Microsoft

Dynamics 365 License Transition Guide

FastTrack for Dynamics 365 Apps

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- Subscription lifecycle & service plans
- Transition planning
- Transition process flows
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Subscription lifecycle & service plans

Subscription lifecycle

Subscription expiration

- If your subscription expires, it goes through the following stages:
  - Expired (grace period)
  - Disabled
  - Deleted/Deprovisioned

  Note: The expired stage starts immediately after the subscription has reached its end date.

- If you turn off recurring billing on your annual subscription, it goes through the same stages as an expired subscription. The first stage starts on the anniversary of the annual subscription, not the date that you turned off the subscription's recurring billing setting.

- If you cancel your monthly subscription, it is disabled immediately (at the date of cancellation). This means your users lose access to the related services and apps (including Dynamics 365 subscriptions) immediately and only admins have access to the data for the next 90 days.

Cloud services subscription lifecycle (expiration)

This table describes the expiration lifecycle of a cloud service subscription.

Type	Active	Expired (30 days[1], 90 days[2])	Disabled (90 days[1], 30days[2])	Deleted/Deprovisioned
Data	Data accessible to all	Data accessible to all	Data accessible to admins only	Data deleted Azure Active Directory is removed, if not in use by other services
User Experience	Users have normal access to Microsoft 365, files and applications[3]	Users have normal access to Microsoft 365, files and applications[3]	Users can't access Microsoft 365, files or applications[3]	Users can't access Microsoft 365, files or applications[3]
Admin Experience	Admins have normal access to Microsoft 365, data and Office applications[3]	Admins can access the admin center	Admins can access the admin center, but can't assign licenses to users	Admins can access the admin center to purchase and manage other subscriptions
License Options	--	Global or billing admins can reactivate the subscription in the admin center	Global or billing admins can reactivate the subscription in the admin center	--

[1]Non Volume License (VL) customers [2]VL customers [3]Includes Dynamics 365 & Power Platform Assets

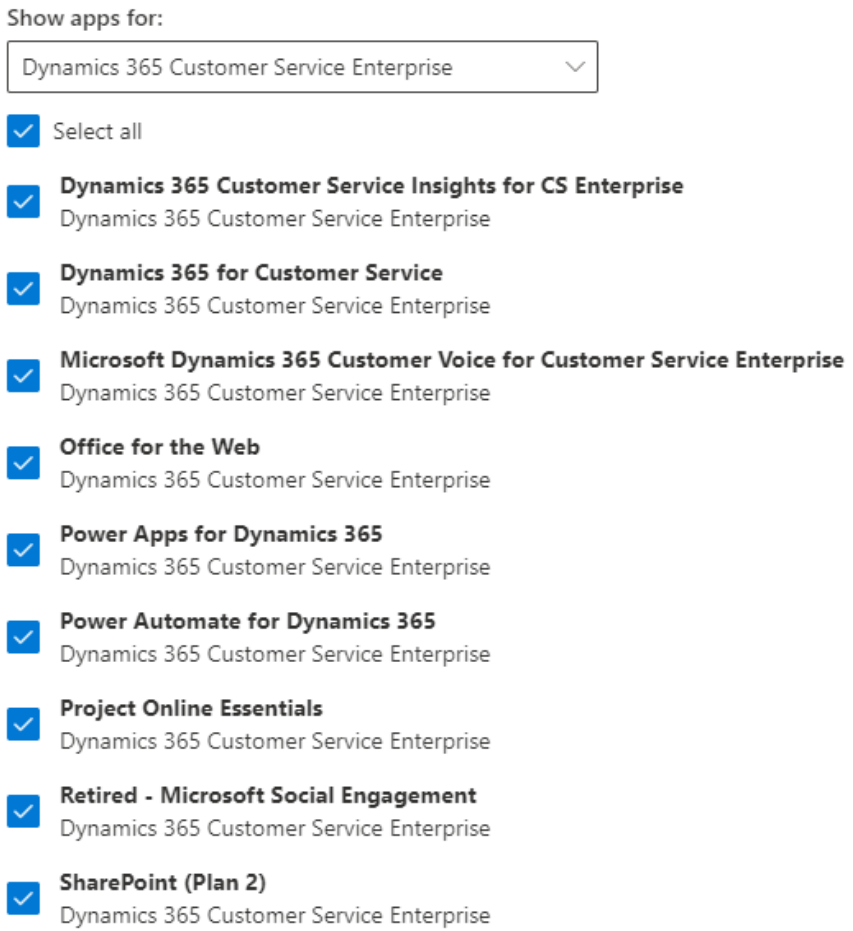
Reference: What happens to data when a subscription expires?

