Microsoft Dynamics AX 2012 R3
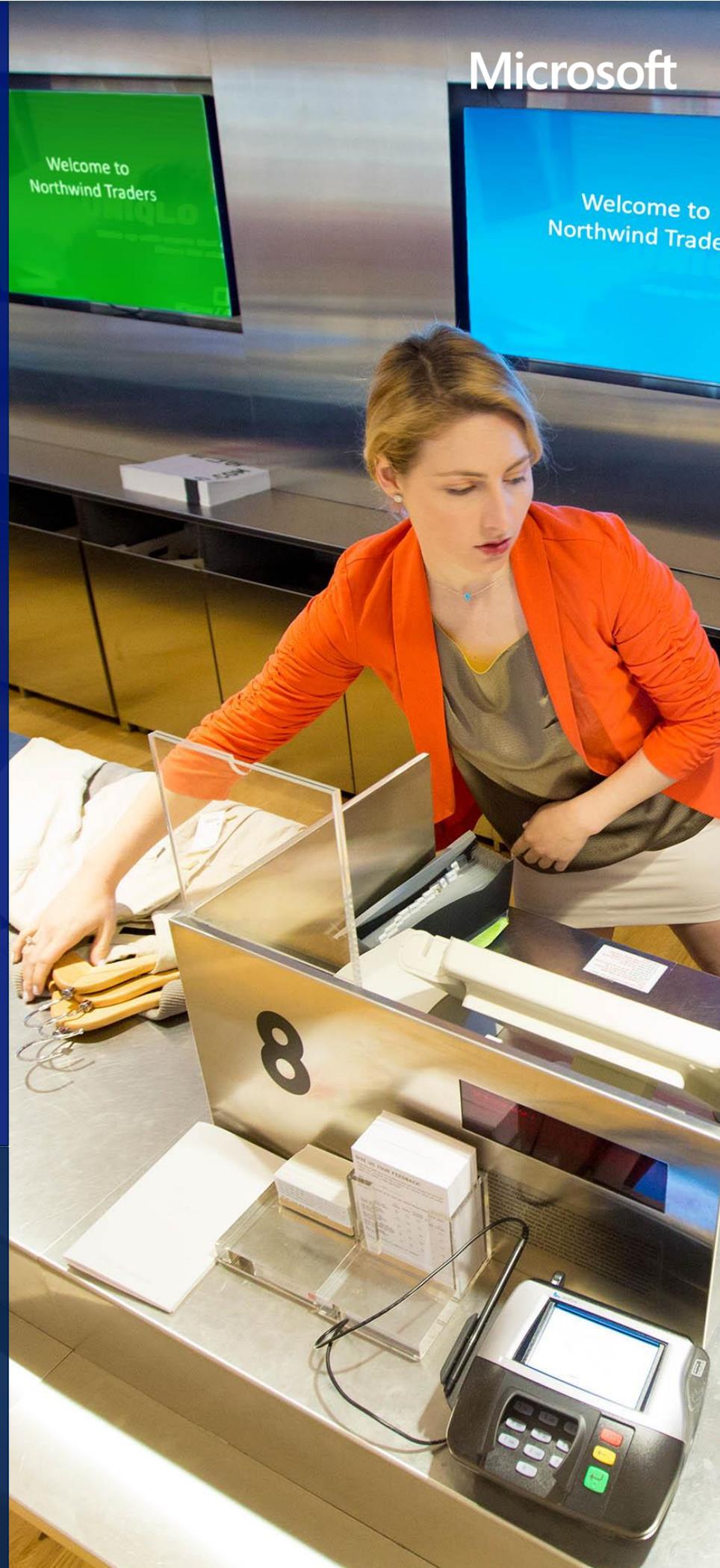
Retail and e-commerce Licensing Guide

Version 2
Updated February
Effective August 2014

Microsoft Dynamics AX

Using This Guide

Use this guide to improve your understanding of how to license Microsoft Dynamics AX 2012 R3 for Retail and e-commerce scenarios **effective August 1, 2014**. It is not intended to guide you in choosing Microsoft Dynamics products and services. The examples presented in this guide are illustrative. Microsoft Corporation reserves the right to review and/or update the existing version without previous notice.

In order to understand this document, is essential that you first read and understand the Microsoft Dynamics AX 2012 R3 Licensing Guide.

For help determining the right technology solution for any given organization, including the license requirements for a specific product or scenario, consult with your Microsoft Dynamics Certified Partner or your Microsoft account team.

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Contents

Licensing the Microsoft Dynamics AX 2012 R3 Solution

Microsoft Dynamics AX 2012 R3 introduces new capabilities for retail and e-commerce configurations. Below is a summary of some of these great improvements, additional product details can be found here.

- Modern Point of Sale (POS), assisted sales and centralized store management

- e-commerce and Social integration

- Omni-channel management

- Order management, processing and payment

- Merchandizing and catalog management

- Call Center

This new release provides the perfect opportunity to introduce a new and simplified pricing and licensing model specifically designed for retail and e-commerce configurations. We are providing guidance for three separate licensing configurations, recognizing that some customers may have a mix of these configurations.

- Traditional Store (Brick and Mortar stores)

- Mobile POS

- e-commerce

This brief focuses on the required licenses for such Retail and e-commerce specific configurations. In any of these scenarios, you must still be properly-licensed for the underlying Microsoft Dynamics AX 2012 R3.

For additional Microsoft Dynamics AX 2012 R3 licensing details, please refer to this link.

UPDATES IN THIS VERSION OF THE LICENSING GUIDE

This is a summary of the main updates to this document as part of the Microsoft Dynamics AX 2012 R3 launch.

