire the latest Microsoft technology helps your business standardize IT across the enterprise, simplifies license management, and provides maintenance benefits to help ensure that your company is more productive.

- **Minimize cost:** With steep volume discounts for enterprise products, an EA provides rights to the latest Microsoft enterprise software products and includes Software Assurance.
- **Maximize value:** Streamline management with a predictable, annual price per desktop PC for enterprise products based on the initial number of desktop PCs enrolled.

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- **Flexible growth.** Additional products are available such as Microsoft Office Visio, Microsoft Office Project, Windows Server, and Exchange Server.

Microsoft currently offers two such agreements, the Enterprise Agreement and the Enterprise Subscription Agreement (ESA). The Enterprise subscription agreement is similar to the EA and offers many of the same benefits. The one distinguishing factor is that because the ESA is a subscription-based license model, licenses are non-perpetual.

EAs offer the biggest discounts for enterprise products and some real advantages for license management. For example, you can eliminate having to count individual licenses and just count the number of desktop PCs. You also only need to place one order annually.

In addition to the enterprise products, you can also license additional software products with the EA under the terms of your original agreement to help you respond rapidly to changing business needs while keeping costs predictable.

## ENTERPRISE PRODUCTS

The EA applies to a select group of desktop PC and enterprise platform products. The Enterprise Agreement has two full desktop platform offerings; the Professional Desktop and the Enterprise Desktop.

The enterprise products included in the Professional Desktop Full Platform are:

- Windows Vista Enterprise Edition
- Microsoft Office Professional Plus 2007
- Microsoft Core Client Access License (CAL) Suite

The enterprise products included in the Enterprise Desktop are:

- Windows Vista Enterprise Edition
- Microsoft Office Enterprise 2007
- Microsoft Enterprise CAL Suite

Microsoft also offers a Component EA that customers can use to license one or two of the three components listed above. New customers who enroll in a Component EA receive a 15 percent discount off of the price they would have paid when licensing through a Select Agreement.

New customers who enroll in the Full Professional or Enterprise Platform (the Windows Vista Enterprise Edition operating system upgrade, Office Professional Plus 2007

### Tip...

Subscribing to software license coverage through the Enterprise Agreement Subscription potentially can provide financial benefits, because it can be treated as an operational expenditure, which may provide tax savings.

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and/or Office Enterprise 2007, and Core CAL Suite or Enterprise CAL Suite) receive an additional approximately 15 percent platform discount on top of their already discounted enterprise software product for eligible organizations.

## **ADDITIONAL PRODUCTS**

A broad selection of software titles is available as additional products. They provide the same License and Software Assurance coverage as enterprise products, but do not require an enterprisewide commitment. For products licensed at signing, payments can be spread throughout three years in the same way that enterprise product payments are annualized.

Spreading the cost of software licenses throughout three years can help organizations to refocus critical IT budget and provide predictability for budgeting purposes. Also, additional products included at signing have corresponding pricing for using the True Up ordering process, which provides for consolidated annual ordering.

Examples of software products available as additional products include Office Visio, Office Project, Windows Server, and Exchange Server. A complete list of additional products is available on the Microsoft Product List at <http://www.microsoftvolumelicensing.com/userights/PL.aspx>.

## **AGREEMENT STRUCTURE AND DETAILS**

The structure of the Enterprise Agreement consists of three components: the Enterprise Agreement, a Microsoft Business and Services Agreement (MBSA), and an Enterprise Agreement enrollment.

1. The Enterprise Agreement defines the terms for enterprise and additional product license acquisitions, subsequent orders, True Ups, and perpetual use rights.
2. A Microsoft Business and Services Agreement are required. This is a master agreement that defines contract terms common to Microsoft licensing, service, and support agreements. The MBSA, meanwhile, needs to be signed only once with or prior to the Select Agreement.

The Enterprise Agreement enrollment establishes the basic information that your organization can use to buy product licenses under the Enterprise Agreement. It defines purchase details like the term of the licensing arrangement, products, subsidiaries, language options, and Enterprise Software Advisor (or Large Account Reseller, where applicable).

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The purpose of this agreement structure is to provide greater flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent, yet consolidated under one master program.

## TERMS

Each Enterprise Agreement enrollment has a three-year term providing you with a defined amount of time that the terms and prices of your purchasing relationship with Microsoft remain consistent for all products covered in the initial order. This gives you the ability to plan and budget for software license purchases up to three years in advance, reducing annual budget restrictions and easing fiscal year spending challenges. Each enrollment has the option for either a one- or three-year renewal term.

## ANNUAL PRICE PER DESKTOP PC

The annual price per desktop PC feature of the Enterprise Agreement provides a predictable budgeting framework that you can use to forecast desktop PC technology costs up to three years in advance. A payment (based on the pre-established price per desktop PC and initial order) is due each year at the anniversary date of your Enterprise Agreement enrollment. Because you pay for your software licenses once annually, the costs normally associated with software license acquisition are reduced.

In most cases, the number of software license purchase orders made annually is reduced from hundreds to two or three total. The predetermined price paid for software licenses covered in your initial order protects you from unanticipated price increases, making it easier to stay within your software budget.

## TRUE UP

During the time you are enrolled in the Enterprise Agreement, it is likely that your business will grow and you will add desktop PCs. When you add desktop PCs, they immediately get the same license coverage as the desktop PCs enrolled at the beginning of the enrollment term. You just report added desktop PCs through an annual process called a "True Up" order.

True Up orders consolidate orders for additional software licenses deployed during the year under one order annually (including the third year before any renewal).

Customers have the additional option of truing up multiple times throughout the year as an added benefit in managing costs.

This feature is in addition to the annual True Up required each year. The annual True Up feature helps reduce time and expense by consolidating the report of multiple additional software use under one purchase order. If there are no desktop PCs added

# Microsoft Volume Licensing Reference Guide

during the year, an update statement is reported to alert Microsoft not to expect a True Up order.

## STEP UP

With an EA, it is possible to migrate from Standard Edition software products to Professional or Enterprise Edition software products while maintaining Software Assurance coverage on a given product. The Step Up License is available to make it easier to upgrade to a later product edition without incurring the full cost of licensing two separate editions of software products.

## Additional Features

Many other valuable features in the EA include:

- Commitment on Use Rights provide EA customers the security of knowing exactly what the use rights are for the enterprise products they license under their EA enrollment.
- Training and Evaluation Licenses offer 20 complimentary copies per software title for use in a dedicated training facility, and 10 complimentary copies per software title for a 60-day evaluation.
- Downgrade Rights provide businesses with version standardization considerations and the flexibility necessary to purchase a license for the latest software version available, but run a previous version.
- Re-Imaging Rights allow the use of certain software media for re-imaging to provide added convenience during product rollout.

For further details, please reference the Enterprise Agreement Program Guide at <http://www.microsoft.com/licensing/programs/ent/default.mspx>.

## How to Determine Pricing Levels

The total quantity of initial qualified desktop PCs when you enroll in the EA determines the price level of your enterprise products and any additional products that you license under the corresponding product pool.

As part of your enrollment, you are responsible for reporting the number of qualified desktop PCs in your organization. This number is the quantity you indicate on the initial order at signing, along with any additional desktop PCs added throughout the term of your enrollment, which would be covered by submitting the annual True Up order. (For an explanation of True Up, see the preceding section.)

# Microsoft Volume Licensing Reference Guide

Qualified desktop PCs are the personal desktop computers, portable computers, workstations, and similar devices that are used by or for the benefit of an enrolled affiliate (including affiliates in the enterprise) and meet the minimum requirements for running any of the enterprise products included in your agreement.

The user count may be different than the quantity of desktop PCs, but the price level is determined by the desktop PC count. For example, a customer may have 500 desktop PCs and 400 users. The price level would be A for both, but the product order would indicate 500 for the Windows or Microsoft Office product, and 400 users for the User CAL purchases.

Customers who sign an Enterprise Agreement enrollment are referred to as an "Enrolled Affiliate." An enrollment is a standard option giving global companies greater flexibility in defining their enterprise. Each enterprise must consist of entire legal entities, not partial entities such as departments, divisions, or business units. Each affiliate must be entirely "in" or entirely "out."

Qualified desktop PCs do not include any computers dedicated to run only line-of-business (LOB) software or any system running an embedded operating system (such as Windows 9.X embedded or Windows XP embedded).

Price Level	Point Minimums for a Three-year Forecast per Pool
A	250–2,399
B	2,400–5,999
C	6,000–14,999
D	15,000+

For commercial business pricing, there are four price levels for each of the enterprise products (both desktop- and user-based pricing).

## Software Assurance

The EA includes Software Assurance, an enhanced maintenance offering that provides valuable benefits such as training, deployment planning, software upgrades, and product support.

Here are the Software Assurance benefits throughout each phase of software management:

# Microsoft Volume Licensing Reference Guide

Stage	Benefits
<b>Plan</b>	New version rights Spread payments
<b>Deploy</b>	Packaged Services: Information Work Solution Services Windows Preinstallation Environment
<b>Use</b>	Training Vouchers E-Learning Home Use Program Windows Vista Enterprise Edition Microsoft Virtual PC Express Employee Purchase Program
<b>Maintain</b>	24x7 Problem Resolution Support Unlimited Web Support TechNet Plus Subscription with two support calls/year "Cold" Backups for Disaster Recovery Corporate Error Reporting
<b>Transition</b>	Extended Lifecycle Hotfix Support

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.mspx>.

## Managing Enterprise Agreements

### MICROSOFT VOLUME LICENSE SERVICES

The online Microsoft Volume License Services (MVLS) tool makes managing your licenses easier. MVLS is a password-protected Web site for viewing your license agreements and purchases, acquiring Volume License Keys (VLKs), downloading licensed products, activating and using your Software Assurance benefits, and managing access rights for internal staff and Software Assurance administrators. For more information, visit <http://licensing.microsoft.com>.

When you enter into your Microsoft Volume Licensing agreement, the contact person you designate receives an invitation and directions for accessing the tool.

## Comparing Volume Licensing Programs

For an overview of the Volume Licensing programs available to commercial businesses, view the following comparison chart.