Service plans

Service plans

Each Dynamics 365, Power Apps, or Microsoft 365 license includes several sub-services that may be necessary to take full advantage of your licensing entitlements – for example, Power Automate, Power Apps, and SharePoint Online.

Example service plans included with a Dynamics 365 Customer Service enterprise license:



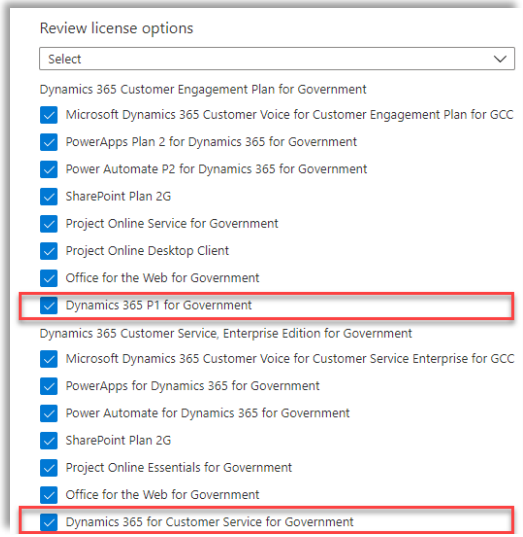
More information:

- Product names and service plan identifiers for licensing - Azure AD
- Microsoft 365 and Office 365 plan options - Service Descriptions

*See Appendix for examples of common Dynamics 365 service plans

Service plan conflicts

When you attempt to assign a license to a user, a validation takes place to determine if the services that you've selected to enable conflict with services already assigned to that user via another license. This conflict is intentional to prevent duplicate/overlapping license assignment.



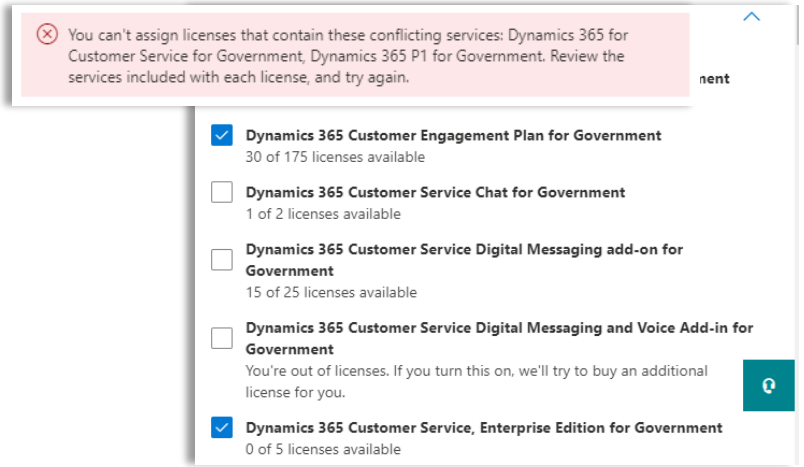
Example scenario

When assigning Dynamics 365 Customer Service licenses to users who already have Dynamics 365 Customer Engagement Plan licenses, you'll have a potential conflict between the following service plans:

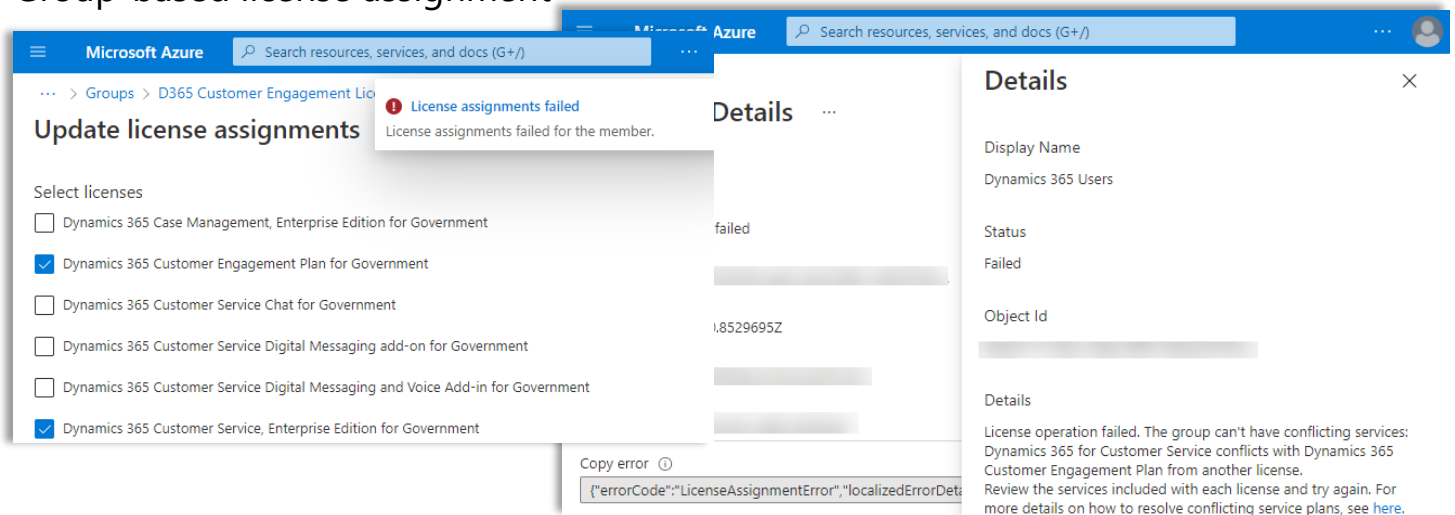
- Dynamics 365 Customer Engagement (P1)
- Dynamics 365 for Customer Service

