

Microsoft Small and Medium Business Do More with Less NCE Offer FAQ

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Summary

On September 1, 2022, Microsoft announced special promotional offers focused on Microsoft 365 for Small and Medium Businesses to unlock new sales motions for partners.

Cost-savings is top of mind globally for small and medium businesses, and Microsoft 365 provides best value suites and best-in-class products to help every small business achieve more. Additionally, for CSP Partners, the transition from legacy commerce to the New Commerce Experience (NCE) creates an opportunity to better address customer needs with cost-savings while generating additional revenue.

Microsoft created the “SMB New Customer and Upsell Promo” to enable partners to pitch how Microsoft 365 can help prospective and existing customers “Do More with Less” by consolidating vendors or improving their security and productivity posture with a more premium product. For new-to-Microsoft 365 customers and existing customers upgrading to a more premium product either on NCE or during their transition to NCE, the “SMB New Customer and Upsell Promo” offers a low-risk Monthly Commitment with a 16.7% discount across any of the following products:

- Microsoft 365 Business Basic
- Microsoft 365 Business Standard
- Microsoft 365 Business Premium
- Microsoft 365 Apps for Business
- Microsoft Teams Essentials
- Microsoft Defender for Business

Offer Overview

Who is eligible for this promotion?

There are two types of customers eligible for this promotion:

1. **New Customers purchasing Microsoft 365 for the first time** – This promotion creates immediate cost savings both in product value and price point for new customers while allowing customers and partners to retain the flexibility of a monthly commitment.
2. **Existing Customers upgrading to a more premium product and/or expanding their product portfolio** – This promotion is a fantastic opportunity for partners to explore with their existing customers how upgrading to products like Microsoft 365 Business Premium – or expanding their Microsoft 365 investment with standalone products like Microsoft Defender for Business – can save existing customers money through vendor consolidation while providing necessary productivity and security value. Partners can leverage this promotion during their legacy to NCE transition customer conversations to

pitch the opportunity to upgrade and/or expand their Microsoft investment at the discounted promotion price and monthly term flexibility.

We encourage partners to think about both audiences as they build plans for communicating this promotion with new and existing customers.

What is the promotion?

Eligible customers receive 16.7% off the NCE Monthly Commitment price throughout the duration of the promotion period for the following products, which effectively equalizes monthly commitment pricing to annual commitment pricing during the promotional term.

Product	Offer ID
Microsoft 365 Business Basic	39NFJQT1X27K/0001
Microsoft 365 Business Standard	39NFJQT1X27M/0001
Microsoft 365 Business Premium	39NFJQT1X27L/0001
Microsoft 365 Apps for Business	39NFJQT1X27P/0001
Microsoft Teams Essentials	39NFJQT1X27N/0001
Microsoft Defender for Business	39NFJQT1X276/0001

When is the promotion available?

The promotion period runs September 1, 2022, through June 30, 2023. Promotional pricing will stop applying at the first monthly anniversary after June 30, 2023.

What geographies is the promotion available?

The promotional discount is available in all geographies where Microsoft 365 is sold.

What channels/platforms is the promotion available through?

Promotional pricing is available through the CSP NCE experience and Direct from Microsoft.com. Promotional Pricing is not available on CSP Legacy purchases. We encourage partners to use these promotions during NCE migration conversations to explore Upsell and Expand opportunities to upgrade customer Microsoft Business licenses or to expand customer portfolio with additional Microsoft products.

How do I use this promotion?

Partners can see promotions available to their customers in the portal catalog in the Partner Center.

Partners can also access all available promotions and their pricing information in the [Global Promo Readiness Guide](#) or by calling the [getPromotions API](#).

What happens at the end of the promotion period?

At the end of the promotional period, customers will automatically renew into Monthly Commitment at standard prices. Customers may be able to keep their subscription at the lower, promotional pricing by transitioning from a NCE monthly commitment term to a standard NCE Annual commitment term. Partners should decide with their customers whether an Annual or Monthly commitment makes most sense based on customer need and credit risk. License upgrades and renewals can be scheduled in advance of the renewal date as well.

Partner Guidance

How should I use this promotion?

Partners should use this promotion to generate new revenue through new customer acquisition and existing customer upsell. SMBs are looking for ways to “Do More with Less”, and Microsoft 365 provides the best way to do that. Partners can use these offers as door openers to start a conversation around “Do More with Less” for both new and existing customers. Four things that every partner should consider:

1. Acquire new customers and avoid cancellation risk by offering monthly commitment at annual commitment pricing.
2. Expand your pipeline by acquiring new, more speculative customers and adjust licensing as you learn their needs
3. Turn every new commerce experience (NCE) transition discussion with a customer on legacy commerce into an upsell conversation, leading with Security.
4. Focus on Business Basic and Business Standard customers for attach or upsell.