# Microsoft Volume Licensing Reference Guide

	Open License	Open Value	Open Value Subscription	Select License	Enterprise Agreement	Enterprise Subscription Agreement
<b>Number of desktop PCs</b>	5 or more	5–250		Any; 150+ desktop PCs recommended	250 or more	
<b>Licensing offerings</b>	License, License and Software Assurance, and Software Assurance for renewals or eligible OEM <sup>1</sup> and FPP <sup>2</sup> purchases	License and Software Assurance and Software Assurance renewals		License, License and Software Assurance, and Software Assurance for renewals or eligible OEM <sup>1</sup> and FPP <sup>2</sup> purchases	License and Software Assurance and Software Assurance renewals	
<b>Pricing</b>	Based on desktop PCs and License and Software Assurance orders			Based on product pools	Based on desktop PCs	
<b>Agreement term</b>	Two years, not renewable	Three years, renewable				
<b>Payment options</b>	Up-front payment	Annual payments or up-front		Annual payments		
<b>How to buy</b>	A broad reseller channel			Microsoft Authorized Large Account Resellers only	Direct relationship with Microsoft, supported by Authorized Enterprise Software Advisors	
<b>Product fulfillment</b>	Acquired separately	Provided with initial order; additional media must be obtained separately at a cost		Provided with initial order; updates are provided throughout the agreement term		
<b>Software Assurance</b>	Option to add	Included		Option to add	Included	
<b>Online Services<sup>3</sup></b>	Not offered	Offered				

<sup>1</sup> Original equipment manufacturer (OEM)

<sup>2</sup> Full packaged product (FPP)

<sup>3</sup> Online Services refer to applications hosted at Microsoft Data Centers with client bits that may or may not be installed locally. They are priced monthly and billed annually for the term of the agreement.

## Taking the Next Step

1. Microsoft License Advisor, <http://www.microsoft.com/licensing/mlahome.mspx>, can help you prepare your licensing plan. This online tool provides Volume Licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price (ERP) or recommended retail price (RRP) quote.



# Microsoft Volume Licensing Reference Guide

2. Volume Licensing experts, including Microsoft representatives and partners or an authorized reseller near you, can provide guidance and insight about how to acquire or renew Microsoft Volume Licenses.

## UNITED STATES AND CANADA

- Find a reseller online at <https://solutionfinder.microsoft.com>.
- Call toll-free, (800) 426-9400 in the United States or (877) 568-2495 in Canada.

## WORLDWIDE

- Find Volume Licensing contacts for your country or region at <http://www.microsoft.com/licensing/index/worldwide.aspx>.

3. Microsoft Volume Licensing Events offer an inside look at future Microsoft technology and an avenue for Volume Licensing customers to provide feedback on licensing strategies, design, pricing, tools, and industry trends. Learn how you can get involved at <http://www.microsoft.com/licensing/events.aspx>.

## More Resources

The Volume Licensing Recommendation Tool can help you determine which Volume Licensing program may be right for your company. You can find it at <http://www.microsoft.com/licensing/decisiontool>.

The program comparison chart makes it easier to compare the benefits and features of Microsoft Volume Licensing programs. It is located at [http://download.microsoft.com/download/7/a/a/7aa89a8b-bf4d-446b-a50c-c9b00024df33/Volume\\_Licensing\\_Programs\\_Chart.pdf](http://download.microsoft.com/download/7/a/a/7aa89a8b-bf4d-446b-a50c-c9b00024df33/Volume_Licensing_Programs_Chart.pdf).

# Microsoft Volume Licensing Reference Guide

## CHAPTER 3: CHOOSING A VOLUME LICENSING PROGRAM FOR YOUR GOVERNMENT ORGANIZATION

*These programs are for government organizations that want to acquire software licenses and achieve volume discounts.*

Microsoft Volume Licensing offers customized programs that can meet the needs of your government organization. Microsoft provides simple, flexible, and affordable licensing solutions that are tailored to your organization's size and purchasing preference so that you can acquire and manage your licenses with ease.

With Volume Licensing pricing, you can control spending and better serve citizens with solutions built on Microsoft technology. The eligibility requirements depend on your locale.

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In this chapter...

- Worldwide Government Licensing
- United States Government Licensing
- Comparing Volume Licensing Programs
- Tools and Services
- More Resources

### Tip...

To learn more about the agreement terms, products, and other program details, visit the Microsoft Volume Licensing Web site: <http://www.microsoft.com/licensing>.

### Worldwide Government Licensing

Eligible government organizations receive special pricing, equivalent to the Enterprise Agreement License price level (Level D, defined below) offered to commercial organizations. An eligible government entity is defined as follows:

- Meets the eligibility requirements in your region, and
- Your government, as an aggregated whole, is licensing 15,000 desktop PCs. Note that this requirement is per government entity, not per agreement, so the requirement can be met with multiple agreements totaling a minimum of 15,000 licenses.

To learn about eligibility for government organizations worldwide, contact your local Microsoft subsidiary and review the eligibility definitions for your region. You also can review the eligibility requirements at

<http://www.microsoft.com/licensing/programs/gov/default.msp>.

### United States Government Licensing

In the United States, offerings are available for state, local, regional, and federal government agencies.

# Microsoft Volume Licensing Reference Guide

## U.S. FEDERAL CIVILIAN AGENCIES

Microsoft offers preferred pricing to U.S. federal civilian agencies through various resellers and contracting vehicles, such as General Services Administration (GSA) Schedules and Microsoft Volume Licensing agreements.

It is likely that your agency has a Microsoft Volume Licensing agreement—such as a Microsoft Enterprise Agreement—in place with one of the Microsoft Authorized Government Resellers, and that you can buy software licenses directly from the designated reseller. You can find a list of authorized resellers at <http://www.microsoft.com/industry/government/federal/howtobuy/civilian.aspx>.

To learn more about programs for U.S. federal government departments and agencies, visit <http://www.microsoft.com/industry/government/federal/howtobuy/default.aspx>.

## STATE, LOCAL, AND REGIONAL ORGANIZATIONS

Most states in the United States have at least one active Microsoft Volume Licensing agreement. If you are purchasing Microsoft software licenses for a state or local government agency, you likely are eligible to use an existing agreement to acquire the licenses you need at the best possible prices.

With the variety of agreements offered by Microsoft Volume Licensing, you can tailor your choice to the size and purchasing preference of your organization. Below are your best options.

- **Microsoft Enterprise Agreement.** If your state has a Microsoft Enterprise Agreement, your agency can save up to 25 percent compared to other licensing programs. You only need 25 desktop PCs to qualify.
- **Microsoft Select License.** State-level Select License Agreements offer another discounted purchasing option for government agencies in many states. With Select License, you can choose from a wide range of Microsoft software products for your agency at volume discounts.

### Licensing Choices Save Canadian Province \$3.5 Million Over Three Years

To achieve self-sufficiency and maintain high-quality services for its citizens, the Government of New Brunswick (GNB), Canada, wanted to reduce IT costs and improve operational efficiency.

Toward that end, GNB evaluated the Microsoft Volume Licensing programs and decided that a Microsoft Enterprise Agreement would best serve its needs because it included predictable software license costs and Software Assurance benefits to help standardize technology across the organization.

Danny Keizer, Chief Information Officer, Government of New Brunswick, says: "We calculated that we spent approximately \$5.7 million on Microsoft software licenses for a three-year period; those same licenses would have cost \$7.8 million without a Volume Licensing agreement."

To read the full story, visit:

<http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=400000005>.

# Microsoft Volume Licensing Reference Guide

- **Microsoft Open License for Government.** The Open License for Government program provides simple and flexible pricing during a two-year period. It is a good option for government organizations that desire easy, one-time transactions for small quantities of software.

To learn about programs for state, local, and regional government agencies, visit <http://www.microsoft.com/industry/government/howtobuy/state/default.mspix>.

## Home Use Program for Government Employees

Many government employees are entitled to use Microsoft Office System software on their home computer as part of the Microsoft Home Use Program (HUP). The Home Use Program is a benefit of Microsoft Software Assurance, a comprehensive maintenance that includes access to the latest software upgrades, partner services, training, and IT tools.

## Choosing the Right Option

Microsoft Volume Licensing offers a variety of programs that can be tailored to the size and purchasing preference of your organization.

### SMALL TO MIDSIZE GOVERNMENT ORGANIZATIONS

For small to midsize government organizations with 5 to 249 desktop computers, two Microsoft Volume Licensing options are available that offer flexibility and are sized right for your organization's needs and procurement procedures: Open License for Government and Open Value for Government.

Volume Licensing Program	Description
Open License for Government	For small organizations that want an easy, one-time transaction process with the flexibility of acquiring licenses from a broad reseller channel.
Open Value for Government*	For small to midsize organizations that want to simplify license management, have more control over their IT investment, and better manage their software costs. Open Value includes Microsoft Software Assurance, an enhanced maintenance program with benefits such as downloads of new products, Windows Vista Enterprise operating system, software training, and Microsoft E-Learning.

\*Not available in the United Kingdom, United States, Canada, Denmark, and Japan. This may change without notice; contact your reseller to check current availability.

# Microsoft Volume Licensing Reference Guide

## MIDSIZE TO LARGE GOVERNMENT ORGANIZATIONS

For midsize to large government organizations with 250 or more desktop computers, Microsoft Volume Licensing offers programs that provide a cost-effective way to simplify license management and increase employee productivity.

<b>Volume Licensing Program</b>	<b>Description</b>
<b>Select License</b>	For government organizations that have mixed software product requirements and prefer to acquire the latest Microsoft technology through a pay-as-you-go licensing model.
<b>Enterprise Agreement</b>	For large organizations that want a cost-effective way to standardize their IT infrastructure and to simplify license management. Enterprise Agreement includes Software Assurance, with additional benefits such as software deployment planning and training.

# Microsoft Volume Licensing Reference Guide

## Comparing Volume Licensing Programs

For an overview of the Volume Licensing programs available to government organizations, view the following comparison chart.

