

Open, Select and Enterprise Agreements version 5.0

Facilitator's Guide for Training Presentations

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Introduction

The Facilitator's Guide is meant to do just as it says, "guide" you through the Open, Select and Enterprise Agreement version 5.0 Training using the following materials:

- Agreement GuideBook
- PowerPoint Presentation
- Sales Reference Guide and other communication collateral for each program

This Facilitator's Guide is set up with the PowerPoint slides displayed and the corresponding key words or talking points displayed on the facing page. Use the remaining "white area" as room to hand-write your own notes and other key information.

The Facilitator's Guide is meant to guide you through the slides as mentioned above, but not be a complete script. You should be familiar with the information presented in the Sales Reference Guides for each program in order to be successful.

It is recommended that you practice with this Facilitator's Guide and the corresponding PowerPoint slides several times before attempting to present in front of a group. The best practice is to work with someone else and ask for feedback on your presentation.

Presentation and Facilitation Tips

- Involve training participants as much as possible. Adults do not like to be lectured to without any opportunity to participate.
 1. Ask questions;
 2. Ask for opinions or comments;
 3. Ask participants to solve a scenario or situation.
- Adults learn in a variety of different ways. By using different methods during your presentation, you will insure that knowledge transfer occurs. To involve different learning styles, try using the following techniques:
 1. Write key information or hard to understand concepts on a white board or a flip chart (for visual learners).
 2. Repeat the same concept two-four different ways, explaining it from different angles (for aural -audio- learners).
 3. Ask the group to complete exercises/questions (for interactive, aural -audio-, and print learners).
- Set up the correct environment for good learning. Training and insuring knowledge transfer is 90% impression and 10% content. The best content in the world cannot save a poor presenter nor a poorly prepared training session.
 1. Arrive early to insure the room is set-up to accommodate the number of anticipated attendees.
 2. Dress one-step above the potential audience.
 3. Practice, Practice, Practice.
 4. Speak clearly and understandably. Repeat concepts constantly. If concerned about moving through the content too slowly, you can ask the audience directly to gauge how they think it is going.
 5. Monitor all participants for signs of enjoyment, frustration, confusion, etc. and shift your presentation as appropriate.
 6. Respond positively to every comment and question.

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Setting Up for this Training:

What will you need?

1. Copies of the Participant's guide, which includes handouts of the PowerPoints and the Agreement GuideBook
2. PowerPoint Machine or Overhead Projector with LCD panel to display presentation slides
3. Presentation PowerPoint. Recommend that you have it saved to hard disk as well as on a floppy as a back up.

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Open, Select & Enterprise Agreement versions 5.0

Presenter:

February 23, 2000

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Agenda Overview Day One

■ Program Training

- Session introduction and overview
 - 5.0 Program Goals
 - Sales positioning and transitioning for 4.x customers
- Introduction of Microsoft Business Agreement
 - Definition and customer value
 - Customer scenarios
- Select 5.0: Enhancements
 - Key sales messages and positioning
 - Agreement review
 - Customer scenarios
- Enterprise Agreements 5.0: Enhancements
 - Key sales messages and positioning
 - Agreement review
 - Customer scenarios
- Open License 5.0: Enhancements
 - Key sales messages and positioning
 - Customer scenarios
- Launch details
 - Safe dates for channel and customers
 - Resources: sales collateral and training materials

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Use the title slide to introduce yourself and the focus of the training.

- This is a good point to make sure that everyone in the room has the required materials before you start the presentation

Review the agenda slide

- The approximate times for each section are:
 - ✓ Introduction and overview: 30 min.
 - ✓ MBA: 45 min.
 - ✓ Select: 45 min.
 - ✓ Enterprise Agreements 2.5 hours
 - ✓ Open: 2 hours
 - ✓ Launch details: 20 min.
- Total session time is approximately 7 hours; realize that times may vary by presenter style and audience.
 - ✓ A break is recommended for every 1.5 hours of the session
 - ✓ Try to avoid working lunches and allow at least 45 minutes for lunch
- Encourage the training to be interactive by telling participants that they can ask questions about the slides during the presentation
- Materials that will be used during the day's training session:
 - ✓ Participant's Guide
 - ✓ Agreement GuideBook
- Establish "housekeeping" rules up front
 - ✓ When breaks will occur
 - ✓ Where facilities, phones, etc. are located
 - ✓ How questions that can't be handled in the session will be answered