Examples of resulting service plan conflict errors:

Microsoft 365 Portal
Direct user license assignment



Azure AD Portal
Group-based license assignment



Transition planning

Discover

- Confirming your current license management process will help provide the relevant transition options. In some instances, you might have a combination of approaches that will need to be accounted for during the transition.

- Consider the following:
  - How do you currently assign and manage licensing?
    - Does your organization use direct assignment either via PowerShell, the admin center or another tool/automation option?
    - Does your organization use group-based licensing?
  - Are your subscriptions/licenses changing?
    - If so, the information used to determine the quantities and types of new licenses will be helpful in the mapping exercise from old licensing to new licensing.

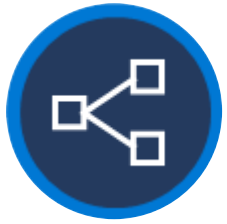
Prepare

License Mapping

- Validate whether the user license transition will be 1:1 mapping or 1:N.
- Perform user mapping activities; this step is critical to a successful license transition and typically falls into one of two categories:

All users are transitioning from one source license to one target license

Example: All users currently assigned a Customer Engagement Plan license transitioning to a Customer Service Enterprise license.



Different groups of users are transitioning to different licenses

Example: All users currently assigned a Customer Engagement Plan license with one subset transitioning to Customer Service Enterprise only and another subset transitioning to Customer Service Enterprise + Sales Enterprise Attach licenses.

- Ensure you have sufficient target licenses - if there are any deficiencies, you will need to procure the necessary additional licensing before completing the transition.

Sample transition to full license

Old License Mapping

Customer Engagement Plan (200)

Dynamics 365 Team Members (old) (275)

OLD License Mapping	Qty Required/ Assigned	NEW License	Qty	Gap
Customer Engagement Plan	150	Customer Service Enterprise	150	-50
Dynamics 365 Team Members (old)	50			
Customer Engagement Plan	50	Sales Enterprise	75	0
Dynamics 365 Team Members (old)	25			
Dynamics 365 Team Members (old)	200	Dynamics 365 Team Members (New)	200	0
TOTAL	**475**		**425**	**-50**

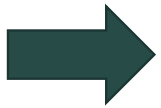
Note: The Sales Enterprise users and Customer Service Enterprise users are distinct groups that do not require use rights to the other workloads, hence they will only require a single base license.

They are short 50 Customer Service Enterprise licenses, which will need to be procured to transition all users.

Sample transition to base and attach for all users

Old License Mapping

Customer Engagement Plan (100)



OLD License Mapping	Qty Required/ Assigned	NEW License	Qty	Gap
Customer Engagement Plan	100	Customer Service Enterprise (base)	100	0
		Sales Enterprise (attach)	100	0
TOTAL	**100**		**200**	**0**

For this customer's use cases each user requires Customer Service Enterprise Base + Sales Enterprise attach; so, they require equal quantities of each license

Transition process flows

Transition process overview

The transition process you choose will determine the best approach for minimizing potential user impact. Below are two common methods for assigning licensing to users:

- **Direct user license assignment:** The license is assigned directly to the user rather than being inherited via group membership. This can be done using either the Azure or Microsoft 365 portals, Power Shell, or third-party software.

  Note: If you want to transition from direct user license assignment to group-based, the license reassignment process is a good time to make the transition to avoid duplicate effort in the future.