	Open License	Open Value <sup>4</sup>	Open Value Subscription <sup>4</sup>	Select License	Enterprise Agreement	Enterprise Subscription Agreement
<b>Number of desktop PCs</b>	5 or more	5–250		Any; 150+ desktop PCs recommended	250 or more	
<b>Licensing offerings</b>	License, License and Software Assurance, and Software Assurance for renewals or eligible OEM <sup>1</sup> and FPP <sup>2</sup> purchases	License and Software Assurance and Software Assurance renewals		License, License and Software Assurance, and Software Assurance for renewals or eligible OEM <sup>1</sup> and FPP <sup>2</sup> purchases	License and Software Assurance and Software Assurance renewals	
<b>Pricing</b>	Based on desktop PCs and License and Software Assurance orders			Based on product pools	Based on desktop PCs	
<b>Agreement term</b>	Two years, not renewable	Three years, renewable				
<b>Payment options</b>	Up-front payment	Annual payments or up-front		Annual payments		
<b>How to buy</b>	A broad reseller channel			Microsoft Authorized Large Account Resellers only	Direct relationship with Microsoft, supported by Authorized Enterprise Software Advisors or indirectly through an LAR	
<b>Product fulfillment</b>	Acquired separately	Provided with initial order; additional media must be obtained separately at a cost		Provided with initial order; updates are provided throughout the agreement term		
<b>Software Assurance</b>	Option to add	Included		Option to add	Included	
<b>Online Services<sup>3</sup></b>	Not offered	Offered				

<sup>1</sup> Original equipment manufacturer (OEM)

<sup>2</sup> Full packaged product (FPP)

<sup>3</sup> Online Services refer to applications hosted at Microsoft Data Centers with client bits that may or may not be installed locally. They are priced monthly and billed annually for the term of the agreement.

<sup>4</sup> Not available in the United Kingdom, United States, Canada, Denmark, and Japan. This may change without notice; contact your reseller to check current availability.

# Microsoft Volume Licensing Reference Guide

## Software Assurance

Microsoft Software Assurance is a comprehensive maintenance offering that helps you get the most out of your software investment. It combines the latest software with problem resolution support, partner services, training, and IT tools that help customers deploy, manage, and migrate software. With Software Assurance, you can increase worker productivity, accelerate organizational performance, and quickly realize a return on your software investment.

You can choose Software Assurance at the time of purchase and begin using your benefits immediately for the term of your license agreement.

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

## Taking the Next Step

1. Microsoft License Advisor, <http://www.microsoft.com/licensing/mlahome.aspx>, can help you prepare your licensing plan. This online tool provides Volume Licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price or recommended retail price quote.
2. Volume Licensing experts, including Microsoft representatives and partners or an authorized reseller near you, can provide guidance and insight about how to acquire or renew Microsoft Volume Licenses.

### UNITED STATES AND CANADA

- Federal Customers: Find an Authorized Government Reseller online at <http://www.microsoft.com/industry/government/federal/howtobuy/civilian.aspx>.
- Department of Defense Customers: Visit the Enterprise Software Initiative (ESI) Web site to order DoD software licenses for Microsoft software.
- State and Local Customers: To locate the U.S. Microsoft account representative for your organization or to learn more about Microsoft products and solutions, call (800) 342-9224, extension 200.

# Microsoft Volume Licensing Reference Guide

## WORLDWIDE

- Organizations outside of the United States should contact the local Microsoft office at <http://www.microsoft.com/worldwide>.
3. Microsoft Volume Licensing Events offer an inside look at future Microsoft technology and an avenue for Volume Licensing customers to provide feedback on licensing strategies, design, pricing, tools, and industry trends. Learn how you can get involved at <http://www.microsoft.com/licensing/events.mspix>.

## More Resources

Use these resources to learn more about Microsoft Volume Licensing:

Learn about Microsoft programs for government organizations. Visit the Microsoft in Government Web site at <http://www.microsoft.com/government>.

Discover more about what Volume Licensing can do for your organization at <http://www.microsoft.com/licensing>.

Review a list of the products that are available under Microsoft Volume Licensing at <http://www.microsoft.com/licensing/userights>.



# Microsoft Volume Licensing Reference Guide

## CHAPTER 4: CHOOSING A VOLUME LICENSING PROGRAM FOR YOUR SCHOOL OR UNIVERSITY

*These programs are for educational institutions, such as schools, colleges, and universities that want to acquire five or more licenses.*

For educational institutions purchasing software in quantity and managing software across multiple computers, Volume Licensing programs are an effective way to reduce the total cost of software ownership.

Microsoft offers both “transactional” and “subscription” Volume Licensing programs for education customers.

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### In this chapter...

- Transactional Licensing
- Subscription Licensing
- How to Acquire Academic Discounts
- Tools and Services
- More Resources

### Transactional Licensing

With transactional Volume Licensing programs, customers acquire perpetual software licenses (meaning the institution owns the licenses) while eliminating the costs and packaging of retail software.

Microsoft has two transactional Volume Licensing programs for education customers: Microsoft Open License for Academic and Microsoft Select License for Academic.

#### OPEN LICENSE FOR ACADEMIC

Open License for Academic is a widely accessible and cost-effective way for education institutions of all sizes that want a simple transactional process to license Microsoft software, starting with as few as five licenses.

You simply determine the number of software licenses your institution wants to acquire and place the order with an Authorized Education Reseller (AER). After obtaining your licenses, you can order media from a Microsoft approved fulfillment source, eliminating bulky boxes and the associated expense. License confirmations are distributed electronically and posted on a secure site on the Internet.

This easy, user friendly licensing program includes benefits such as:

- **Flexibility.** Get exactly what your institution needs—as many or as few licenses as you want. This program also gives you an expansive choice of some of the best Microsoft software products. And you can begin with an order of only five licenses; then you can order as few as one license at a time at your convenience.

# Microsoft Volume Licensing Reference Guide

- **Availability.** With Open License for Academic, getting your preferred Microsoft software is as easy as finding an Authorized Education Reseller.
- **Compliance.** Quickly and easily view your license purchase history by using eOpen. Open License for Academic provides you with simple tools, so you always know exactly what licenses you currently own.

## SELECT LICENSE FOR ACADEMIC

Select License for Academic provides Volume Licensing for medium and large institutions, with approximately 250 or more PCs, that forecast their volume licensing needs during a three-year period. Enrolled institutions receive a volume price level for each pool of products selected (applications, systems, servers). Each product within Select License for Academic has a point value assigned that an institution can use to establish a discounted price level by meeting a minimum forecast of license acquisitions. Enrollees receive a complimentary CD kit subscription containing the products the agreement covers. Participating institutions may immediately reproduce and use these products based on the licenses acquired.

Enrollees can also add Software Assurance to individual license purchases, or select Software Assurance Membership (SAM) for an entire pool of products. Savings can also be passed on to students by enrolling in the Student Select program. Select License for Academic is available through an Authorized Education Large Account Reseller (LAR).

This extensive Volume Licensing program includes benefits such as:

- **Convenient licensing.** Select License for Academic uses a simple monthly transaction model that regularly confirms your new licenses, so you always know what you have.
- **Easy to understand and follow.** You can easily pay for and receive software licenses and the benefits of Software Assurance when it is convenient for you and your institution.
- **Software for training purposes.** Choose from a selection of Microsoft software—up to 20 copies—for evaluating and training your institution's staff and students.
- **Investment value.** With the benefits of Software Assurance, you can be current with Microsoft technology, receive product upgrades released during your agreement term, and participate in Microsoft E-Learning courses.

# Microsoft Volume Licensing Reference Guide

Select License for Academic also offers a student option. The Student Select program gives you the option of purchasing licenses and media for a limited selection of products and transferring them to your students. These orders are placed using a special Student Select Enrollment under the Academic Select License Agreement.

## Subscription Licensing

With subscription licensing programs, enrolled institutions have the right to run a selection of products, and any upgrades or downgrades of those products, for a designated term. For application, system, and Client Access License (CAL) products, even if the number of computers or users grows, enrollees remain fully licensed throughout their designated term, and only need to report increases on their computers or full-time equivalent (FTE) employees on their annual order.

Microsoft has two subscription licensing programs for education customers:

- The **Microsoft Campus Agreement** is for higher education institutions and offers the simplicity of counting people instead of computers.
- The **Microsoft School Agreement** is for K–12 schools and preschools and makes it easy to license all of a school's computers by counting them just once per year.

### Tip...

The December 2007 update of Campus Agreement and School Agreement included some important and beneficial enhancements based on customer feedback. You can learn more at: <http://www.microsoft.com/licensing/programs/education/campusandschool.aspx>.

Subscription licensing offers many benefits, including:

- **Easy compliance.** Because all of your computers and users are covered throughout the subscription term based on an annual count of your FTE employees (Campus Agreement) or PCs (School Agreement), it is easy to ensure that your institution is fully licensed for the products you selected.
- **Low administration.** Subscription licensing eliminates the need to track licenses for the selected products on every computer. This is especially helpful for managing software assets in a decentralized environment.
- **Simple budgeting and purchasing.** One annual payment covers all of the products you have selected for the year.
- **Current technology.** With subscription licensing, your licensed users can run the most current version of the software products included in the subscription.
- **Value.** By standardizing on a platform of products, you reduce your total cost of software ownership while increasing productivity and access to current technology. In addition, a Software Assurance Membership is included with

# Microsoft Volume Licensing Reference Guide

your licenses. This provides additional support resources, tools, and E-Learning courses.

- **Student Licensing.** It is easy to provide your students with the software they need. Through the Student Option, you may license your students for use of one or more of the available Campus Agreement or School Agreement application, system, or CAL products on a personally owned computer or an institution-owned computer designated for a student's exclusive use (a portable computer checked out to a student for the school year, for example).

## How to Acquire Academic Discounts

Microsoft Authorized Education Resellers are specially trained and authorized to sell academic edition software products and licenses to qualified educational users. To find an Authorized Education Reseller in the United States or Canada, please visit the AER Finder tool at

<http://www.microsoft.com/education/aerfind.aspx>. For educational institutions outside of North America, contact your local Microsoft office or visit your regional Microsoft Licensing Web site. Visit <http://www.microsoft.com/worldwide> to locate your regional Web site.

For an overview of the Volume Licensing programs available to educational institutions, view the following comparison chart.

### Long Eaton School Derbyshire, United Kingdom

To keep its "outstanding" rating from the Office for Standards in Education, Children's Services and Skills (OFSTED), Long Eaton School must maintain an exceptional standard of education for all of its 1,300 students.

To that end, the school keeps its technology current through its Microsoft School Agreement. Alan Richards, Network Manager, Long Eaton School, says: "With the Microsoft School Agreement, we don't have to go back to the governors to bid for more budget each time we want to implement an upgrade. All we do is download the latest version of the software we are licensed to use, and away we go."