Example customer scenarios:

Customer Scenario	Lead With	Fallback to
New Customer	Microsoft 365 Business Premium as the best value suite for customers	<ul style="list-style-type: none"> • Microsoft Teams Essentials for meetings, calling, and collaboration • Microsoft Defender for Business for endpoint protection
Business Basic customer on legacy	Upsell to Microsoft 365 Business Premium as the best value suite for customers	Attach Microsoft Defender for Business for endpoint protection

Business Standard customer on legacy	Upsell to Microsoft 365 Business Premium as the best value suite for customers	Attach Microsoft Defender for Business for endpoint protection
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How does this promo relate to Legacy Commerce to NCE migrations?

This promo is only available through NCE. As such, it's a great tool to discuss "Do More with Less" and expanding customer licensing during customer transition from Legacy to NCE. Partners can turn NCE transition discussions they have with their customers into a conversation about the opportunity to simplify their vendor cost and identify the best value suite by upgrading or expanding their Microsoft product suite at a discounted promotional price.

What does Microsoft mean by "Do More with Less"?

Pressures from the evolving global economy are requiring organizations to reduce costs and optimize operations as they continue to shift to a world of hybrid work. Microsoft's Modern Work solutions are in a unique position to help SMBs prosper and do more with less. Satya Nadella captured this sentiment perfectly in his Inspire keynote address:

"No company is better positioned than Microsoft to help organizations deliver on their digital imperative so that they can **do more with less**. From infrastructure and data to business applications and hybrid work, we provide unique differentiated value to our customers."

The concept for this initiative is that through our value proposition of saving costs, increasing security confidence, and improving productivity, companies can Do More with Less.

Where can I learn more about how to pitch "Do More with Less" in SMB?

For more material regarding "Do More with Less" in SMB, Partners can find additional pitch and messaging documents on the [Modern Work SMB Partner Page](#) (available September 2nd).

How can I use this promotion for New Customer Acquisition?

Partners should leverage the "Do More with Less" pitch deck and resources to expand pipeline of new customers for Microsoft 365. Additionally, because this promotional discount is available on NCE Monthly commitment SKUs, partners can avoid potential early cancellation risk by selling monthly commitment SKUs and use the promotional period to learn more about the needs and behavior of their new customers to determine the type of duration commitment that makes the most sense for them.

I have an existing customer on Microsoft 365 Business Basic/Standard. How should I use this promotion?

Lead with security value for existing customers on Microsoft 365 Business Basic or Business Standard. Use this promotion to upsell customers to Microsoft 365 Business Premium, helping them reduce their vendor costs and increase their security posture. If they are not ready for

Business Premium, pitch the opportunity to attach Microsoft Defender for Business for endpoint protection to their existing Business Basic or Business Standard license for security product value.

I have an existing customer who made an annual commitment on NCE. What should I tell them?

Annual commitment continues to provide benefits to customers who choose it, including a price-lock guarantee for the duration of their commitment term. Customers with annual commitments can still upgrade to more premium products like Business Premium on an annual term to take advantage of cost savings and vendor consolidation opportunities. Customers can upgrade to an annual commitment of Business Premium at any point in their term or wait until their next annual anniversary.

Offer Execution Details

How is customer eligibility checked/enforced?

For information regarding the following questions, please see the Offer Matrix. The Offer Matrix is updated each month as a companion spreadsheet to the price list and is available in the [Partner Center](#) in the Pricing Section:

1. The list of total available offers
2. Prerequisites for each offer including customer eligibility criteria
3. Offers available for a particular SKU – including eligible product upgrade pathways

To directly verify whether a customer is eligible for the promotion, Partners can see the information in the review page in Partner Center prior to purchasing the product with the customer tenant ID. Alternatively, Partners can call the [verifyPromotionEligibility API](#). Eligibility will be enforced directly by the Partner Center Web and API system at the time when the partner is transacting the offer. For questions to the maximum number of licenses available to Partners, please refer to the [Global Promo Readiness Guide](#).

What do you mean by “Monthly Commitment”?

In NCE, partners and customers can choose to purchase subscription licenses for either Monthly or Annual commitment durations. Commitment duration is the length of time that a customer must pay for the purchased number of licenses. This is different than Billing Frequency, which can also be Monthly or Annual, but is the number of pay periods that the commitment duration is divided into. Monthly subscriptions are aimed at customers who don't want to commit to an annual term and want to explore new product experiences with lower cancellation risk.