- New SKU introduced for the Store Server for Brick and Mortar applications

- New Core licensing introduced (with new SKU) introduced for e-commerce applications

This is a summary of the main updates to V2 of this document.

- Retail Store Manager role updated

- Add Retail Realm Essentials

- Add new e-commerce examples
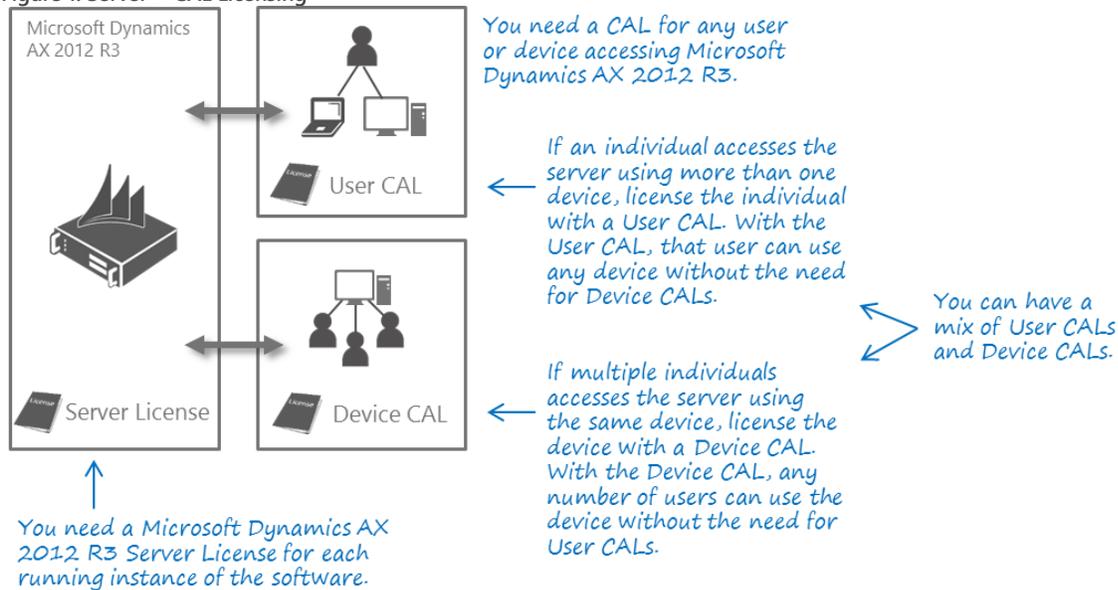
TYPES OF LICENSING MODELS

The Microsoft Dynamics AX 2012 R3 licensing utilizes the Server + Client Access License (CAL) model. This same model will be used for the Traditional Store and Mobile POS solutions. With the Microsoft Dynamics AX 2012 R3 e-commerce solution we will be introducing a Per Core licensing model.   Below are high level descriptions of these two licensing models.

Server + CAL Licensing Explanation

For the Microsoft Dynamics AX 2012 R3 solution you need to license Server plus CALs:

- Microsoft Dynamics AX 2012 R3 solution functionality is licensed through the Microsoft Dynamics AX 2012 R3 Server license. Each running instance of the Microsoft Dynamics AX 2012 R3 Server software requires a Server license.

- Direct or Indirect Access to the Microsoft Dynamics AX 2012 R3 solution functionality by users or devices is licensed through CALs. Every user or device accessing the solution functionality—whether directly or indirectly—must be covered by a CAL.

Figure 1: Server + CAL Licensing

Microsoft Dynamics AX 2012 R3

User CAL

Server License

Device CAL

You need a CAL for any user or device accessing Microsoft Dynamics AX 2012 R3.

If an individual accesses the server using more than one device, license the individual with a User CAL. With the User CAL, that user can use any device without the need for Device CALs.

You can have a mix of User CALs and Device CALs.

If multiple individuals accesses the server using the same device, license the device with a Device CAL. With the Device CAL, any number of users can use the device without the need for User CALs.

You need a Microsoft Dynamics AX 2012 R3 Server License for each running instance of the software.

Please note that this traditional Server/CAL model will be utilized for the Traditional Store and Mobile POS scenarios. See below for specific scenario descriptions.

Per Core Licensing Explanation

e-commerce Servers are licensed based on computing power, as measured by processing cores. Core-based licensing provides a more precise measure of computing power than processors and a more consistent licensing metric, regardless of whether solutions are deployed on physical servers on-premises, or in virtual or cloud environments.

Under the Per Core licensing model, each e-commerce Server must be assigned an appropriate number of Microsoft Dynamics AX 2012 R3 Standard Commerce Core licenses. The number of core licenses needed depends on whether you are licensing the physical server or individual virtual Operating System Environments (OSEs).

Note: Microsoft Dynamics AX 2012 R3 Standard Commerce Core licenses are sold in packs of two.

You have the following two options for licensing under the per core licensing model:

- **Individual Virtual Operating System Environment (OSE).** You can license based on individual virtual OSEs within the servers that are running the server software. If you choose this option, for each virtual OSE in which you run the server software, you need a number of licenses equal to the number of virtual cores in the virtual OSE, subject to a minimum requirement of four licenses per

virtual OSE. In addition, if any of these virtual cores is at any time mapped to more than one hardware thread, you need a license for each additional hardware thread mapped to that virtual core. Those licenses count toward the minimum requirement of four licenses per virtual OSE.