For more information:

[http://www.microsoft.com/casestudies/casestudy.aspx?cases\\_tudyid=4000000162](http://www.microsoft.com/casestudies/casestudy.aspx?cases_tudyid=4000000162)

# Microsoft Volume Licensing Reference Guide

	<b>Campus Agreement</b>	<b>School Agreement</b>	<b>Open License for Academic</b>	<b>Select License for Academic</b>
<b>Customer profile</b>	Higher educational institutions looking for a simple, flexible subscription licensing agreement.	K–12 schools and districts and preschools looking for a simple, flexible subscription licensing agreement.	Academic institutions of any size that want easy, one-time transactions and the flexibility of acquiring licenses in small quantities.	Medium-to-large institutions with approximately 250+ computers and the ability to forecast license acquisitions.
<b>Available products</b>	View the current Microsoft Volume Licensing Product List at <a href="http://www.microsoft.com/licensing/userights">http://www.microsoft.com/licensing/userights</a>			
<b>Agreement term</b>	<p>The master Campus and School Agreement has no expiration date.</p> <p>Campus subscription enrollment designates a one- or three-year licensed period.</p> <p>Software orders are placed annually and as needed throughout the year.</p>	<p>The master Campus and School Agreement has no expiration date.</p> <p>School subscription enrollment designates a one- or three-year licensed period.</p> <p>Software orders are placed annually and as needed throughout the year.</p>	Two years from the time of initial order.	Three years with the option to renew for one or three additional years.
<b>Software Assurance benefits</b>	Software Assurance Membership included, which provides product updates and upgrades, Home Use Program, support resources and tools, E-Learning courses, and more.	Software Assurance Membership included, which provides product updates and upgrades, Home Use Program, support resources and tools, E-Learning courses, and more.	Include Software Assurance with license purchases and receive product upgrades released during the agreement term and E-Learning courses.	<p>Include Software Assurance with individual license purchases and receive product upgrades released during the agreement term and E-Learning courses.</p> <p>Include Software Assurance Membership on a product pool and receive additional benefits.</p>
<b>Student licensing</b>	Student Option licenses all students to use products on their personal computer.	Student Option licenses a specific number of students to use products on their personal computer.	Not currently available.	Student licenses available through Student Select.
<b>How to buy</b>	Through all Authorized Education Resellers.	Through all Authorized Education Resellers.	Through all Authorized Education Resellers.	Through Authorized Education Large Account Resellers.

# Microsoft Volume Licensing Reference Guide

## Software Assurance

Microsoft Software Assurance is a comprehensive maintenance offering that can help institutions gain control of their technology strategy, improve information technology staff skills, decrease support spending, and effectively plan for new software deployments.

Depending on the particular Volume Licensing program you choose and the products you license, Software Assurance can provide a variety of additional benefits, such as:

- New Version Rights
- Spread Payments
- Home Use Program
- E-Learning
- Windows Vista Enterprise
- Cold Back Up for Disaster Recovery

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

Software Assurance benefits can be managed at the Microsoft Volume License Service Center at <https://licensing.microsoft.com> (for Select License for Academic, Campus Agreement, or School Agreement customers) or <http://eOpen.microsoft.com> (for Open License for Academic customers). Information on how to access these sites and activate Software Assurance customers is sent to the person you designate when completing your licensing agreement.

### WORK AT HOME

Educational institutions that have acquired licenses through Microsoft Academic Volume Licensing programs may grant to their faculty and staff the right to use a second copy of a limited selection of products on either a home or portable computer for work-related purposes.

### Open License for Academic and Select License for Academic Work at Home Licenses

For each copy of Microsoft Office you license, the primary user of the computer on or from which the product is run may also run a second copy from either a laptop or desktop computer that he or she owns or leases. The software may be used only for work-related purposes and only during the term of the agreement (including any renewals).

# Microsoft Volume Licensing Reference Guide

## **Campus Agreement and School Agreement Work at Home Licenses**

Work at Home licenses for Campus Agreement and School Agreement customers are available for all application, system, and CAL products at no extra cost. These limited rights permit using licensed products on a personally owned computer for work-related purposes only. You can choose to extend these rights to your faculty and staff members only for licensed products for which you have institutional licenses through your Campus Agreement or School Agreement.

## **MSDN Academic Alliance Membership**

The Campus Agreement and School Agreement programs also provide one complimentary membership to the MSDN® Academic Alliance Developer or MSDN AA Designer program (for Campus Agreement customers) or the MSDN AA High School program (for School Agreement customers). MSDN AA gives students and faculty in the technology and design fields access to the latest Microsoft software they need for instruction and learning.

These complimentary memberships are not provided through the Open License for Academic or Select License for Academic programs. To enroll in an MSDN AA program, please visit <http://msdn.microsoft.com/academic>.

## **STUDENT LICENSING**

All the Microsoft academic licensing programs (except Open License for Academic) offer a way to pass savings on to students.

With the Select License for Academic program that offers Student Select, customers can purchase licenses and media for a limited selection of products and transfer them to students. These orders are placed using a special Student Select enrollment under the Select License or Academic Agreement.

Campus and School Agreements have a Student Option. With this option, students are licensed to use the selected products on a personally owned computer or an institution-owned computer designated for the student's exclusive use.

## **Taking the Next Step**

1. Microsoft License Advisor, <http://www.microsoft.com/licensing/mlahome.aspx>, can help you prepare your licensing plan. This online tool provides Volume Licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price or recommended retail price quote.

# Microsoft Volume Licensing Reference Guide

2. Volume Licensing experts, including Microsoft representatives and partners or an authorized reseller near you, can provide guidance and insight about how to acquire or renew Microsoft Volume Licenses.

## UNITED STATES AND CANADA

- Find an Authorized Education Reseller online at <http://www.microsoft.com/education/aerfind.aspx>.
- Call toll-free, (800) 426-9400 in the United States or (877) 568-2495 in Canada.

## WORLDWIDE

- For educational institutions outside of North America, contact your local Microsoft office, <http://www.microsoft.com/worldwide>, or visit your regional Microsoft Licensing Web site, <http://www.microsoft.com/licensing/index/worldwide.mspc>.

3. Microsoft Volume Licensing Events offer an inside look at future Microsoft technology and an avenue for Volume Licensing customers to provide feedback on licensing strategies, design, pricing, tools, and industry trends. Learn how you can get involved at <http://www.microsoft.com/licensing/events.mspc>.

## More Resources

A variety of Microsoft programs can help educators connect with each other, prepare students for tomorrow's careers, and increase access to technology and training for learners in classrooms, campuses, and the larger community: Here are just a few:

- **Fresh Start Program for Donated Computers.** Schools often receive donated personal computers that lack the appropriate documentation and CDs for the original Windows operating system. This program helps K–12 schools document that their donated computers are properly licensed.
- **Microsoft Faculty Connection.** A resource for technology news, customizable curriculum, free software downloads, and members-only community forums.
- **Microsoft Dynamics Academic Alliance.** Faculty members of the Microsoft Dynamics Academic Alliance receive classroom software, technical support from product experts, and access to training and education.



# Microsoft Volume Licensing Reference Guide

## CHAPTER 5: MICROSOFT VOLUME LICENSING PROGRAMS FOR SOFTWARE AND SERVICE PARTNERS

*These programs are for Independent Software Vendors and Services Providers that want to integrate Microsoft software into their solutions and/or services.*

Microsoft offers two licensing options for Independent Software Vendors and Services Providers who are interested in integrating Microsoft software products into their solutions or licensing these products to provide software services to their customers:

1. The Independent Software Vendor (ISV) Royalty Licensing Program
2. The Services Provider Licensing Agreement (SPLA) Program

Both of these programs offer enrollees significant benefits, including the tools for offering customized complete solutions, opportunities for cost reduction, and the means for extending sales options.

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### In this chapter...

- ISV Royalty Licensing Program
- Services Provider Licensing Agreement
- Comparing Volume Licensing Programs
- More Resources

#### What is an ISV?

ISVs are organizations that exclusively develop software or software solutions instead of being part of a computer system or being a hardware manufacturer; and at least 30 percent of the company's overall revenue comes from the sales of licenses of that solution.

#### What is a Services Provider?

Services Providers offer a variety of services to their customers, including:

Direct or indirect access to Microsoft licensed products, such as hosted Web sites or (LOB) applications.

Software services that interact with Microsoft licensed products where you, not the end customer, are the licensee.

Facilitating your customer's business, including business transactions with third parties, through software services that interact with Microsoft licensed products.

Access to and use of any application, Microsoft or otherwise, with the application running on a server and interacting with a Microsoft licensed product.

# Microsoft Volume Licensing Reference Guide

## ISV Royalty Licensing Program

The Microsoft ISV Royalty Licensing Program is a worldwide software licensing program for all solutions partner segments, including:

- ISVs
- Value-added resellers
- Value-added providers
- System builders
- System integrators
- Training providers
- Support providers

This program may be right for you if you develop software solutions and are interested in integrating Microsoft licensed products with your own value-added software business solutions.

The ISV Royalty Licensing Program offers you access to a wide range of Microsoft licensed products. The list of available products is updated quarterly and is available at <http://www.explore.ms>.

Products include:

- Microsoft BizTalk® Server
- Microsoft Dynamics CRM
- Microsoft SQL Server™
- Microsoft Exchange Server
- Microsoft Office Professional
- Microsoft Office SharePoint® Server
- Microsoft Office Visio

### Software Vendor Saves Up to 50 Percent on Costs with ISV Royalty Licensing Program

When Microsoft Dynamics CRM 3.0 was released in early 2006, K3 joined the Microsoft ISV Royalty Licensing Program to sell its embedded CRM solution. The program is for ISVs using Microsoft technology to create proprietary products for commercial distribution. It helps companies lower their costs and offer customers more choices at competitive prices. K3 has secured the required profit margins, while offering customers value and simplicity.

To read the full story, visit

[http://www.microsoft.com/casestudies/casestudy.aspx?cases\\_tudvid=4000000124](http://www.microsoft.com/casestudies/casestudy.aspx?cases_tudvid=4000000124).

# Microsoft Volume Licensing Reference Guide

## PROGRAM REQUIREMENTS

The following are the requirements your organization must meet to participate in the ISV Royalty Licensing Program:

- Develop a value-added solution using Microsoft licensed products and distribute the unified solution in a tangible media.
- Maintain “Certified” or “Gold” level membership in the Microsoft Partner Program **or** purchase five prepaid support incidents from Microsoft or a Gold Certified Support Partner.
- Commit to a minimum of U.S. \$15,000 in royalties during the three-year term of the agreement.
- Provide technical product support for the licensed products included in the unified solutions to your customers.
- Incorporate any applicable Microsoft license terms into the End Customer Agreement for the unified solution.
- Provide monthly reporting on software licenses distributed to your customers, even if there is no activity.