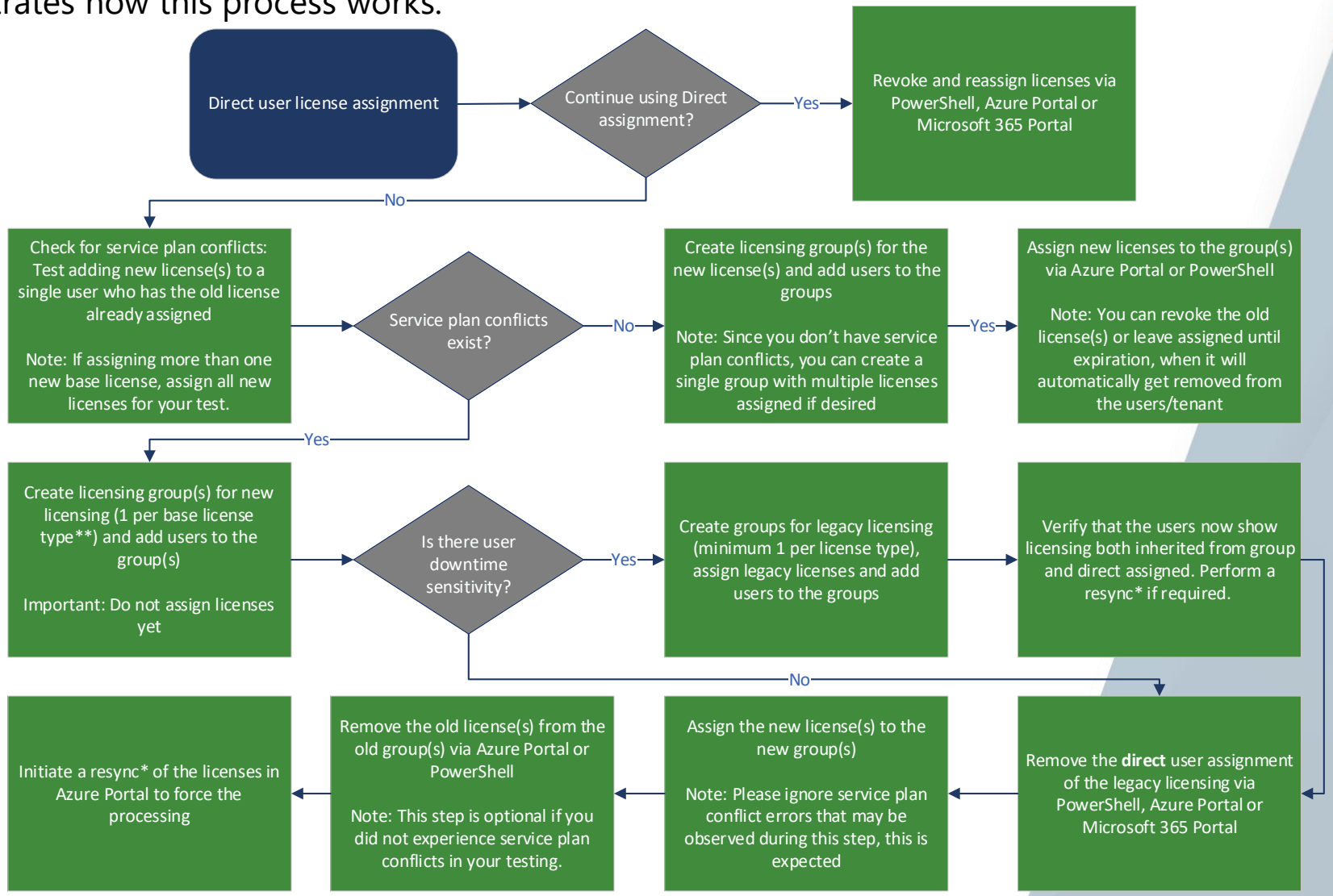
- **Group-based license assignment:** This feature of Azure Active Directory allows for users to inherit a license based on group membership.

Additional consideration: You can also consider having a mix of direct user and group-based license assignment, depending on your requirements and scenario.

Important: As with any change, you should test first and schedule the transition during normal downtime/deployment windows or non-peak usage times.

Transition process – direct user license assignment

This flow chart illustrates how this process works.



Find more information

*Azure Portal: Force group license processing (resync)