- **Physical Cores on a Server.** You can license based on all of the physical cores on the server. If you choose this option, the number of licenses (subject to a minimum requirement of four licenses) required equals the number of physical cores on the server multiplied by the applicable core factor located in the Core Factor Table.

For more information about this licensing model, refer to the "Introduction to Per Core Licensing and Basic Definitions" Volume Licensing Brief.

Retail Licensing Scenarios

The scenarios below help to illustrate of how to license Microsoft Dynamics AX 2012 R3 in three common retail scenarios: a Traditional Store, Mobile POS and e-commerce site. While we are providing guidance for three separate licensing configurations, we recognize that some customers may have a mix of these configurations.

Note that these illustrations are intended to provide a conceptual understand of the licensing policies. They do not serve as actual deployment diagrams. For instance, where a single server is shown to illustrate the need for Server licenses, an actual solution deployment will likely require multiple servers running instances of the software, and thus requiring additional licenses.

SCENARIO 1: TRADITIONAL STORE (BRICK AND MORTAR)

In this scenario, the Microsoft Dynamics AX 2012 R3 solution is being run on central servers at headquarters. Any servers running instances of the Microsoft Dynamics AX 2012 R3 software require one Server license per running instance.
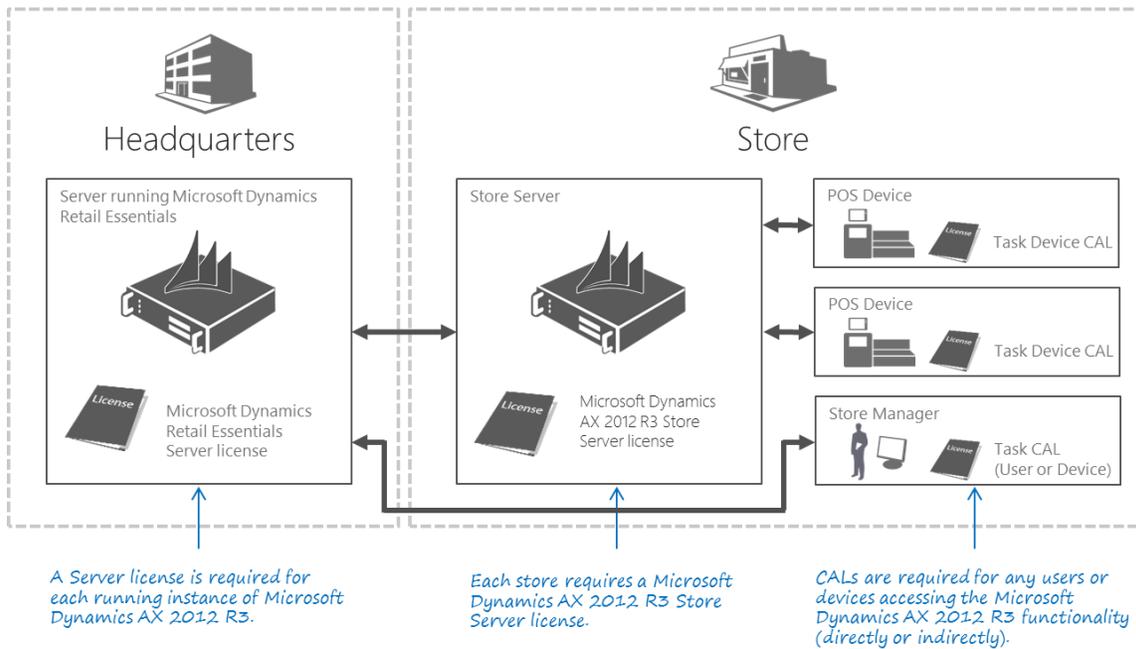
The Store Server enables the powerful point of service and clienteling experience possible with Microsoft Dynamics for Retail to be managed locally in-store across any device form factor – including tablets, kiosks, Microsoft Dynamics for Retail POS on Windows Mobile and more. These on-premises capabilities at each store enable your organization to take advantage of the devices and scenarios expected by today's empowered consumers. Each store location will need to license a Microsoft Dynamics AX 2012 R3 Store Server which provides access to the following Microsoft Dynamics AX 2012 R3 capabilities for up to 10 POS devices per retail location:

- Store database to provide local caching for offline use of data within the location

- Centralization of POS in the store

- Coordination of local store operations

- Retail Server capabilities within the retail location to be used along with Store Database

Store POS devices and employees accessing the Microsoft Dynamics AX 2012 R3 solution functionality require CALs as defined in the Microsoft Dynamics AX 2012 R3 Product Use Rights (PUR). Please note that both Microsoft and third Party POS Devices need to be licensed.

Please note that a Store Server is required for every Commerce Location or Store, which is defined as a physical location (static or itinerant) operated by you when closing goods or services transactions with customers.

Figure 2: Traditional Store Configuration

Headquarters

Store

Server running Microsoft Dynamics Retail Essentials

Store Server

POS Device

Task Device CAL

POS Device

Task Device CAL

Microsoft Dynamics Retail Essentials Server license

Microsoft Dynamics AX 2012 R3 Store Server license

Store Manager

Task CAL (User or Device)

A Server license is required for each running instance of Microsoft Dynamics AX 2012 R3.

Each store requires a Microsoft Dynamics AX 2012 R3 Store Server license.