### Tip...

Microsoft LicenseWise for Volume Licensing is an online tool for helping you create new quotes for your customers licensing needs. You can find this tool at: <http://www.microsoft.com/licensing/licensewise/default.aspx?ref=1>.

Each Microsoft licensed product that the ISV Royalty Licensing Program offers has an associated set of license terms, also referred to as the use rights. The licenses that are available in the ISV Royalty Licensing Program are ISV License and ISV Run-time License.

- **ISV License.** With this default license type, you can integrate Microsoft licensed products as part of your unified solution. In this scenario, your customers use the underlying Microsoft licensed product with other applications as long as they are still licensed for your application.
- **ISV Run-time License.** Some licensed products are offered with additional restricted use rights. With an ISV Run-time License, the ISV customer can use these applications only with the unified solution with which it was acquired.

The products that are currently offered with run-time use rights are:

- Microsoft SQL Server
- Microsoft BizTalk Server
- Microsoft Speech Server

# Microsoft Volume Licensing Reference Guide

## PRICING AND INVOICING

To find out the royalty price you are charged for each Microsoft licensed product, you may obtain the price list through <http://www.explore.ms>. The royalties are determined by the price specified for that licensed product in the price list multiplied by the number of units distributed during the time period.

## DELIVERING YOUR SOLUTION

After Microsoft approves your ISV Royalty License and Distribution Agreement, you can begin distributing Microsoft licensed products as outlined in the agreement.

Delivery requirements include:

- Distribute Microsoft licensed products as part of a unified solution, not as stand-alone products.
- Do not lease or rent Microsoft licensed products without a separate agreement with Microsoft.
- Integrating Microsoft licensed products with your unified solution must include the entire product, not just a portion of the product.
- Certain features may not be used (for example, development tools), but the entire Microsoft licensed product must be integrated.
- The help files contained in the Microsoft licensed product may not be modified.
- You may not disable any features so that customers receive fully functional licensed products.

## ENROLLING IN THE ISV ROYALTY LICENSING PROGRAM

To participate in the ISV Royalty Licensing Program, follow these steps:

1. Meet one of the following two requirements:
  - Enroll in the Microsoft Partner Program as a Microsoft Certified or Gold Certified Partner.
  - Purchase a minimum of five technical product support incidents for the licensed products used in the unified solution, either from Microsoft or from a Gold Certified Support Partner.
2. Sign agreement:
  - Complete the Microsoft ISV Royalty License and Distribution Agreement.
  - Submit credit application.
3. Send documents to the Microsoft Operations Center.

# Microsoft Volume Licensing Reference Guide

## Services Provider License Agreement

### Tip...

While other Microsoft Volume Licensing programs—such as Enterprise Agreement, Select License, and Open License—do not allow commercial hosting of Microsoft licensed products, the SPLA does give you the right to license Microsoft products for commercial or hosting.

With the Services Provider License Agreement (SPLA), an organization can license Microsoft licensed products on a monthly subscription basis, during a three-year agreement term, and use these products to provide software services to its customers.

The SPLA may be right for you if you have one of the following business models and scenarios:

- You distribute Microsoft licensed products as part of a unified solution, not as stand-alone products.
- You do not lease or rent Microsoft licensed products without a separate agreement with Microsoft.
- You integrate Microsoft licensed products with your unified solution and include the entire product, not just a portion of the product.
- You insert help files contained in a Microsoft licensed product that may not be modified.
- You do not disable any features so that customers receive fully functional licensed products.

The SPLA has many program benefits, including:

**Flexible cost structure:** With the monthly use-based licensing payment structure, you pay only for what you authorized your customers to use the previous month. Plus, there are almost no start-up costs and no monthly commitment.

**Ability to deliver a customized service:** You have greater flexibility when licensing Microsoft products to your customers in a dedicated or shared hosting environment

**Worldwide distribution:** You can use Microsoft licensed products to sell your services to customers in any part of the world.

### SPLA Improves Cash Flow

SurfGold is a leading relationship management company based in Taiwan and Singapore. The software services offered to SurfGold customers run on Windows Server 2003, and a combination of Microsoft SQL Server 2000 and Microsoft SQL Server 2005.

The company normally purchased software licenses in advance of its business needs, but SurfGold decided to sign a Services Providers Licensing Agreement that would allow license purchases on a monthly basis. Through the SPLA, SurfGold can control how many licenses it needs at any time, and pays only for what is used in any month—freeing up cash flow and spurring business growth.

To read the full story, visit

[http://www.microsoft.com/casestudies/casestudy.aspx?cases\\_tudyid=4000000224](http://www.microsoft.com/casestudies/casestudy.aspx?cases_tudyid=4000000224).

# Microsoft Volume Licensing Reference Guide

**Data center outsourcing:** You may install Microsoft licensed products on servers under the day-to-day management and control of an outsourcing company.

**Wide selection of current product versions:** You have access to a wide range of Microsoft licensed products, including server and desktop PC applications.

**Customer demonstrations:** Demonstrate your software services to prospective customers as long as you comply with the Services Provider Use Rights (SPUR).

**Customer evaluations:** You may use the licensed products to provide software services to prospective customers on a trial basis for up to 60 days.

**Evaluation and testing of licensed products:** You may internally evaluate the Microsoft licensed products for up to 90 days before offering them to your customers as a service.

**Rental rights:** You may rent desktop PCs with certain Microsoft licensed products installed.

**Customer facility installations:** Install Microsoft licensed products on devices you own or lease and that are located on your customer's premises.

The Microsoft SPLA offers you access to a wide selection of Microsoft licensed products. The top SPLA-selling licensed products, ranging from IT solutions to office productivity, are:

- Microsoft Dynamics business software
- Microsoft Exchange Hosted Services
- Microsoft Exchange Server 2007
- Microsoft Forefront™ client security
- Microsoft Office System
- Microsoft Office SharePoint Server
- Microsoft SQL Server
- Microsoft System Center
- Windows Server 2003 operating system

## PROGRAM REQUIREMENTS

Your organization must meet the following requirements to participate in the SPLA program:

## Microsoft Volume Licensing Reference Guide

- Enroll in the Microsoft Partner Program as a Microsoft Certified Partner **or** a Registered Member enrolled in the Hosting Program.
- Comply with the Services Provider Use Rights (SPUR). The SPUR specifies use rights and conditions applicable to a customer's use of the licensed products.
- Comply with export requirements.
- Provide technical product support for the licensed products you deliver to your customers. Obtain a minimum of 10 pre-paid incidents.
- Unless you have a direct agreement with Microsoft, designate a licensed products reseller (SPLA reseller).
- Submit monthly reporting on software licenses that you authorized your customer to use, even if no activity.

Licenses acquired under the SPLA are monthly non-perpetual licenses that can be used during the term of the agreement.

The Microsoft licensed products included in the program are available for licensing through two models:

- Subscriber Access License (SAL)
- Per Processor License

# Microsoft Volume Licensing Reference Guide

## Comparing Volume Licensing Programs

Review the following comparison chart to select the right program for your business.

	ISV	SPLA
<b>Number of desktop PCs</b>	Any	
<b>Organization benefits</b>	Cost savings (typically licenses are at Select level D pricing); ISV is always cash positive with Microsoft licenses (reports after sale of unified solution).	SPLA offers you a pay-as-you-go model that benefits Services Providers in all sizes.
<b>Products included</b>	Wide selection of server products (except Windows operating system) and applications (except Microsoft Office).	Wide selection of Microsoft software products (application, system, server, and services) available on the product list.
<b>Licensing offerings</b>	Monthly reporting and payment of nonperpetual licenses is based on the use from the previous month. Annual option for Embedded Maintenance.	Monthly reporting and payment of nonperpetual licenses is based on the use from the previous month.
<b>Software maintenance options</b>	Direct only. End customers have annual option for Embedded Maintenance.	Offered through both direct model and reseller channel.
<b>Pricing</b>	ISVs order fulfillment media using Microsoft Order Entry Tool (MOET). Pricing is based on use rights; run-time license or ISV license. Upgrades only; driven by ISV application and not Microsoft application refreshes.	One price level in SPLA. SPLA is not version specific, so Services Providers always get the latest version. No other Software Assurance benefits are offered. Open License No Level.
<b>Agreement term</b>	Two years, renewable.	Three years, renewable.
<b>Payment options</b>	Monthly payments.	
<b>How to buy</b>	Direct only.	Authorized SPLA Resellers.
<b>Product fulfillment</b>	Media must be acquired separately from Microsoft Worldwide Fulfillment.	
<b>Software Assurance</b>	Option to add Embedded Maintenance at the time of purchase. Independent Software Vendors may distribute Embedded Maintenance when delivering unified solutions to customers.	Upgrade rights are included in the monthly subscription license. Services Providers may use the latest versions for the term of the agreement.
<b>Online Services<sup>1</sup></b>	Not offered.	Limited offerings.

<sup>1</sup>Online Services refer to applications hosted at Microsoft Data Centers with client bits that may or may not be installed locally. They are priced monthly and billed annually for the term of the agreement.



# Microsoft Volume Licensing Reference Guide

## Taking the Next Step

1. Ensure that your business meets the eligibility requirements for the appropriate licensing program (ISV Royalty Licensing Program or Services Provider License Agreement).
2. **For the ISV Royalty Licensing Program:** Complete the ISV Royalty License and Distribution Agreement and credit application form. To obtain these documents, contact your Partner Account Manager or local subsidiary, or send an e-mail message to [isvroy@microsoft.com](mailto:isvroy@microsoft.com). Submit the ISV Royalty License and Distribution Agreement and credit application form to the applicable Microsoft Operations Center.
3. **For the Services Provider License Agreement:** Sign a Services Provider License Agreement. If you have an indirect agreement or are new to the SPLA program, contact an SPLA reseller in your region to sign a Services Provider License Agreement. If you already have a direct agreement with Microsoft, contact your Microsoft Account Manager. Find a SPLA reseller at <http://www.microsoft.com/licensing/programs/spla/resellers.aspx>.

## More Resources

Get information about Microsoft Partner Program requirements, benefits, and resources at <https://www.microsoft.com/partner>.

Attend an SPLA Training through the Microsoft Partner Learning Center at <https://training.partner.microsoft.com/plc/register.aspx?publisher=3&courseid=1166>.

Check out the Services Provider Licensing Agreement Program at <https://www.microsoft.com/licensing/programs/spla>.

Learn more about the ISV Royalty Licensing Program at <http://www.microsoft.com/licensing/programs/isv/default.aspx>.