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Agenda Overview Day Two

■ Empowerment and Train the Trainer

- Team Challenge!
 - Review of programmatic changes
- Enterprise Agreement Pricing Overview
 - Pricing rules and methodology
- Preview of 5.0 Field Guide
- Train the Trainer core concepts and guidelines
 - Responsibilities and resource materials
 - Program scenarios
 - Presentation of concepts

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April 3, 2000

■ Microsoft Business Agreement

- Umbrella terms and conditions
- Covers Select, EA, Services and Beta

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Select
License

■ Select License 5.0

- Microsoft Business Agreement
- Annual Price Level Adjustment
- Agreement Extension
- Product Use Rights Addendum

■ Enterprise Agreement 5.0

- Microsoft Business Agreement
- Full platform or choice of Enterprise products
- Additional products
- Enrollment structure for adding affiliates
- Product Use Rights Addendum

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The day two agenda is focused on the Train the trainer concepts.

- The approximate times for this day are:
 - ✓ Team challenge: 1 hour (allow for questions and clarification)
 - ✓ EA Pricing: 1 hour
 - ✓ Preview of 5.0 Field Guide: 30 min.
 - ✓ Train the trainer: 2-3 hours

- At this point, indicate to the participants that in day one they should be focused on just learning the concepts of the new programs and asking in-depth detailed questions about the changes. Day two will concentrate on making sure that the participants understand the changes and are able to explain them to others and answer questions about the changes.

Use this slide to review the major changes to each of the programs. Avoid going into detail on any of the components at this point.

- Do take the time on this slide to explain the Product Use Right changes that impact Select and Enterprise Agreements, as this is the only place it is covered in the presentation. The basic change to the PUR means that a customer's use rights are essentially frozen from their first install of a product under their agreement:
 - ✓ Product use rights are in force as of the effective date of first product enrollment of each product until that product is updated to a new version

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April 3, 2000

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Open
License

■ **Open License 5.0**

- **Business:** Simplicity targeted at small/medium business customers and the broad non-managed VAP channel
 - no points, no pools, single price
 - Upfront order requirement of 5 licenses
 - No reorder minimum
 - Customer types: Corporate, Academic

- **Volume:** Continue to offer compelling value proposition for medium/large customers based on a volume commitment

- Points, Product Pools and entry minimums
 - 150 minimum upfront order*
 - 500 minimum upfront order
- No reorders minimum
- Customer type: Corporate

**Outside of EMEA, comparable pricing can be achieved through Open License Business.*

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Program Enhancements Goals

- **The 5.0 program enhancements designed to provide simplicity, fairness, flexibility and fair value over existing programs**

- Based upon customer and channel feedback
- Incorporated common exceptions handled by Business Desk

Improve customer satisfaction

- Attractive, fair pricing
- Shorter, easier contracts
- Easier license management

Increase Market Penetration

- Increase breadth penetration
- Increase coverage of the breadth market (Select and EA) and SME (by attracting new resellers like VAPs etc.)

Increase Revenue per PC

- Facilitate compliance monitoring
- Increase loyalty & recurring business

Increase Sales Efficiency

- Built in flexibility = fewer exceptions
- Decrease frequency of negotiations

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Review the major changes to the Open License program however, avoid going into detail on any of the changes. Indicate to attendees that each of these changes will be discussed in-depth in later slides.

- Before moving onto slide 6, ask what questions the participants have over any of the initial slides.

Review the goals behind these program enhancements.