CALs are required for any users or devices accessing the Microsoft Dynamics AX 2012 R3 functionality (directly or indirectly).
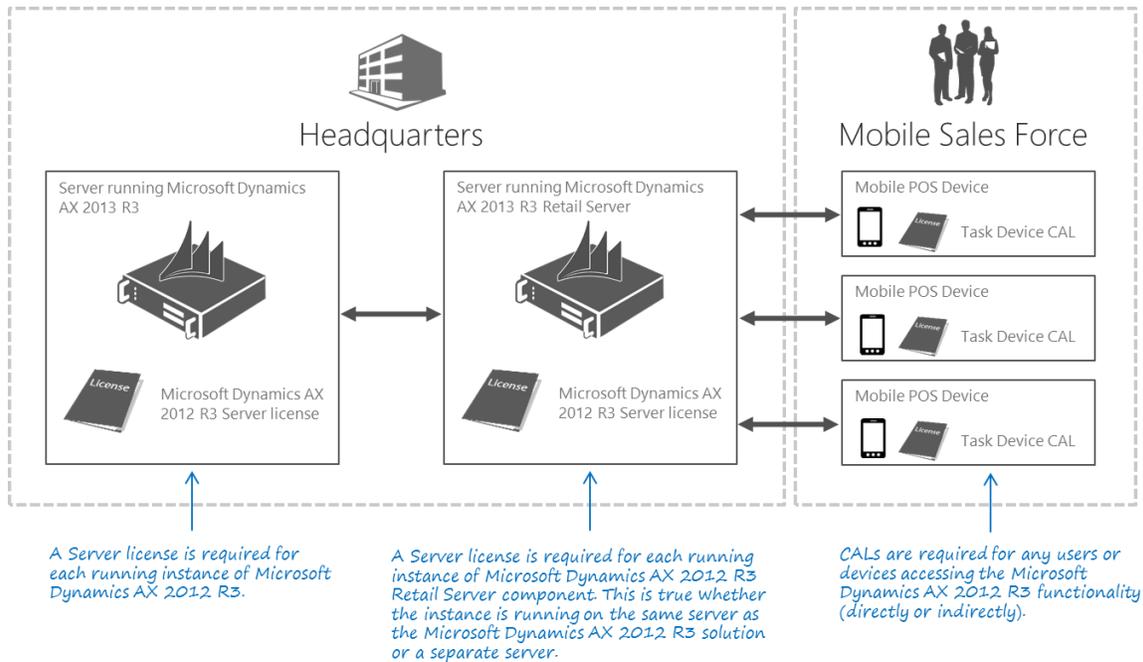
SCENARIO 2: MOBILE POS

In this scenario, a retail company has Mobile POS devices directly connect to the central Microsoft Dynamics AX 2012 R3 solution by licensing the Retail Server component. Regardless of whether the Retail Server component is running on the same server as the underlying Microsoft Dynamics AX 2012 R3 solution, or on a separate server, you need a Server License for each running instance for the Retail Server Software. As outlined above any servers running instance of the Microsoft Dynamics AX 2012 R3 software require one Server license per running instance. These users and devices require CALs to access the solution functional and should be licensed in accordance with the [Product Use Rights](#) (PUR). Please note that both Microsoft and third Party POS Devices need to be licensed.

The Retail Server enables the powerful point of service and clienteling experiences possible with Microsoft Dynamics for Retail to be managed centrally and run anywhere on any device. Hosted from an organization's headquarters, the Retail Server manages devices like tablets and kiosks as well as Microsoft Dynamics for Retail POS running on Windows as well as non-Windows platforms. This frees you to move outside the boundaries of physical store locations – allowing your organizations to offer the new shopping experiences critical in today's retail landscape. Each Retail Server license when hosted centrally, provides rights for up to 500 POS Devices.

Figure 3: Mobile POS

Headquarters

Mobile Sales Force

Server running Microsoft Dynamics AX 2013 R3

Microsoft Dynamics AX 2012 R3 Server license

Server running Microsoft Dynamics AX 2013 R3 Retail Server

Microsoft Dynamics AX 2012 R3 Server license

Mobile POS Device — Task Device CAL

Mobile POS Device — Task Device CAL

Mobile POS Device — Task Device CAL

A Server license is required for each running instance of Microsoft Dynamics AX 2012 R3.

A Server license is required for each running instance of Microsoft Dynamics AX 2012 R3 Retail Server component. This is true whether the instance is running on the same server as the Microsoft Dynamics AX 2012 R3 solution or a separate server.

CALs are required for any users or devices accessing the Microsoft Dynamics AX 2012 R3 functionality (directly or indirectly).

SCENARIO 3: E-COMMERCE

Microsoft Dynamics e-commerce is a joint solution between Microsoft SharePoint and Microsoft Dynamics delivering the industry's first e-commerce/web store front solution natively integrated to a single solution that manages all the critical execution and fulfillment processes including – omni-channel management for supply chain, catalog and merchandising, order fulfillment, shipping, payment, shopping cart and more. This solution can run as a standalone offer for your organization or be deployed as part of a complete end to end retail solution that also includes integrated POS, store management, ERP and more.

Microsoft Dynamics AX 2012 R3 Standard Commerce Core Server is an integral part of Microsoft Dynamics e-commerce solution and offers the following key benefits:

- Allows access to product data and shopping experiences for consumers directly

- Provides product, catalog, pricing and discounts information that could be made available on the website

- Provides commerce and checkout capabilities with shopping cart including shipping, taxation, pricing and other key capabilities

- Provides customer management, order history, loyalty, gift cards and wish lists

- Provides integration to Dynamics AX including orders, catalog and inventory data

Microsoft Dynamics AX 2012 R3 Standard Commerce Core Server can be leveraged in both of the following scenarios

- Integrated and out of the box Microsoft Dynamics e-commerce solution with Microsoft

SharePoint

- 3rd party e-commerce Content management system or online store to provide integrated experiences with Dynamics AX

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The Microsoft Dynamics AX 2012 R3 Standard Commerce Core Server should be licensed for all e-commerce scenarios. Each Microsoft Dynamics AX 2012 R3 Standard Commerce Core Server must be assigned an appropriate number of Microsoft Dynamics AX 2012 R3 Standard Commerce Core licenses as explained above.