For more information, visit the Microsoft Volume Licensing site at <http://www.microsoft.com/licensing>.

## CHAPTER 6: USING PRODUCTS LICENSED THROUGH A MICROSOFT VOLUME LICENSING PROGRAM

*Software products licensed through a Microsoft Volume Licensing program are subject to Product Use Rights (PUR), which govern the use of the software.*

Microsoft does not sell its products to customers. Instead, customers purchase the right to use the product in a specific manner. This is called a product license. All product licenses come with agreements on how you may use the software.

When a product license is purchased through a Microsoft Volume Licensing program, the use is governed by the Product Use Rights document, together with the Microsoft Volume Licensing program agreement.

The PUR document contains the product-specific terms and conditions that govern how Microsoft products can be used in the Volume Licensing programs. It is the equivalent of the End User License Agreement (EULA), which earlier on in the document it states that the EULA is now the Software License Terms that you receive when acquiring a retail product. Much of the wording is common to both the EULA and the PUR. This document is updated quarterly. The PUR that is in effect as of the beginning of the licensed period for a particular product version applies to the use of that product version throughout the licensed period. The use rights for a particular product version lock when a product is first ordered. If a new version is released, use of the new version is governed by the most current PUR as of the time of that release.

### Product Licensing Models

Different products use different licensing models. A desktop PC program, such as Microsoft Office, will be licensed quite differently than a server product, such as Windows Server. There are nine licensing model categories. Each is listed below with a brief description of the associated licensing model.

#### **DESKTOP PC APPLICATIONS—PER-DEVICE LICENSE**

You must acquire a license for each device using the software (locally or remotely over a network). You may install any number of copies and any prior version on the device or on a network device to support that use. You may also install those copies on the host operating system or in a virtual hardware system.

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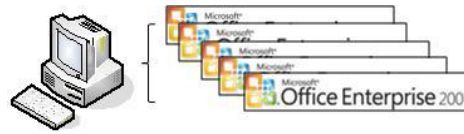
In this chapter...

- Product Licensing Models
- Resources and Tools
- Managing Your Licenses
- Product Activation

# Microsoft Volume Licensing Reference Guide

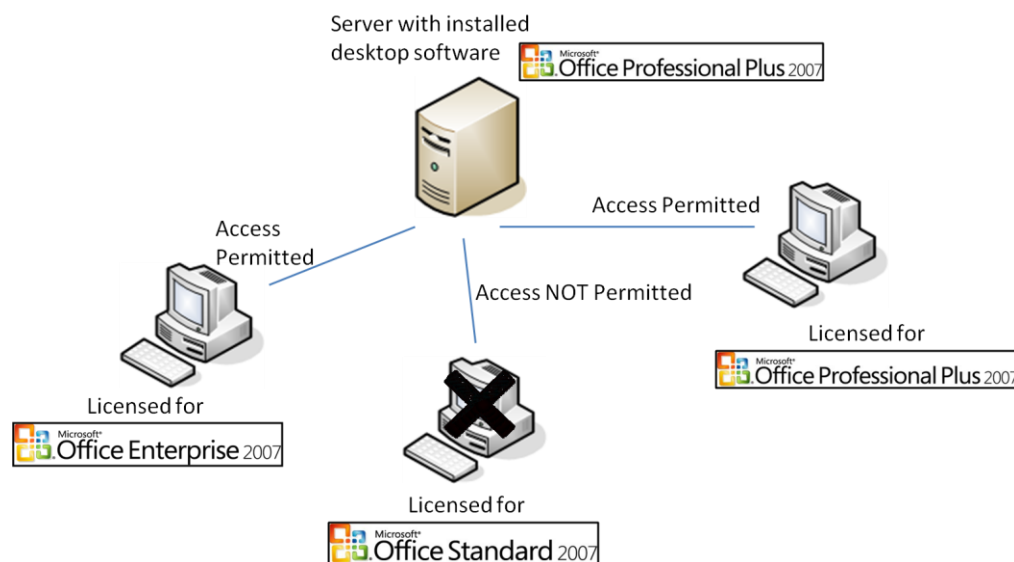
**Figure 1**

More than one copy can be installed on the licensed device. You may access copies of the software installed on a network device only from a device that has a license for the software.



**Figure 2**

The device you use to remotely access software must be licensed for the same or later edition, but not an earlier edition.



## DESKTOP PC OPERATING SYSTEMS—PER-COPY, PER-DEVICE LICENSE

You must acquire a license for each device on or from which you access or use the software (locally and remotely). You may install only one copy on the device. You may install that copy on the host operating system or in a virtual (or otherwise emulated) hardware system. In Volume Licensing, the desktop PC operating system license is an “upgrade license.” You may only acquire upgrade licenses for devices for which you have already licensed a “qualifying operating system.” A list of “qualifying operating systems” that qualify for an upgrade license is contained in the Product List, which can be found at <http://www.microsoftvolumelicensing.com/userights/PL/asp>.

If you acquire “Software Assurance,” you have the right to use “Windows Vista Enterprise Edition” on the device instead of Windows Vista Business. This also permits you to run up to four additional copies or instances on the device.

# Microsoft Volume Licensing Reference Guide

**Figure 3**

A device used for Windows Vista Enterprise may have Windows Vista Enterprise running in the physical operating system environment and a mix of Windows editions and versions running in four virtual operating system environments all on the same physical device.



## DEVELOPER TOOLS—PER-USER LICENSE

You must acquire a license for each user you permit to access or use the software. You may install any number of copies on any number of devices for access and use by one user to design, develop, test, and demonstrate programs. Only licensed users may access the software.

## ONLINE SERVICES—USER OR DEVICE SUBSCRIPTION LICENSE, SERVICES SUBSCRIPTION LICENSE, OR ADD-ON SUBSCRIPTION LICENSE

Online Services are subscription-based and provide access to software and services. Licensing under this model consists of one or more of the following:

- **User or Device Subscription License (USL or DSL).** For offerings that require these, USLs and DSLs are needed for each user or device that accesses the online service.
- **Services Subscription License (SSL).** For offerings that require these, this license applies to the entire organization's use of the online service. User, Device, or Add-on SLs may be required as well, depending on the service offering.
- **Add-On Subscription License (Add-on SL).** This license sometimes is used instead of or in addition to USLs, DSLs, and SSLs. Its purpose varies. For example, it can apply to a specified number of consumed units, such as gigabytes of storage, or it can apply to a single server accessed by external users. Add-on subscription licenses are not always required.

## SERVERS—OPERATING SYSTEMS—SERVER LICENSE + CAL + OPTIONAL EXTERNAL CONNECTOR

With most products, you must acquire a license for each running instance of the server software you run on a server. You may run that instance in a physical or virtual operating system environment. By exception to the licensing model, some products

# Microsoft Volume Licensing Reference Guide

provide broader use rights. For example, a Windows Server 2008 Enterprise license permits a running instance in up to four virtual operating system environments at a time on the licensed server. With some products, such as Windows Server 2008 Datacenter, you may run any number of instances at the same time as long as you license each physical processor on the licensed server.

## Figure 4

*This is the number of permitted running instances for each operating system license.*

Operating System	Permitted instances in physical and virtual operating system environments on a single server
Windows Server 2008 Standard	1* + 1
Windows Server 2008 Enterprise	1* + 4
Windows Server 2008 Datacenter	Unlimited (all processors must be licensed)
Windows Small Business Server 2003 R2	1* or 1
Windows Server 2003 for Small Business	1* or 1

\*If running the maximum allowed instances, the instance in the physical operating system environment may only be used to host the instances running in the virtual operating system environment.

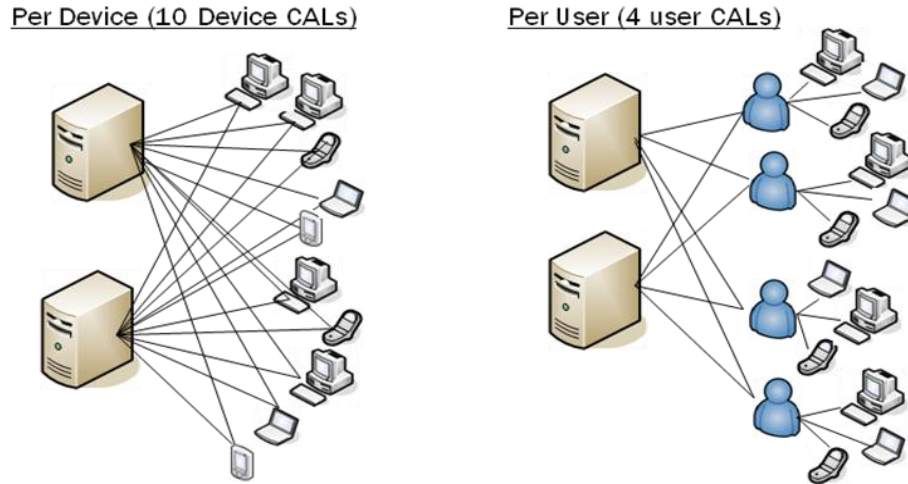
Except as outlined in these Product Use Rights, all server operating system products require a CAL for each user or device that accesses the server software. There are two types of CALs: Device CALs and User CALs.

- **Device CAL.** Licenses a device for use by any user to access instances of the server software.
- **User CAL.** Licenses one user to use any device to access instances of the server software.

CALs are version specific. They must be the same version or later than the server software being accessed. CALs permit access to servers licensed by the same entity. They do not permit access to another entity's licensed servers.

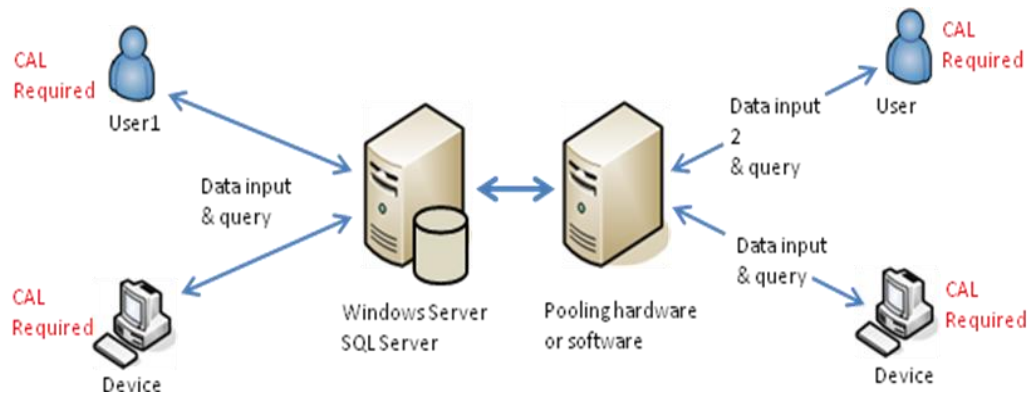
# Microsoft Volume Licensing Reference Guide

**Figure 5**  
Shows CAL assignment based on user or device.



You may deploy network architectures that use hardware or software to reduce the number of devices or users that directly access the software on a server. This is referred to as multiplexing or pooling. This does not reduce the number of CALs required to access or use the server software. A CAL is required for each device or user that is connected to the multiplexing or pooling software or hardware front end.