- Indicate that there were two major goals that were attempted to be achieved in order to meet customer needs: flexibility and simplicity.
 - ✓ Select and Open changes were able to meet the customer needs for simplicity—making the programs easier to use and adding in customer benefits
 - ✓ EAs were enhanced to be more flexible, to meet unique customer needs.
 - ✓ Point out that there are different customer needs being met under the different programs and with EAs, flexibility was more important. Taking the time when selling EAs to customers to map the program to their distinct needs will be an important part of successfully selling an EA.
- Map each high level goal to the changes made to the programs



Sales Positioning for Program Enhancements

■ Existing 4.x Select & EA Customers

- Incremental enhancements that do not substantially change the customers' licensing experience with Microsoft
- For 4.x and prior agreement version customers with agreements about to expire
 - Educate customers on benefits of enhancements: flexibility, simplicity
 - Explain how the enhancements can improve their licensing experience

■ New 5.0 Select and/or EA Customers

- Educate customers on benefits of the enhancements: flexibility, simplicity
- Tie customer needs to program features
- Use program comparisons to compare to previous versions

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Sales Positioning for Open License 5.0

■ Existing Open License Customers

- For customers interested in ease of administration, lower initial minimum purchase requirements, transition to Open Business
- For medium to large customer interested in volume discounts and able to continue to invest in initial minimum purchase requirements, maintain customer on current Open License program
 - Upon end of agreement, explore possible transition to Open Business or maintain in Open Volume

■ New Open License 5.0

- Educate customers on ease of administration and benefits of simplicity, lower initial minimum purchase requirement of Open Business
 - Sell Volume only when there is clear customer need
- Tie customer needs to program features
- Use program comparisons to compare to previous versions

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Indicate that the changes to Select and EA were “incremental” changes to the programs, not revolutionary

Customers on current 4.x agreements will be encouraged to stay on their agreement and to transition at the natural end date of their agreements.

Review the key points on this slide.

The changes to the Open program were more revolutionary and existing customers who immediately transition to Open License 5.0 can begin to enjoy benefits of the new program.

- Indicate that Open Business will be immediately attractive to current Level A and B customers
- Explain that for current Level C customers, Open Volume will continue to meet their needs without changing their licensing experience
- Actual transition dates, program availability dates will be covered under the Open License section later in the presentation. Defer questions until then or if not able to, use the talking points from those slides to answer questions.

Ask if what questions the participants have before moving onto the next section.



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Microsoft Business Agreement (MBA)

Defining the MBA

- Umbrella agreement defines customer business relationship with Microsoft
- Provides "umbrella" terms and conditions
 - Select 5.0
 - Enterprise Agreement 5.0
 - Services
- Perpetual in term
- Supports multiple agreements
- Common terms and conditions covered
 - Definitions
 - Eligibility to order and participate
 - Product use restrictions
 - Use and ownership
 - Copyright
 - Warranties
 - Limitations of Liability
 - Audit Clause
 - Confidentiality
- For corporate customers only

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Transition to the MBA
(Approximately 45 minutes to present)

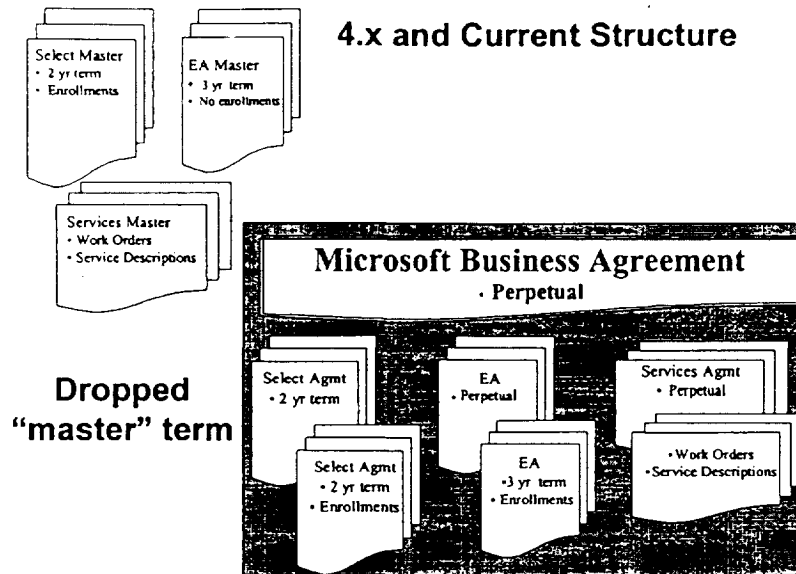
Review the purpose of the MBA and indicate that this is a new feature to Microsoft Volume Licensing