Please note that the minimum of 4 core licenses is required per physical or virtual VM. These licenses include access to usage rights of the key benefits of Dynamics AX 2012 R3 Standard Commerce Core Server as explained above.

Store devices and employees accessing the Microsoft Dynamics AX 2012 R3 solution functionality require CALs as defined in the Microsoft Dynamics AX 2012 R3 Product Use Rights (PUR).

External users (customers) do not require CALs.

Figure 4: e-commerce
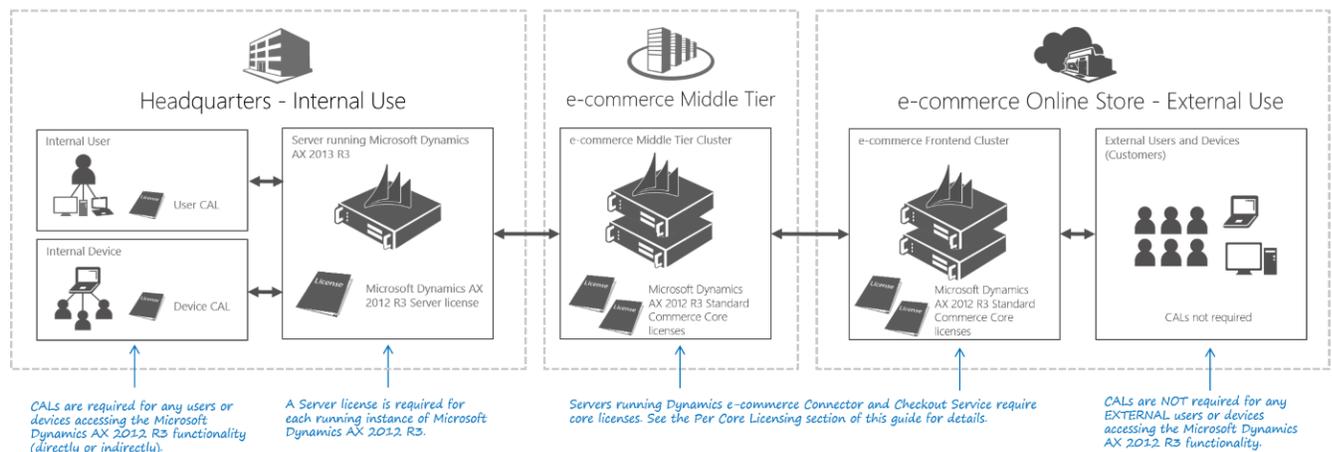
External user definition:

The customer or customer affiliates' employees, agents, or contractors require a CAL to access the Microsoft Dynamics AX 2012 solution. End customers (customers of the Microsoft Dynamics AX customer) do not require a CAL to access the Microsoft Dynamics AX 2012 solution to manage their accounts and orders. However, end customers may not use the software to manage any portions of their business. Notwithstanding the foregoing, CALs are required for access through Microsoft Dynamics AX 2012 clients.

Retail and e-commerce Examples

While we are providing the licensing for three separate configurations above, we recognize that some customers may have a mix of these configurations. Therefore, to provide additional guidance please find below some additional examples.
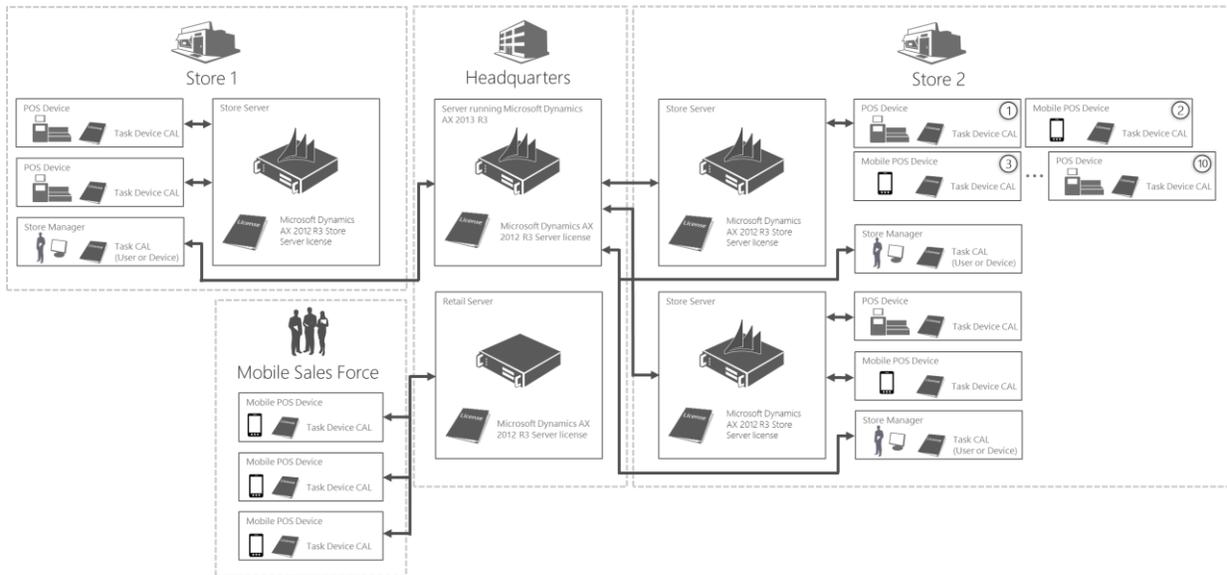
Store 1: This small store has two POS devices, each licensed with the Task Device CAL, and one Store Manager, licensed with a Task CAL. Since this is a physical store the Store Server license is required.