**Figure 6**  
*Multiplexing: Users and devices may indirectly access the Windows or SQL Server software as shown in the diagram below. Indirectly accessing the server software does not negate the requirement for a CAL.*



An External Connector (EC) license is an alternative to CALs for each server that external users access. External users are users who are not employees or onsite contractors. An EC license assigned to a server permits access by any number of external users, as long as that access is for the benefit of the licensee and not the

# Microsoft Volume Licensing Reference Guide

external user. Each physical server that external users access requires only one EC license regardless of the number of instances running. The right to run instances of the server software is licensed separately; the EC, like the CAL, simply permits access. EC licenses, like CALs, are version and functionality specific. They must be the same version or later than the server software being accessed. The decision on whether to acquire CALs or an EC is primarily a financial one.

## **SERVERS—MANAGEMENT SERVERS—SERVER LICENSE + MANAGEMENT LICENSE**

You must acquire a license for each instance of the management server software you run on a server. You may run that instance in a physical or virtual operating system environment.

Except as outlined in these Product Use Rights, all management server products require management licenses for each device managed by the server software. Two categories of management licenses exist: one for servers and one for non-servers.

### **A. Licenses required for managed servers.**

For each server operating system environment (OSE) on a device that you want to manage, you need a server management license (ML). If you have more than one OSE, then you need an equivalent number of MLs for that device. A single System Center Server Management Suite Enterprise license may be used to manage any number of OSEs on a server. Server MLs also permit managing non-server OSEs.

### **B. Licenses required for non-servers.**

For each non-server OSE on a device that you want to manage, you need a client ML. Two types of client MLs are OSE MLs and User MLs.

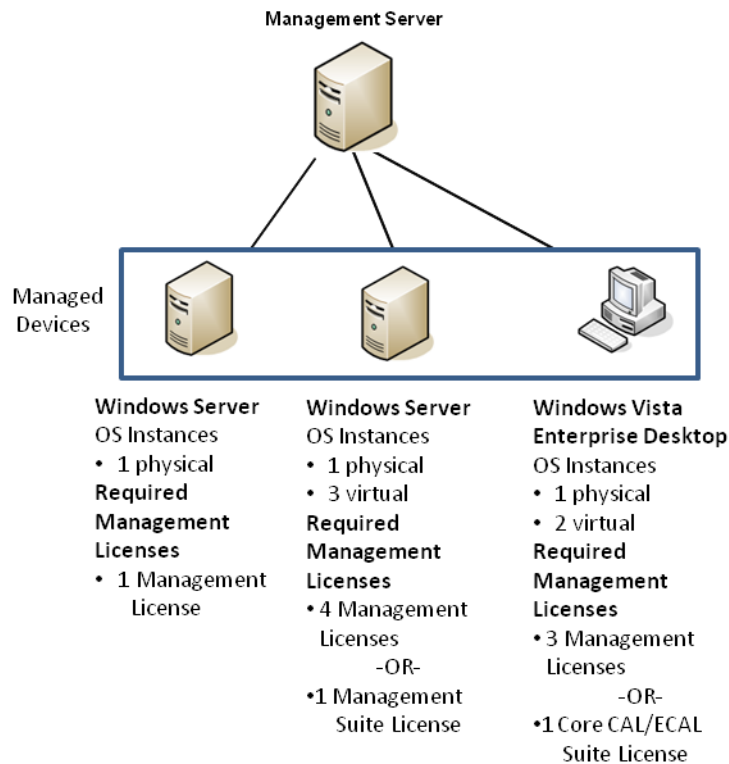
- **OSE MLs.** Like Server MLs, where the required number of MLs equals the number of OSEs, you need an OSE client ML for each non-server OSE you want to manage on a device. Your OSE client MLs permit your instances of the server software to manage an equivalent number of non-server OSEs used by any users of a device.
- **User MLs.** Alternatively, you may choose to use user client MLs. These MLs permit managing any non-server OSEs used by each user to whom a user client ML is assigned. If you have more than one user using an OSE, and you are not licensing by OSE, you must assign user client MLs to each of the users.

The Core CAL and the Enterprise CAL Suite licenses also permit managing any number of non-server OSEs on a device under one license (per device).

# Microsoft Volume Licensing Reference Guide

**Figure 6**

Each OSE on a device requires an ML to be managed by a management server product. In the case of server OSEs, another option is to acquire a Server Management Suite Enterprise ML, which allows for managing an unlimited number of OSEs on a device. In the case of non-server OSEs, other options are to license management by user or to license through the Core CAL or ECAL suites.



## SERVERS—SERVER/CAL—SERVER LICENSE + CAL + OPTIONAL EXTERNAL CONNECTOR

With most products, you must acquire a license for each instance of the server software you run on a server. You may run that instance in a physical or virtual operating system environment. By exception to the licensing model, some products provide broader use rights. For example, a Windows Server 2008 Enterprise license permits a running instance in up to four virtual operating system environments at a time on the licensed server. With some products, such as Windows Server 2008 Datacenter, you may run any number of instances at the same time as long as you license each physical processor on the licensed server.

Except as outlined in the Product Use Rights, all server/CAL products require a CAL for each user or device that accesses any instance of the server software. Two types of CALs are Device CALs and User CALs.



# Microsoft Volume Licensing Reference Guide

- **Device CAL.** Licenses a device for use by any user to access instances of the server software on licensed servers.
- **User CAL.** Licenses one user to use any device to access instances of the server software on licensed servers.

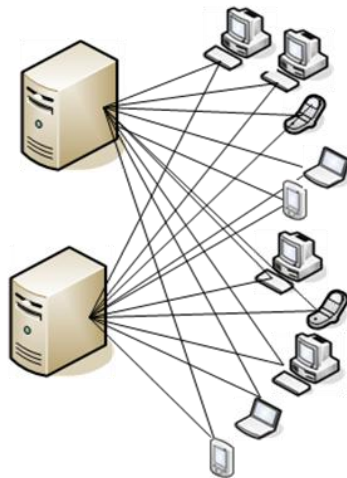
CALs are version and functionality specific. They must be the same version or later than the server software being accessed.

You may deploy network architectures that use hardware or software to reduce the number of devices or users that directly access the software on a server. This is referred to as multiplexing or pooling. This does not reduce the number of CALs required to access or use the server software. A CAL is required for each device or user that is connected to the multiplexing or pooling software or hardware front end.

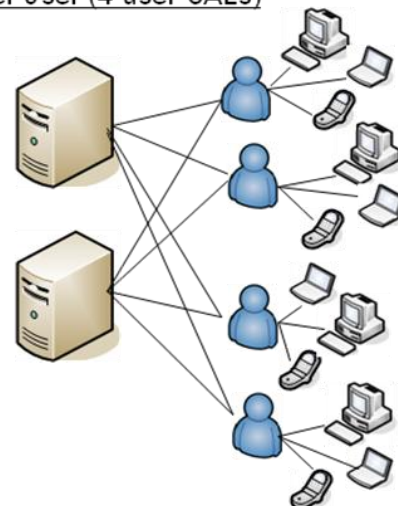
**Figure 7**

*Shows CAL assignment based on user or device.*

Per Device (10 Device CALs)



Per User (4 user CALs)



An External Connector license is an alternative to CALs for each server that external users can access. External users are users who are not employees or onsite contractors. An EC license assigned to a server permits access by any number of external users, as long as that access is for the benefit of the licensee and not the external user. Each physical server that external users access requires only one EC license regardless of the number of instances running. The right to run instances of the server software is licensed separately; the EC, like the CAL, simply permits access. EC licenses, like CALs, are version and functionality specific. They must be the same version or later than the server software being accessed. The decision about whether to acquire CALs or an EC is primarily a financial one.

# Microsoft Volume Licensing Reference Guide

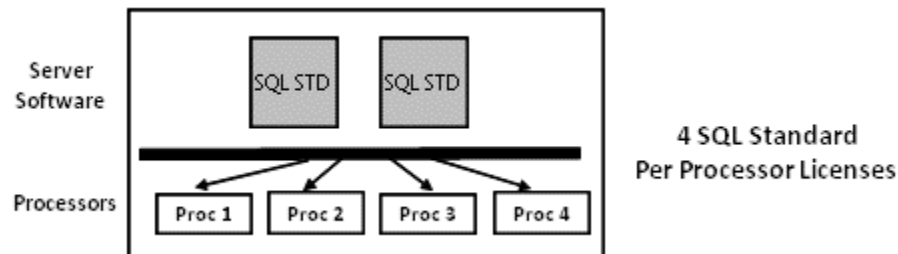
## SERVERS—PER-PROCESSOR—PER-PROCESSOR LICENSE

You must acquire a license for each processor on a server that the software uses. For software running in physical operating system environments, you must license each physical processor. For software running in virtual operating system environments, you need to license only the virtual processors the software uses. You do not need CALs or EC licenses because per-processor licensing allows any number of users to access the software from any number of devices.

You may run any number of instances in licensed physical or virtual operating system environments.