- Indicate that the MBA was designed to be a flexible feature for customers and intended to address their concerns about multiple negotiations of similar terms and conditions across agreements.
- The agreement was designed to provide the customer with the common terms and conditions and to minimize any needed negotiation of this agreement.
- This is intended to be a fairly quick slide to clear.

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MBA Structure

4.x and Current Structure



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Customer Value of MBA

- The MBA developed in response to customer requirements to reduce multiple negotiations for common terms and conditions
- Customer value of the MBA
 - Single negotiation point for common terms and conditions
 - Simplified agreement maintenance
 - Flexibility for extension of agreements
 - License tracking by unique customer ID number across programs
 - Centralized organizations
 - De-centralized, desiring tracking by region or defined area

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Use this slide to show a graphical representation of the new agreement structure using the MBA.

- Note that the term “master” has been dropped from the nomenclature.
- Be sure to point out that the MBA can maintain multiple Select, EAs and Services agreements, that it does not limit the number a customer may have.
- In addition, be sure to emphasize that customers may elect to have multiple MBAs

Emphasize the value that the customer will see in the MBA

- This agreement was designed based upon specific customer feedback.
- It builds a strong infrastructure for future electronic enhancements that will allow a customer to see purchase history across Microsoft programs.
- The MBA is similar to the Select and Enterprise agreement in that it is between Microsoft and the customer, a LAR signature is not required.
 - ✓ LARs will have the ability to look up customers with MBAs via a report offered on CPWeb.

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MBA Customer Scenarios and Sales Positioning

- An existing 4.x customer desires to incorporate the Microsoft Business Agreement
- New customer requests either a Select 5.0 or EA 5.0
- A customer has an existing Master Services Agreement, wants to establish either a Select 5.0 or EA 5.0
- Customer with a Microsoft Business Agreement requests termination

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MBA for Existing 4.x Customer

- An existing 4.x customer desires to incorporate the Microsoft Business Agreement
 - Educate the customer that the MBA is designed to specifically work with the 5.0 program versions
 - Determine where the customer is at in the current 4.x agreement term, position transition to 5.0 appropriately
 - > Explain that the terms and conditions do not provide "more" than 4.x agreements but are a sales process improvement that the customer can benefit from during natural transition
- **Key Sales Message:** Although there may be initial additional administration felt by the customer, the MBA will provide future reduced agreement negotiation during transition to 5.0 agreements. However, a customer can wait to move to the MBA during natural transition to 5.0.
 - If the customer desires to sign an MBA, they may do so. Any existing 4.x or prior version agreements will exist outside of the MBA

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Explain that the next series of slides will present specific customer scenarios and how the MBA will impact these types of customers.

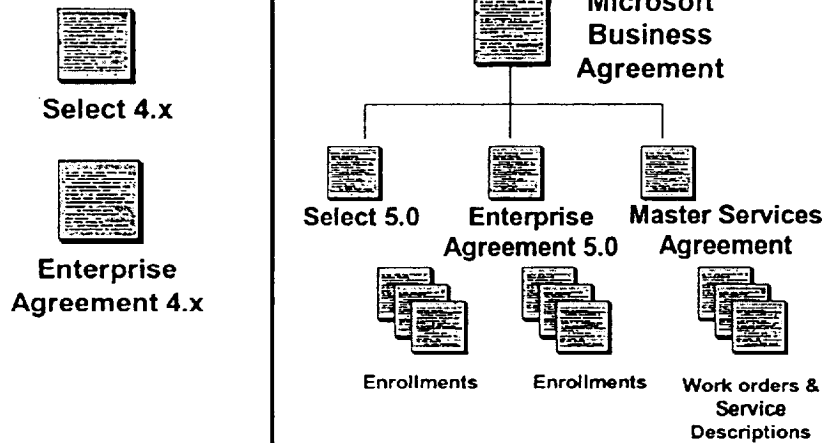
- Review briefly the different scenarios that will be addressed so that the participants understand that you will be answering their questions and transition to slide 14.