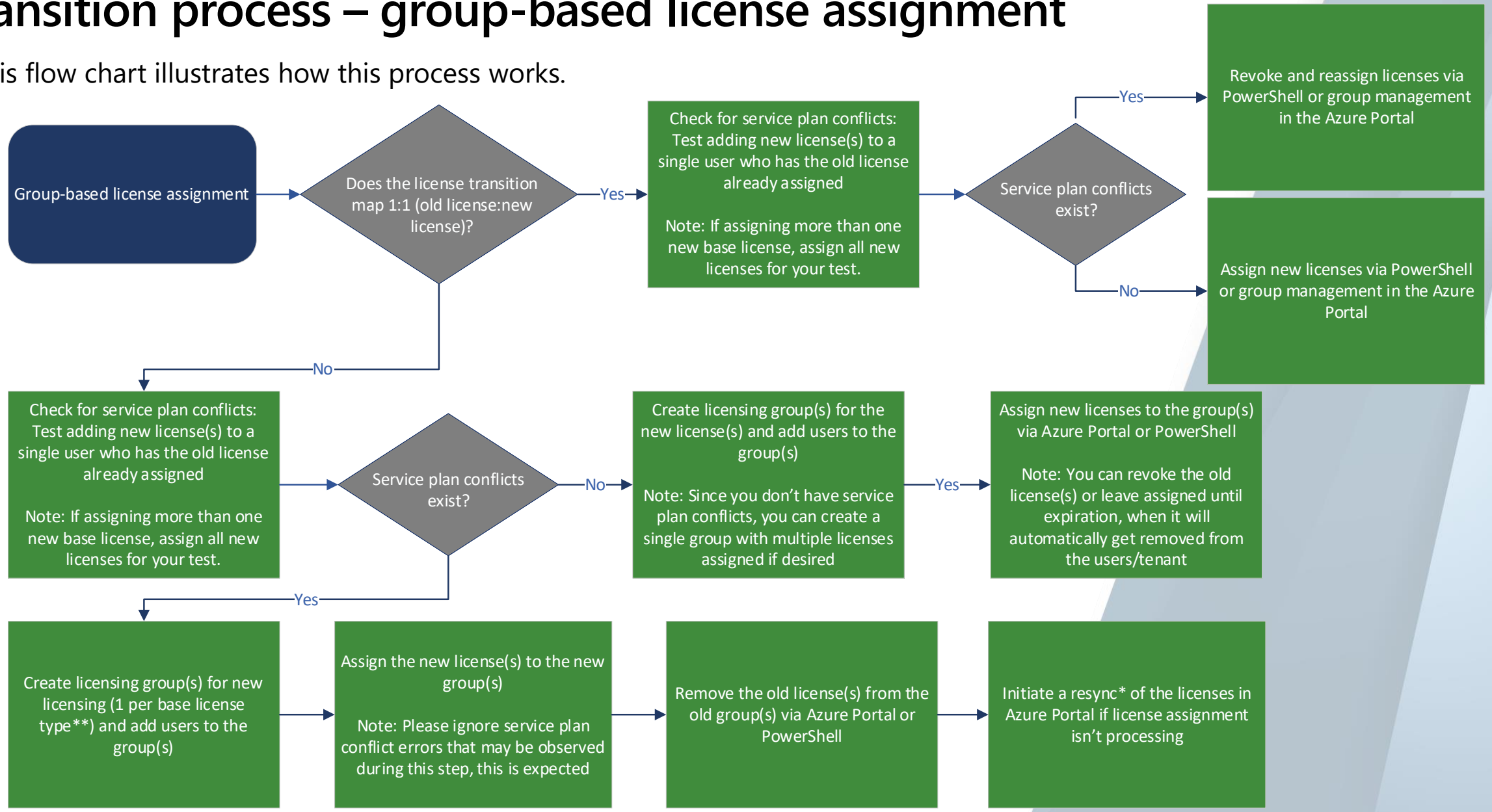
Assign or remove licenses - Azure Active Directory | Microsoft Docs

Add users with direct licenses to group licensing - Azure AD | Microsoft Docs

***If you have base + attach licenses, the attach license must be associated to the same group as the base license.*

Transition process – group-based license assignment

This flow chart illustrates how this process works.



Find more information

*Azure Portal: Force group license processing (resync)

***If you have base + attach licenses, the attach license must be associated to the same group as the base license.*

Reassignment steps

Group-based licensing approach

Group-based assignment

Important: This solution can be executed only by a Microsoft 365 Global or user admin.
Group-based licensing allows for automated license assignment based on group membership.

Considerations

- Potential service plan conflicts.
- Possible processing sync delay in license removal or reassignment.
- Group-based allows for delegating user membership assignment to the group and licenses applied to that group without requiring the delegated resource to have full permissions to assign licenses.

Example scenario

- You use security groups to automatically assign Dynamics 365 licenses. You are transitioning Group A from a Customer Engagement Plan license to a Customer Service Enterprise license.

Process

- Remove the Customer Engagement Plan license from the group.
- Immediately after, assign the Customer Service Enterprise license to the group.
- *Note: If you have base + attach licenses, the attach license must be associated to the same group as the base license.*

Risk

- The license removal can take time, as can the reassignment of the new license. There's a potential for a user to temporarily lose access while this process propagates. You can use the steps in the Process transition flows to mitigate this scenario. Also, see Disabled user account considerations.