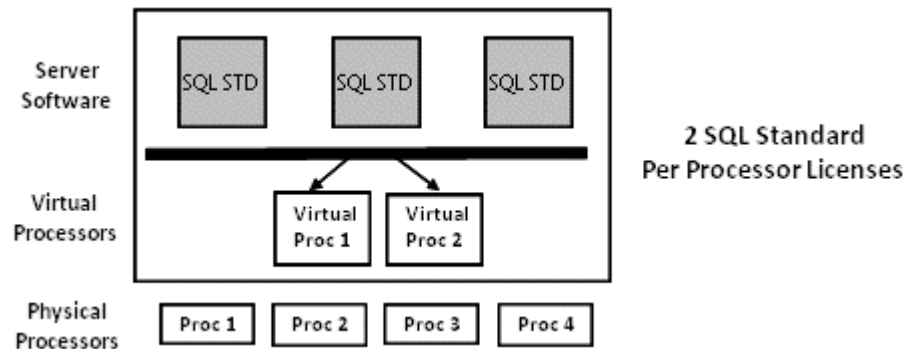
**Figure 8**

*Shows per processor—physical operating system environment.*



**Figure 9**

*Shows per processor—virtual operating system environments.*



## SERVERS—SPECIALTY SERVERS—SERVER LICENSE

You must acquire a license for each instance of the server software you run on a server. You may run that instance in a physical or virtual operating system environment. By exception, some products provide more specific use rights. Examples of specialty servers include Microsoft Office Groove<sup>®</sup> Server 2007 software, Windows Web Server 2008, and Dynamic CRM 4.0 Workgroup Server.

Find the most current Product Use Rights document at

<http://www.microsoftvolumelicensing.com/userights/PUR.aspx>.

# Microsoft Volume Licensing Reference Guide

## Resources and Tools

Microsoft provides a number of tools and resources to help customers keep up-to-date on product licensing, including:

### THE MICROSOFT PRODUCT LICENSING WEB SITE

This Web site has licensing terms, conditions, and supplemental information relevant to using products licensed through Microsoft Volume Licensing Programs, where you can find:

- **Microsoft Product List:** Produced every month to provide the most current information about Microsoft software and Online Services licensed through Microsoft Volume Licensing programs.
- **Microsoft Product Use Rights:** Produced quarterly and provides information about the use rights for products currently offered under Microsoft Volume Licensing programs.
- **Volume Licensing Support Documents:** Offers additional information, such as government qualifiers, qualified educational user definitions, language options, and currency tables.
- **Microsoft Technical Limitations:** Summarizes technical limitations included in some of our products, such as how many processors can use a specific server product at one time.
- **Worldwide Contact Information:** Helps customers get answers to product licensing questions.

You can find this Web site at <http://www.microsoftvolumelicensing.com>.

### MICROSOFT VOLUME LICENSING BRIEFS

This series of documents provide information on specific licensing topics, such as Multi-Lingual User Interface (MUI) Language Packs for Windows Vista, Downgrade Rights Chart, and Work at Home Licenses.

New topics are added regularly, and each document is available for download. You can find the licensing briefs at

<http://www.microsoft.com/licensing/resources/volbrief.aspx>.

# Microsoft Volume Licensing Reference Guide

## Managing Your Licenses

Microsoft provides a variety of online reporting services and tools that help track and manage your Microsoft software assets.

### **MICROSOFT VOLUME LICENSE SERVICES**

Microsoft Volume License Services (MVLS) is a password-protected Web site that lets you view your license agreements and purchases, acquire Volume License Keys (VLKs), download licensed products, activate and use your Software Assurance benefits, and manage access rights for internal staff and Software Assurance administrators.

With this online tool, you can manage your licenses for Open License Value, Select License, and Enterprise Agreements. From the MVLS site, you can:

- View license purchases and licenses purchased to date, including expired agreements.
- Acquire Volume License Keys and download software.
- Activate and use Microsoft software assurance benefits.
- Manage access rights for internal staff and software assurance administrators.

You can find Microsoft Volume Licensing Services at <https://licensing.microsoft.com/>.

### **MICROSOFT EOPEN**

With the eOpen Web site, you can create and retain personalized views of your Open License purchase history. You can review your license agreement and Product Use Rights, update your license contact information, and review Open License purchases made in more than 180 countries. You can also access your Volume License Keys so that you can install your software.

You can visit the eOpen Web site at <https://eopen.microsoft.com>.

### **MICROSOFT VOLUME LICENSING FULFILLMENT USER GUIDE**

This online resource helps you manage your library of Volume Licensing media. The site provides CD information on the Volume Licensing media that is available in the various Comprehensive and Subscription Kits and in the individual Volume Licensing Disk Kits.

Visit the Microsoft Volume Licensing Fulfillment Web site at <http://selectug.mslicense.com>.

# Microsoft Volume Licensing Reference Guide

## **ASSET MANAGEMENT**

With this site, you can implement a Software Asset Management plan that can help your organization get control of spending, save money, and stay ahead of the competition.

You can visit the Software Asset Management Web site at <http://www.microsoft.com/resources/sam/default.aspx>.

## Product Activation

To try to reduce software piracy and to make sure that all Microsoft customers receive the product quality that they expect, Microsoft is now including Product Activation technology in several Microsoft products that are sold through OEMs, retail, and Volume Licensing channels. For the Windows Vista operating system, Volume Licensing customers must use a new type of activation called Volume Activation 2.0. In the future, Volume Activation 2.0 technology will also be included in Windows Server 2008 and other Microsoft products. Volume Activation 1.0 (VA 1.0) is the first generation of VLKs. These keys bypass product activation.

You can find more details about this at <http://www.microsoft.com/licensing/resources/vol/default.aspx>.

# Microsoft Volume Licensing Reference Guide

## CHAPTER 7: MICROSOFT SOFTWARE ASSURANCE PROGRAM

Microsoft Software Assurance delivers an industry-leading comprehensive maintenance offering that helps you get the most out of your software investment.

With Software Assurance, you get access to the latest software updates and other important resources and tools that optimize key performance criteria for business production, the application platform, and core infrastructure, such as:

- Problem Resolution Support
- E-Learning and partner services
- Training vouchers
- IT tools to help feploy, manage, and migrate doftware

In this chapter...

- Benefit Eligibility
- Available Benefits
- More Resources and Next Steps

### Tip...

For every Windows Client license covered under Software Assurance, you are entitled to one Windows Vista Enterprise upgrade license.

You can choose Software Assurance at the time of purchase and begin using your benefits immediately for the term of your license agreement.

### Benefit Eligibility

Eligibility for individual Software Assurance benefits may vary depending on your Volume Licensing agreement type and/or geography.

For benefit eligibility information for commercial and government organizations, please visit <http://www.microsoft.com/licensing/sa/default.aspx>.

For benefit eligibility information for educational institutions, please visit <http://www.microsoft.com/education/softwareassurance.aspx>.

### Available Benefits

Note: Benefits are subject to change. Please refer to the Microsoft Volume Licensing Product List at <http://www.microsoft.com/licensing/userights> to verify the current benefits.

**New Version Rights.** Receive new versions of licensed software released during the term of your agreement.

# Microsoft Volume Licensing Reference Guide

**Spread Payments.** Reduce your initial costs by making payments annually instead of making one up-front payment.

**Desktop Deployment Planning Services.** Helps you lower the cost and complexity of deploying new software and can help you achieve the most cost-effective desktop PC environment with help from Microsoft Certified Partners or by Microsoft Consulting Services.

**Information Work Solution Services.** Helps you manage information and employees more effectively with a direct and focused approach for increasing the effect that individuals and teams organizations have on your organization.

**Windows Vista Enterprise.** Use this premium desktop PC operating system for medium-sized and large organizations. Available exclusively to Software Assurance customers, Windows Vista Enterprise delivers solutions for myriad challenges, from protecting sensitive data and improving legacy application compatibility to simplifying IT deployment and management.

**Windows Vista Ultimate.** Windows Vista Ultimate is a premium consumer operating system for home and small business users. Although designed for home and small business use, Microsoft offers Windows Vista Ultimate to Software Assurance customers as part of their agreement.

## Tip...

Through the Home Use program, for each Office Application license covered under Software Assurance, a user of the licensed device is entitled to one copy of the corresponding product for use at home.

**Training Vouchers.** Receive training vouchers for training on select courses from Microsoft Certified Partners for Learning Solutions (CPLSs).

**E-Learning.** Deliver Microsoft's E-Learning courses online or offline, including simulations, hands-on exercises, and learning assessments.

**Home Use Program.** Get your employees using Microsoft Office desktop PC programs for work or personal needs with the Home Use Program.

**Employee Purchase Program.** Offer your employees significant discounts off retail pricing on Microsoft's most popular productivity and consumer products.

## Boosting Productivity with Home Use Program, a Benefit of Software Assurance

CH2M HILL Corporation is one of the 100 best places to work, according to *Fortune Magazine*. And it is constantly looking for ways to enhance that reputation.

One important addition to its employee benefit program is its ability to offer employees the latest versions of Microsoft Office software—the same software they use on the job—for their home desktop PCs, for just the cost of materials, shipping, and handling.

CH2M HILL gets that benefit as part of the Microsoft Home Use Program included with its Microsoft Software Assurance for Volume Licensing benefits. Employees have saved some U.S. \$250,000 thanks to the Home Use Program, and their productivity is up—a typical employee reports a 10 percent increase. Meanwhile, calls to the help desk are down.

To read the full story, visit

<http://download.microsoft.com/download/6/5/1/6519291d-5fad-4666-9b4f-c9b943a09b1c/SACaseCH2MHILLHUP.doc>

# Microsoft Volume Licensing Reference Guide

**Enterprise Source Licensing Program.** Access Windows source code for internal development and support.

**24x7 Problem Resolution Support.** Select the right level of help with business-critical 24 hours a day, 7 days a week phone support for all Microsoft server products, Windows, and the Microsoft Office System.

**TechNet Software Assurance Subscription Services and TechNet Plus Direct.**

Provide your IT staff with fast and convenient online access to Online Concierge Chat, Managed Newsgroups, and additional IT resources they need to do their jobs.

**“Cold” Backups for Disaster Recovery.** Be eligible for complimentary “cold backup” server licenses for disaster recovery.

**Windows Fundamentals for Legacy PCs.** Available exclusively to Microsoft Software Assurance customers, this small-footprint Windows-based operating system solution is for customers who have legacy computers running early operating systems and who are not in a position to purchase new hardware.

**Extended Life-cycle Hotfix Support.** Receive a waiver for annual fees and required sign-up periods associated with Extended Hotfix Support Account (EHSA).

## Taking the Next Step

Your preferred Microsoft Volume Licensing reseller can help you acquire Software Assurance, which can be ordered through any Microsoft Volume Licensing program.

To find a Microsoft Volume Licensing reseller:

- In the United States, call (800) 426-9400 or visit <http://www.microsoft.com/products/info/render.aspx?view=22&type=mn&content=22/licensing>.
- In Canada, call the Microsoft Resource Centre at (877) 568-2495.
- Outside the United States or Canada, contact your local Microsoft subsidiary. To locate your local subsidiary, visit <http://www.microsoft.com/worldwide>.

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