Use this slide to emphasize again that since the 5.0 version changes were really only incremental, that we will not be encouraging customers to move to the new programs nor immediately to the MBA.

- However, for customers who have questions or are close to the natural end of their 4.x agreement, this is a good time to talk to them about the benefits of this agreement.

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MBA with Existing 4.x Agreements



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MBA for New Customer

- **New customer requests either a Select 5.0 or EA 5.0**
 - Explain the structure of the MBA to other Microsoft agreements: Select 5.0, Enterprise Agreements 5.0, Beta and Services
 - Tie benefits of the MBA to customer situation (highly centralized, purchasing across regions, etc.)
 - reduced negotiation of similar terms and conditions
 - enhanced license tracking
- **Key Sales Message:** The MBA is designed to enhance the business relationship between the customer and Microsoft with version 5.0 agreements by reducing time spent negotiating agreements and assuring customers consistent terms and conditions.
 - Standalone Select 5.0 and Enterprise Agreements 5.0 will be provided if required (Red empowerment level)

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Use **this slide** to show how the customer's 4.x agreements will remain outside of the MBA structure.

Ask what questions the participants have about the MBA and existing 4.x customers before moving onto the next scenario.



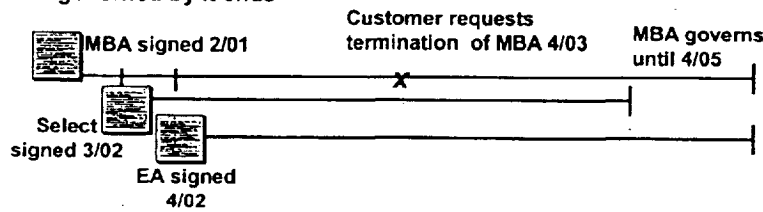
For new customers without existing Select or EA agreement the sales process is to immediately talk to them about the MBA and to sell the MBA to them at the same time as the agreement that they are requesting.

- It is Microsoft's intent that all customers will eventually have an MBA, the future benefits of the MBA should be explained to the customer so that they understand why they are signing it.

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Customer with MBA requests termination

- **Current customer with an MBA requests to terminate it**
 - Explain that any agreements signed beneath the existing MBA will continue to be governed by the MBA the customer is requesting to terminate. This includes any and all: Select 5.0, Enterprise Agreements 5.0, Beta and Services
 - Discuss with the customer their reasons for terminating the MBA
- **Key Sales Message:** The customer is within their rights to terminate an MBA with appropriate notice to Microsoft. However, customers should understand that by terminating the MBA, it does not terminate until the last agreement governed by it ends



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Customer with Master Services

- **A customer has an existing Master Services Agreement, wants to establish either a Select 5.0 or EA 5.0**
 - Explain the structure of the MBA to other Microsoft agreements: Select 5.0, Enterprise Agreements 5.0, Beta and Services
 - However, since the Master Services Agreement has a perpetual term, the customer will not be required to re-sign the MSA. It can continue to exist outside of the MBA
 - Tie benefits of the MBA to customer situation (highly centralized, purchasing across regions, etc.)
- **Key Sales Message:** While customers with existing MSAs do not need to re-sign a new agreement, Microsoft encourages establishing an MBA for the remaining agreements.
 - The MBA is designed to enhance the business relationship between the customer and Microsoft with version 5.0 agreements by reducing time spent negotiating agreements and assuring customers consistent terms and conditions.