PowerShell direct user licensing approach

PowerShell direct user assignment licensing approach

PowerShell allows for automating direct user license assignment based on variables.

Considerations

- Potential service plan conflicts.

Example scenario

- You use PowerShell scripts to assign Dynamics 365 licenses directly to your users. You are transitioning these users from the Dynamics 365 Customer Engagement license to the Dynamics 365 Customer Service Enterprise license.

Process

- PowerShell script loops through the users to remove the Dynamics 365 Customer Engagement license and assign the Dynamics 365 Customer Service license.

Risk

- If transitioning a large number of users, there could be a window of time wherein a license would not be assigned and could lead to potential user access issues (see Disabled user account considerations). You can minimize this risk by executing both the license removal and assignment commands in a single step per user vs. first removing the license from all users, then assigning the new license.
- Reassigning directly at the user level will add long-term administrative overhead versus assigning the new licenses using the group-based approach.

Bulk remove or reassign licenses with Microsoft Graph module

Important: This script can be executed only by a Microsoft 365 global or user admin. This is a sample and should be reviewed, tested and approved following established customer procedures.

```
#1. Install the Graph module and connect to the service
#Reference: https://docs.microsoft.com/en-us/powershell/microsoftgraph/installation?view=graph-powershell-beta
Install-Module Microsoft.Graph
Connect-Graph -Scopes User.ReadWrite.All, Organization.Read.All

#2. Get the SkuPartNumber for the license you want to remove
Get-MgSubscribedSku | Format-Table -Wrap –AutoSize

#Optional: Filter license results based on specific license type
#Get-MgSubscribedSku | Where-Object {($_.SkuPartNumber -match "TEAM_MEMBER")}

#3. Define Sku variable for the license you want to remove
$skuToRemove = Get-MgSubscribedSku -All | Where SkuPartNumber -eq 'INSERTSKUPARTNUMBER'

#4. Export users to a valid path on your PC (update the C:\Scripts path) get list of users with the license you wish to
remove
$filter = 'assignedLicenses/any(x:x/skuId eq ' + $skuToRemove.SkuId + ')'
$licensedUsers = Get-MgUser -Filter $filter -All -Select UserPrincipalName,DisplayName,AssignedLicenses

$outFile="C:\Scripts\LicensedUsers.csv"
foreach ($eachuser in $licensedUsers){
  $lineOut = $eachuser.UserPrincipalName
  Out-File -FilePath $outfile -Append -NoClobber `
   -InputObject $lineOut
}
```

Bulk remove or reassign licenses with Microsoft Graph module

```
#5. Open the LicensedUsers.csv file and validate/cross-check the usernames

#6. Remove the licenses (update the C:\Scripts path)
#Important: If moving to group-based licensing, the group should be created with the appropriate users and new license
added prior to this step
$readFile = `
  Get-Content "C:\Scripts\LicensedUsers.csv"

    foreach($removeLicense in $readFile){
    Set-MgUserLicense `
      -UserId $removeLicense `
      -RemoveLicenses @($skuToRemove.SkuId) -AddLicenses @()
}

#7. Validate all licenses have been removed (command should return no results)
Get-MgUser -Filter $filter -All -Select UserPrincipalName,DisplayName,AssignedLicenses
```

More information

[Assign Microsoft 365 licenses to user accounts with PowerShell - Microsoft 365 Enterprise | Microsoft Docs]

[Product names and service plan identifiers for licensing - Azure AD | Microsoft Docs]

Bulk remove or reassign licenses with Microsoft Graph module

```
#=========================================Optional License Assignment Steps=========================================#
#Recommend using AAD groups to apply licenses, otherwise you can use the following commands to assign licenses directly to the
users set (.csv file):
#1. Remove/assign license in a single command
#2. Assign new license (assuming old license has already been removed)

#Option 1. Remove old license and assign new license in single command
#Note: This option will reduce the risk that the user account gets disabled since the removal and assignment actions occur
sequentially for each user

#Define the SKU variables for the licenses you want to remove and add (update SkuPartNumber)
$skuToRemove = Get-MgSubscribedSku -All | Where SkuPartNumber -eq 'INSERTSKUPARTNUMBER'
$skuToAdd = Get-MgSubscribedSku -All | Where SkuPartNumber -eq 'INSERTSKUPARTNUMBER'

#Remove old license and assign new license (update the C:\Scripts path)
$readFile = `
  Get-Content "C:\Scripts\LicensedUsers.csv"

    foreach($mguser in $readFile){
    Set-MgUserLicense `
      -UserId $mguser `
      -RemoveLicenses @($skuToRemove.SkuId) `
      -AddLicenses @{SkuId = $skuToAdd.SkuId} `

}
```