Store 2: This larger store needs two Store Servers since each Store Server supports up to 10 POS Devices per location and this store has a total of 12 POS Devices. Each Store Server supports a combination of POS and Mobile POS Devices since the Store Server includes Retail Server capabilities within the retail location. Each of the 12 POS Devices need a Task Device CAL and two Task CALs would be required for the Store Managers in this store.

Mobile Sales Force: All devices for the mobile sales force will be licensed with Task Device CALs. In addition, each running instance of Retail Server requires a Retail Server license (which is licensed with a Microsoft Dynamics AX 2012 R3 Server License).

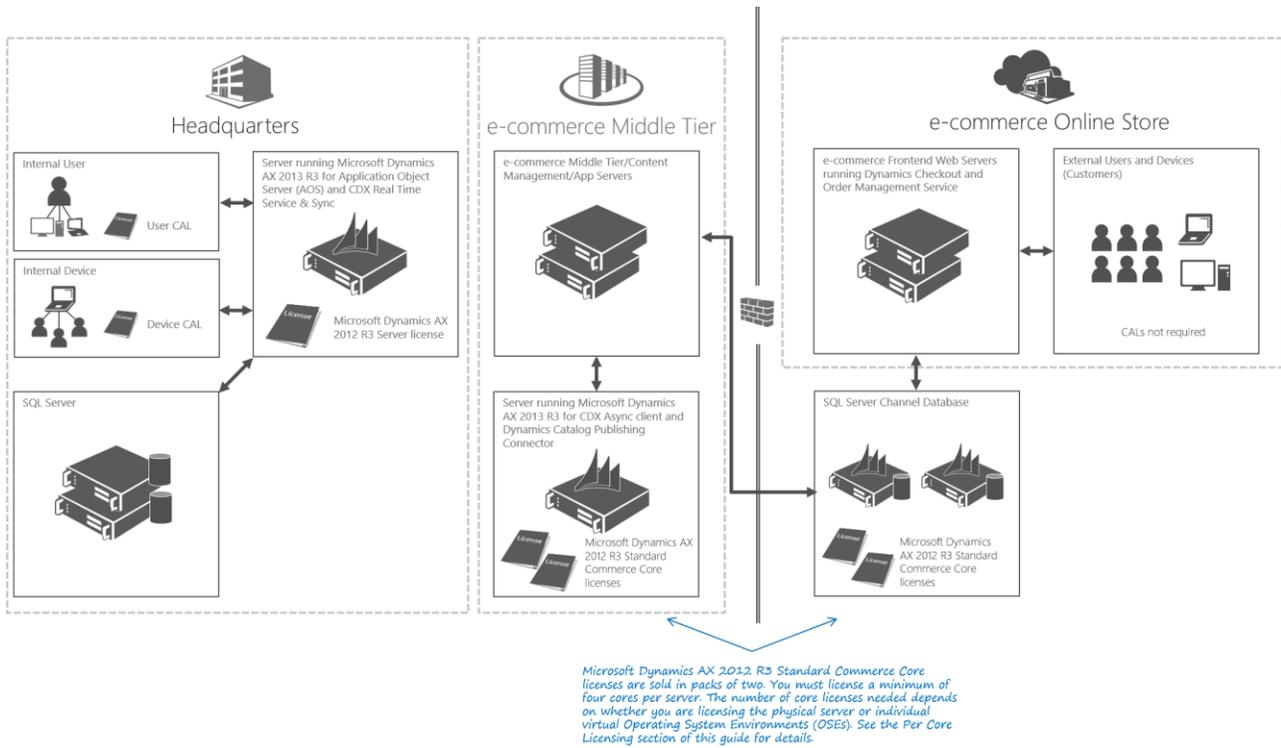**Figure 6: e-commerce with external or third party Content Management**

Microsoft Dynamics AX 2012 R3 Standard Commerce Core licenses are sold in packs of two. You must license a minimum of four cores per server. The number of core licenses needed depends on whether you are licensing the physical server or individual virtual Operating System Environments (OSEs). See the Per Core Licensing section of this guide for details.