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MBAs are perpetual agreements, however, customers will always have the ability to end the agreement upon their written request.

- It is important educating the customer about the termination of the MBA that they understand that it **does not** terminate any agreements already active and signed under it's terms and conditions.
 - ✓ However, by terminating the MBA it does prevent any future agreements (Select, EA or Services) to be signed under that MBA number
- Use the graphic to explain how the MBA will continue to govern the active agreements signed under it until their natural end date.

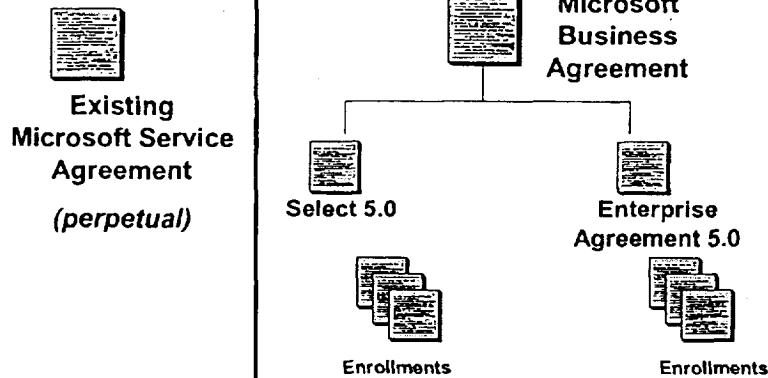
Ask what questions the participants have about the termination process of the MBA and how it impacts existing, active agreements?



In this customer scenario, emphasize customers with existing Master Services agreements do not need to resign a new Services agreement if they sign an MBA.

- The current MSA is already a perpetual agreement and the terms and conditions are similar to the revised Services agreement signed under an MBA. There is not any reason to force these customers to resign these agreements.

MBA and Existing MSAs



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MBA Sales Process

- **Customers could interpret the MBA as an added step and extra administration**
 - Determine all needs of the customer during the sales process
 - Position the MBA as the umbrella terms and conditions that previously existed in all agreements
- **Encourage the customers to evaluate and sign the MBA at the same time as a Select and/or Enterprise Agreement**
- **Explain the benefits to the customer**
 - Future license purchase tracking across programs
 - Single negotiation of terms and conditions

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Use the graphic on this slide to show how a customer may elect to sign an MBA for new Select or EAs, but retain their existing MSA that will exist outside of the MBA structure.

Review and re-emphasize the MBA sales process that has already been presented via the customer scenarios.

- Be honest that the MBA may initially be seen as signing more agreements with Microsoft, but that the customer benefit will be seen in future interactions.
 - ✓ Encourage participants to think of positive ways in which to introduce the MBA to customers.
 - ✓ Some feedback indicated the MBA is a way to encourage customer visits to stay in touch and sell the future benefit of this agreement.
- If the customer does not have an MBA, it should always be presented with the other agreements under consideration, as a package, so that its potential to be seen as an additional agreement is lessened.

Go to the Agreement GuideBook and review the MBA structure and content with the participants.

This is a good point for a break.



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Select Agreement 5.0

Select 5.0 Enhancements

Select 4.x

- **Agreement Structure**
 - Master
 - Enrollment
- **Term: 24 calendar months**
- **Pools**
 - Applications, Systems, Servers
- **Upgrade Advantage**
- **Points**
- **Forecast by Price Levels**
 - Level A: 1000*
 - Level B: 8000
 - Level C: 20,000
 - Level D: 50,000
- **Upfront Discount (Levels A, B)**
- **Compliance checks**
 - 6 months: 25%
 - 12 months: 50%

*Select Level A reduced October 4, 1999

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Select 5.0

- **Agreement Structure**
 - MBA
 - Select Agreement
 - Enrollment
- **Term: 24 calendar months, agreement extension for 24 additional months**
- **Pools**
 - Applications, Systems, Servers
- **Upgrade Advantage**
- **Points**
- **Forecast by Price Levels**
 - Level A: 1000*
 - Level B: 8000
 - Level C: 20,000
 - Level D: 50,000
- **Upfront Discount (Levels A, B)**
- **Annual Level Adjustments**
 - Meet 100% of forecast minimum to maintain level or be re-leveled down (based upon 24 month purchase history)
 - If purchase history meets 100% of higher forecast level minimum, automatically re-leveled to more favorable price level

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This section will take approximately 45 minutes.