Bulk remove or reassign licenses with Microsoft Graph module

```
#Option 2. Assign new license (assuming old license has already been removed)
#Define the SKU variable for the license you want to add (update SkuPartNumber)
$skuToAdd = Get-MgSubscribedSku -All | Where SkuPartNumber -eq 'INSERTSKUPARTNUMBER'

#Assign new license (update the C:\Scripts path)
$readFile = `
  Get-Content "C:\Scripts\LicensedUsers.csv"

    foreach($mguser in $readFile){
    Set-MgUserLicense `
      -UserId $mguser `
      -AddLicenses @{SkuId = $skuToAdd.SkuId} `
      -RemoveLicenses @()
}
```

Reassign a single user license with Microsoft Graph module

Important: This script can be executed only by a Microsoft 365 global or user admin.

```powershell
#1. Install the Graph PowerShell module
#Reference: https://docs.microsoft.com/en-us/powershell/microsoftgraph/installation?view=graph-powershell-beta
Install-Module Microsoft.Graph

#2. Connect to the Graph service
Connect-Graph -Scopes User.ReadWrite.All, Organization.Read.All

#3. Get the SKUPartNumber for the licenses you want to remove and add
Get-MgSubscribedSku | select SkuPartNumber

#4. Define the variable for the user needing license reassignment (update the UserId)
$mgUser = Get-MgUser -UserId 'ENTERUSERID'

#5. List the currently assigned user licenses
Get-MgUserLicenseDetail -UserId $mgUser.Id | select SkuPartNumber

#6. Define SKU variable for the current license you want to remove (update SkuPartNumber)
$skuToRemove = Get-MgSubscribedSku -All | Where SkuPartNumber -eq 'INSERTSKUPARTNUMBER'

#7. Define SKU variable for license you want to add (update SkuPartNumber)
$skuToAdd = Get-MgSubscribedSku -All | Where SkuPartNumber -eq 'INSERTSKUPARTNUMBER'
```

Reassign a single user license with Microsoft Graph module

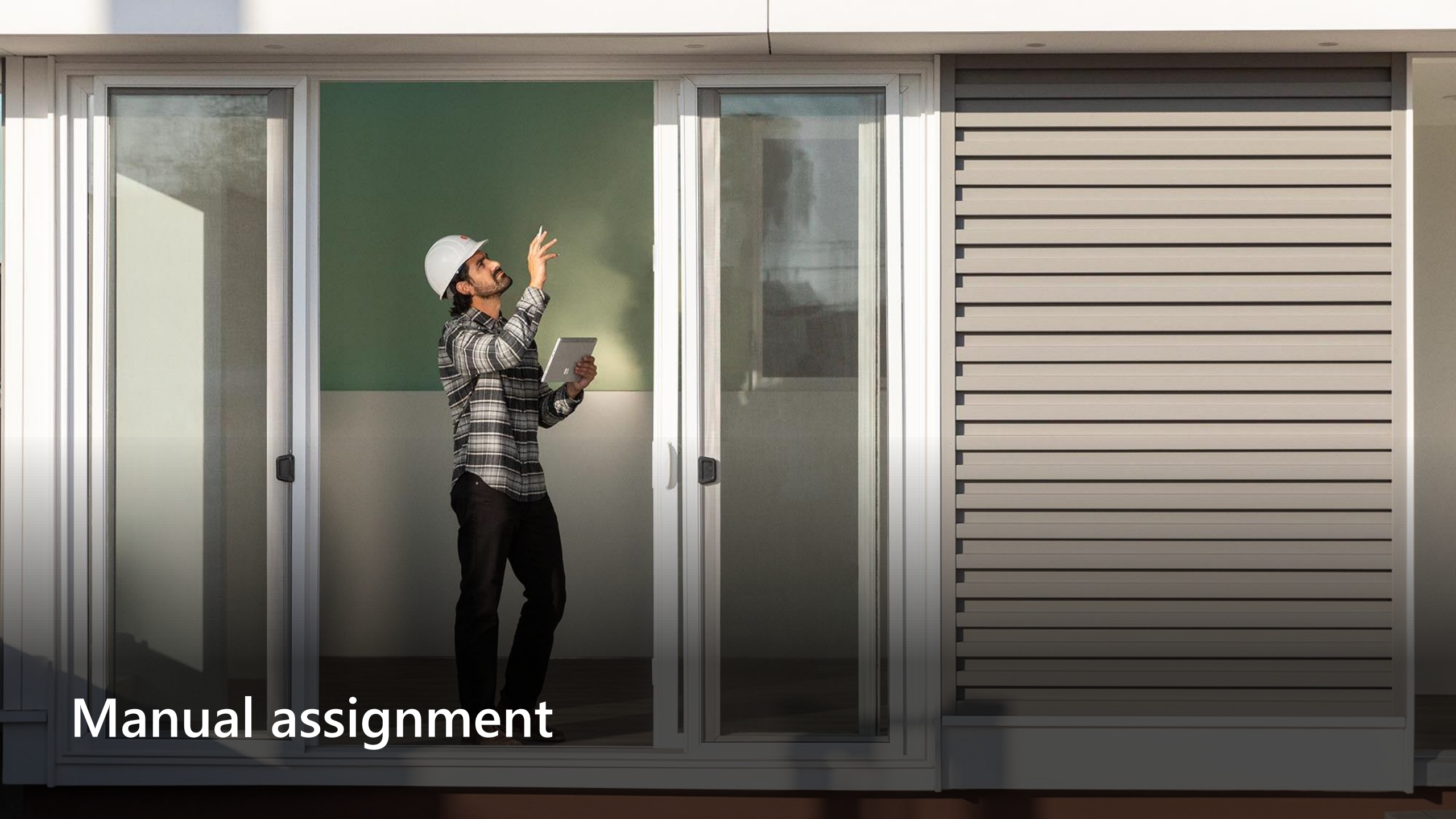
Important: This script can be executed only by a Microsoft 365 global or user admin.

```
#8. Remove current license
Set-MgUserLicense -UserId $mgUser.Id -RemoveLicenses @($skuToRemove.SkuId) -AddLicenses @()

#9. Add new license
Set-MgUserLicense -UserId $mgUser.Id -AddLicenses @{SkuId = $skuToAdd.SkuId} -RemoveLicenses @()

#Optional: Remove and add license in one step
#Set-MgUserLicense -UserId $mgUser.Id -RemoveLicenses @($skuToRemove.SkuId) -AddLicenses @{SkuId = $skuToAdd.SkuId}

#10. Verify the user account is now reflecting the new license
Get-MgUserLicenseDetail -UserId $mgUser.Id
```