Figure 7: e-commerce with external or third party Content Management

Microsoft Dynamics AX 2012 R3 Standard Commerce Core licenses are sold in packs of two. You must license a minimum of four cores per server. The number of core licenses needed depends on whether you are licensing the physical server or individual virtual Operating System Environments (OSEs). See the Per Core Licensing section of this guide for details.
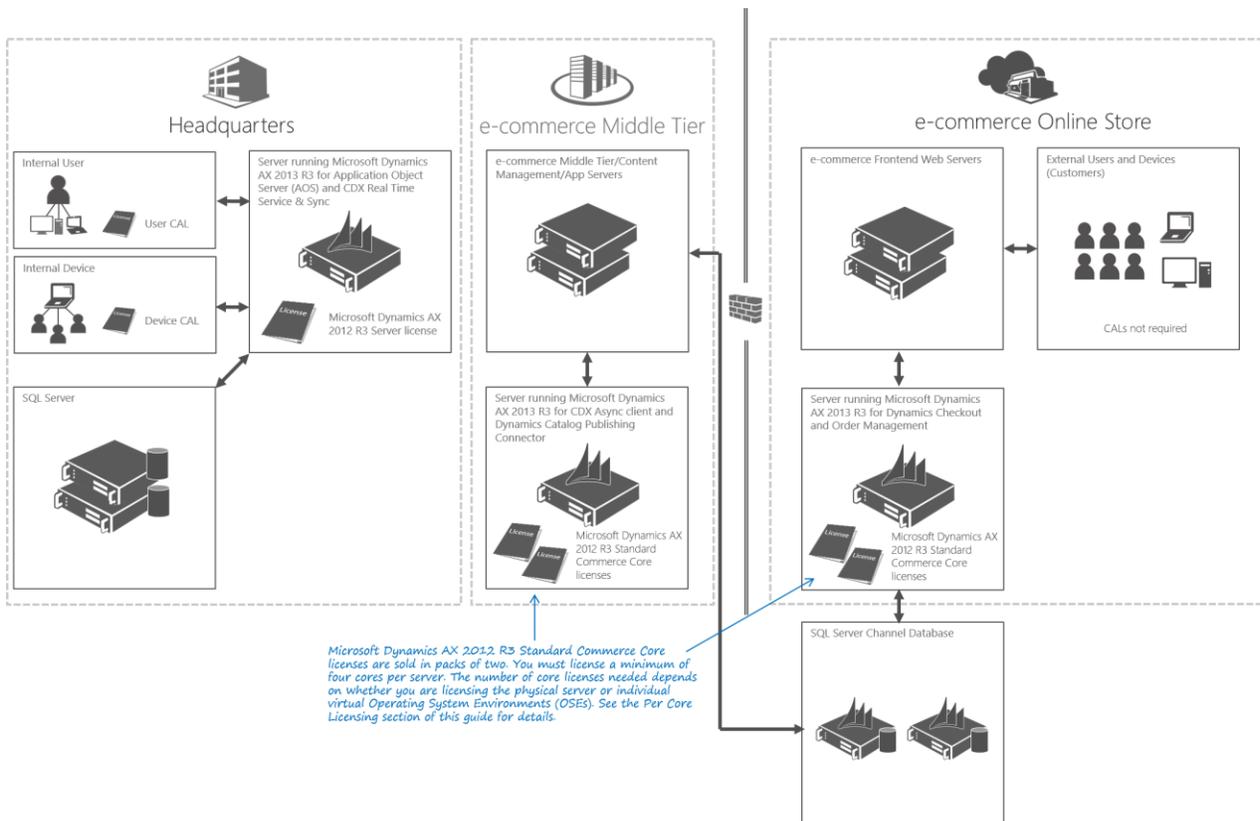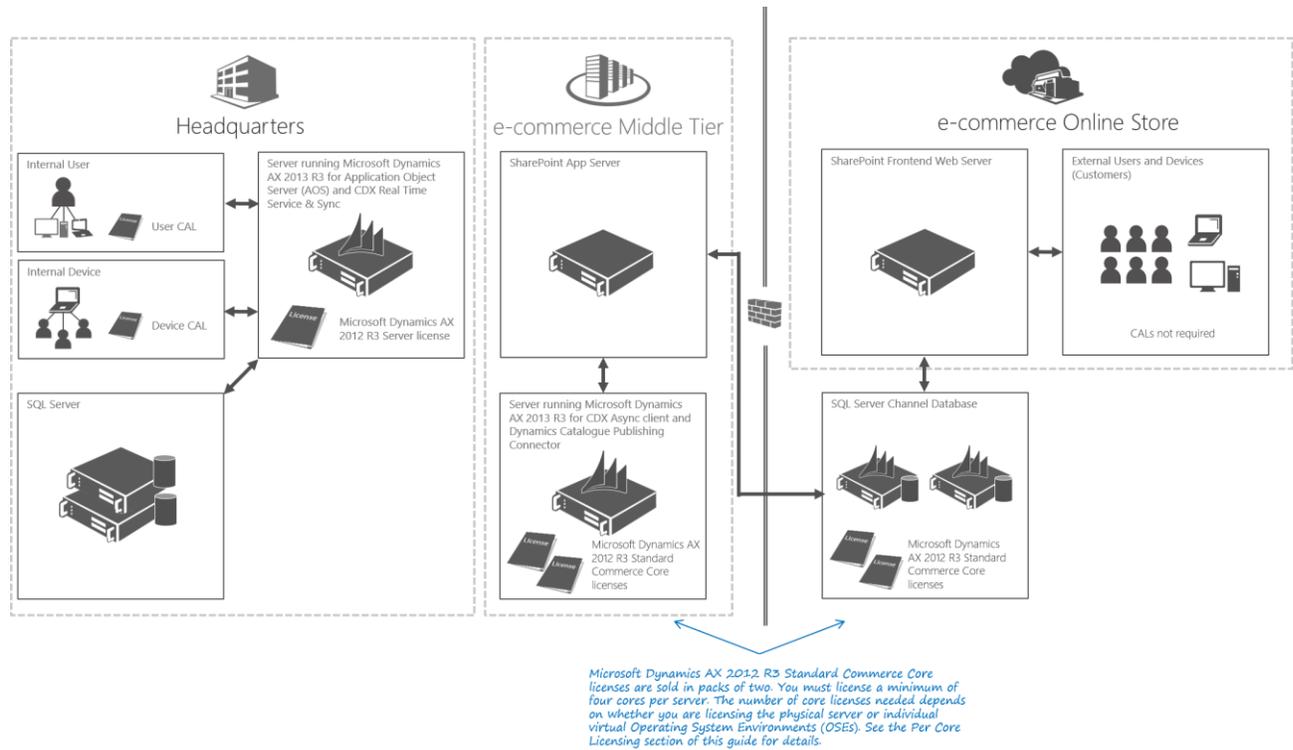
Retail Realm Essentials Powered by Microsoft Dynamics

This SMB retail offer is based on the Microsoft Dynamics AX platform but with only retail specific functionality turned on with embedded Retail Realm add-ons. Retail Realm Essentials supports up to 75 devices. If a customer has more than 75 devices they should opt for a Microsoft Dynamics AX 2012 R3 Retail scenario, such as the Brick and Mortar scenario above.