Why is the promotion only on “Monthly Commitment” pricing?

Monthly Commitment is a great way for partners and customers to explore new product value without taking on cancellation risk in future months. This promotion is targeted at supporting those new customers and “existing customer adding new workloads” sales conversations where monthly commitment makes the most sense. By focusing on monthly commitment, we are making it easier for Partners to accelerate transition conversations from legacy to NCE with their customers as pricing differences between monthly and annual commitment are normalized in upsell scenarios. In addition, this promotion allows Partners pitch Upsell and Expand opportunities with their customers during NCE transition conversations.

Does this mean Microsoft no longer differentiates pricing for monthly and annual commitment?

Microsoft is committed to long-term differentiation between Monthly and Annual commitment durations. At the end of the promotional period, partners should decide with their customers when an Annual or Monthly commitment makes most sense based on customer need and credit risk.

Can customers increase or decrease license count during the promotion period?

Partners with customers on both Monthly and Annual commitment will have the flexibility to increase their customer’s license count at any point in their term, or at the time of renewal. Partners will have the ability to add additional licenses to the same customer subscription at the same promotional price, and the end-date of all individual licenses added will align with the renewal date. The Partners will then be billed for the new subscription on the next monthly invoice at a pro-rated price. Please note that any additional licenses added at any time to a subscription will always have price protection to match the price of the original license subscription.

Partners can also reduce the number of licenses during the first 168 hours, for a prorated refund for both commitment terms. Partners can view the licenses they can reduce and their respective deadlines in Partner Center. Prorated refunds apply to both yearly and monthly term licenses, making Monthly commitments a great way for partners to present a flexible solution to prospective customers or customers interested in potentially expanding their workload.

I have an existing customer with an annual commitment with NCE. Can they upgrade to a more premium SKU and receive this discount at midterm?

No. Existing customers with annual-term commitments will be unable to upgrade their subscription to any monthly-term commitment. Upgrading a subscription must keep the term attribute from the existing subscription. However, we still encourage partners to discuss expanding customer product portfolios with standalone products such as Microsoft Defender for Business during Legacy to NCE transition conversations.

While these promotions may only apply to monthly commitments, there is still great opportunity for customers on annual commitments to streamline and reduce vendor costs, add valuable security capabilities, and improve their overall product suite by upgrading or expanding their subscription. Partners with customers on annual-term commitments retain the flexibility of upgrading customer licenses at any point in the term while maintaining the same end-date and billing frequency.

I have an existing customer with a monthly commitment on NCE for a specific product. Can they upgrade to a more premium SKU and receive this discount at midterm?

Yes! Existing customers with monthly-term commitments will be able to upgrade their subscription to a more premium SKU at any point in their term. For a list of available SKU upgrades for a product, Partners can either consult the Offer Matrix or use the Partner Center, where available upgrades will be shown when editing a subscription. Partners, on behalf of their customers, can upgrade all licenses (full upgrade) or some licenses (partial upgrade) to the new premium subscription.

Full upgrades will retain the subscription ID, term commitment, billing frequency, and end-date, and the original subscription will be deleted automatically. Partial upgrades will create two subscriptions: a new subscription with the upgraded licenses created under a new subscription ID with the same original term commitment, billing frequency, and end-date – and the original existing subscription which remains unchanged with the non-upgraded licenses.

I have an existing customer with an annual commitment on NCE for a specific product. Can they add monthly commitment seats for that same product and receive this discount?

No. Existing customers are only eligible for NCE promotional discounts on products they are not currently subscribed to. In addition, existing customers cannot downgrade any existing licenses to a shorter-term commitment. While partners can purchase new monthly-term subscriptions as a separate subscription in addition to their existing annual-term subscriptions for the same product, those new subscriptions will not be eligible for the promotional discount.

We do encourage partners to work with customers to explore Upsell opportunities. Partners should encourage customers to explore adding new subscriptions to more premium Business licenses or new standalone subscriptions in addition to their existing licenses at the promotional price point to try out new product value with flexible commitments.

I have an existing customer on Legacy. Can they migrate to NCE on the same products and receive this discount?

No. Existing customers are only eligible for NCE promotional discounts on products they are not currently subscribed to.

However, these promos are a great tool to discuss upsell during Legacy to NCE migration conversations and may serve as a great conversation starter to the broader Partner migration communications. Legacy customers who decide to upgrade to a more premium SKU during migration to NCE will benefit from discounted pricing and the cost-savings from a more complete cloud service.

What should I do if I have additional questions about this promotion?

For additional questions Partners may have about this promotion, please review the [Global Readiness Promo Guide](#).