More information

[Assign Microsoft 365 licenses to user accounts with PowerShell - Microsoft 365 Enterprise | Microsoft Docs]

[Product names and service plan identifiers for licensing - Azure AD | Microsoft Docs]



Manual assignment

Manual assignment

Important: This process can be executed only by a user with the Microsoft 365 global admin or user admin roles.

Considerations

- Labor intensive and unmanageable for large user populations.

Example scenario

- Manually assign licenses to users via the admin center in Microsoft 365 or Azure.

Process

- Navigate to your preferred admin center
- Select user(s) for which you want to modify license assignment
- Remove the Customer Engagement Plan license.
- Assign the Customer Service Enterprise license.

Risk

- Lowest risk, but high effort.
- There is a negligible window wherein the license will be transitioning from one to another, though rarely would this result in temporary loss of access. See Disabled user account considerations.

Disabled user account considerations

Important: Disabled user account considerations

When a user account is disabled due to license removal or license status change the following implications are relevant:

- User would not be able to access resources (Apps, Flows, etc.) in the environment.
- Processes owned by the user may begin to fail, including workflows, Power Automate Flows, integrations.
- User will not lose security roles.
- User will not be removed from teams, queues, and so on.
- User-owned records will not be deactivated.

Important: Consider transitioning service account licenses separately from large batch operations to help minimize potential impact.

Additional resources

Resources

Additional Resources

What happens to my data and access when my subscription ends? | Microsoft Docs

Product names and service plan identifiers for licensing - Azure AD | Microsoft Docs

Microsoft 365 and Office 365 plan options - Service Descriptions | Microsoft Docs

What is group-based licensing - Azure Active Directory | Microsoft Docs

Assign licenses to a group - Azure Active Directory | Microsoft Docs

Add users with direct licenses to group licensing - Azure AD | Microsoft Docs

Assign Microsoft 365 licenses to user accounts with PowerShell - Microsoft 365 Enterprise | Microsoft Docs

Resolve group license assignment problems - Azure Active Directory | Microsoft Docs

Appendix

Dynamics 365 service plans

This table provides examples of some of the common service plans included with Dynamics 365 licenses.

Service Plan	Customer Service Enterprise	Sales Enterprise	Field Service Enterprise	Project Service	Team Members
Microsoft Dynamics 365 Customer Voice	X	X	X	X	
Office for the Web	X	X	X	X	X
Power Automate for Dynamics 365	X	X	X	X	X
Power Apps for Dynamics 365	X	X	X	X	X
Project Online Essentials	X	X	X	X	X
SharePoint Online 2G	X	X	X	X	X

Note: Further information for use rights/entitlements for service plans can be found in the licensing guide.

Microsoft