Note that these illustrations are intended to provide a conceptual understand of the licensing policies. They do not serve as actual deployment diagrams. For instance, where a single server is shown to illustrate the need for Server licenses, an actual solution deployment will likely require multiple servers running instances of the software, and thus requiring licenses.

Each Retail Realm Essentials Server provides access for two stores and includes 2 Functional CALs to be used for headquarters.

For Retail Realm Essentials the stores are licensed just as the Brick and Mortar scenario. Each store location will need to license a Microsoft Dynamics AX 2012 R3 Store Server which provides access to the following Retail Realm Essentials capabilities for up to 10 POS devices per retail location:

- Store database to provide local caching for offline use of data within the location

- Centralization of POS in the store

- Coordination of local store operations

- Retail Server capabilities within the retail location to be used along with Store Database

While Retail Realm Essentials may be an excellent starter option for the SMB retailer, it does not include capabilities beyond retail headquarters management, communications between the stores and

headquarters and a point of sale win32 client with optional offline database functionality. Thus, for customers looking for an omni-channel solution, including e-commerce, mobile POS, call center, social capabilities and more, the full Microsoft Dynamics AX for Retail option is a better choice. Essentially, it is focused on key operational capabilities required by retailers and does not include AX financials and other modules within AX. Other capabilities that are not part of Retail Realm Essentials out of the box from Microsoft include Mobile POS, clienteling, e-commerce, Enterprise Portal, marketplace, call center and social networking enhancements.

Store POS devices and employees accessing the Retail Realm Essentials solution functionality require Microsoft Dynamics AX 2012 R3 CALs as defined in the Microsoft Dynamics AX 2012 R3 Product Use Rights (PUR). Please note that both Microsoft and third Party POS Devices need to be licensed.

Please note that a Store Server is required for every Commerce Location or Store, which is defined as a physical location (static or itinerant) operated by you when closing goods or services transactions with customers.

Figure 9: Retail Essentials Configuration
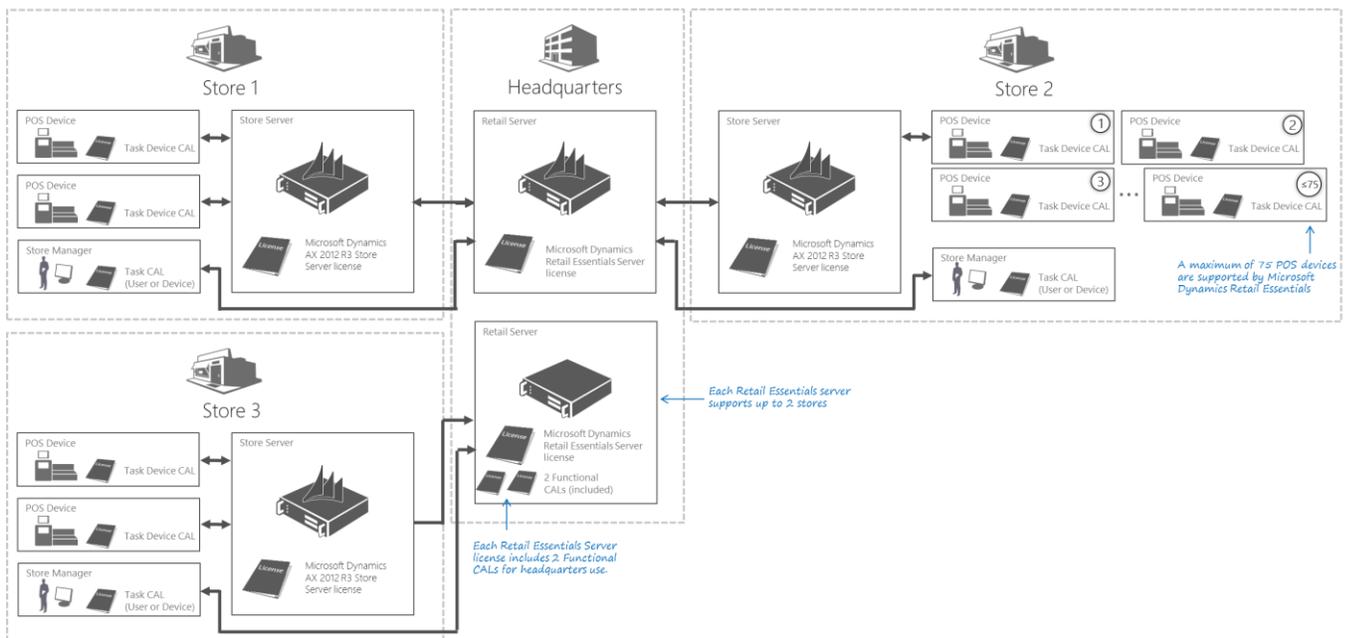
For additional details on ordering Retail Realm Essentials please use the following contact information:

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