Before beginning the Select presentation, ask what questions the participants have about the MBA?



Use this slide to indicate a transition from the MBA to the Select program.

This slide should be used to show the incremental changes from Select 4.x to version 5.0

- Point out that the only changes to the Select program are indicated by the boxed content
 - ✓ The basic structure and program elements that have created customer satisfaction remain intact
 - ✓ The incremental enhancements are designed to provide customers with additional benefits and to increase customer satisfaction
- Clear this slide quickly since each of the changes will be discussed on an upcoming slide.

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Key Sales Messages

■ Enhancements to Select 5.0 are designed to provide customers with simplicity and flexibility

- Simplified level adjustment
 - Reduce amount of time previously spent on compliance checking
 - Reward customers by recognizing 24 month purchase history to adjust levels
 - Based upon actual purchasing, reduces impact of cyclical purchasing
 - Reward customers who purchase beyond the forecast by automatically re-leveling to a more beneficial price level
- Simple method to extend agreement
 - Reduce sales cycle on re-negotiations
 - Provide uninterrupted purchasing
 - Maintain business relationship

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Positioning to New/Existing Customers

■ Existing 4.x or prior version customers

- Incremental enhancements to improve the customer experience while maintaining the desired features of the program
- For 4.x and prior agreement version customers with agreements about to expire
 - Educate customers on benefits of enhancements: flexibility, simplicity
 - Explain how the enhancements can improve their licensing experience

■ New 5.0 Select Customers

- Emphasize incremental enhancements made to the program, while maintaining the more popular features
- Educate customers on benefits of the enhancements: flexibility, simplicity
- Tie customer needs to program features
- Use program comparisons to compare to previous versions

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Review the key sales messaging to customers about these enhancements, focusing on the simplicity, flexibility and ability to maintain a business relationship with Microsoft with minimal effort.

Re-emphasize the importance of the sales messaging of the program enhancements to existing Select 4.x customers.

- 4.x customers should feel that their existing agreement provides them with essentially the same features and benefits as the version 5.0 agreement and that there is not any reason to immediately transition.
- New Select customers should be educated on the incremental enhancements and the benefits that they provide.
 - ✓ There will be a transition period where both versions 4.x and 5.0 Select agreements are available, during this time, customers who are not deeply into the negotiation process should be presented the MBA and 5.0 agreement and educated on the differences and benefits.

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License Purchase Forecast

■ Customer choice for establishing price level

- Forecast anticipated purchases by pool and accumulative points for 24 month term
- Forecast based upon purchases under Enterprise Agreement

■ Key Sales Message: The Select agreement provides customers a choice in how they elect to set their forecast price level. Customers may base pricing upon commitment established by an existing Enterprise Agreement or create a new forecast.

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Annual Level Adjustment

■ Annual review of customer purchase history to establish price level. Customer may:

- Remain at forecasted price level
 - > Meet 100% of current price level forecast minimum points
- Be adjusted up to the appropriate price level
 - > Meet 100% of higher forecast price level minimum points
- Be adjusted down to the previous price level (or dropped from a pool if currently Level A)
 - > Do not meet 100% of forecast price level minimum points

■ For customers that establish price level based upon an existing Enterprise Agreement

- Annual level adjustment is waived during the term of the Enterprise Agreement

■ Annual price level check is measured on meeting 100% of forecast price level minimum using previous 24 month purchase history

- For Select customers in the first 12 months of their agreement, level check is based upon 12 months of purchase history and multiplied by 2 (or must meet 50% of forecast price level)

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Transition to talking about the enhancements to the Select program.

Explain the added feature of customer choice for establishing the Select price level

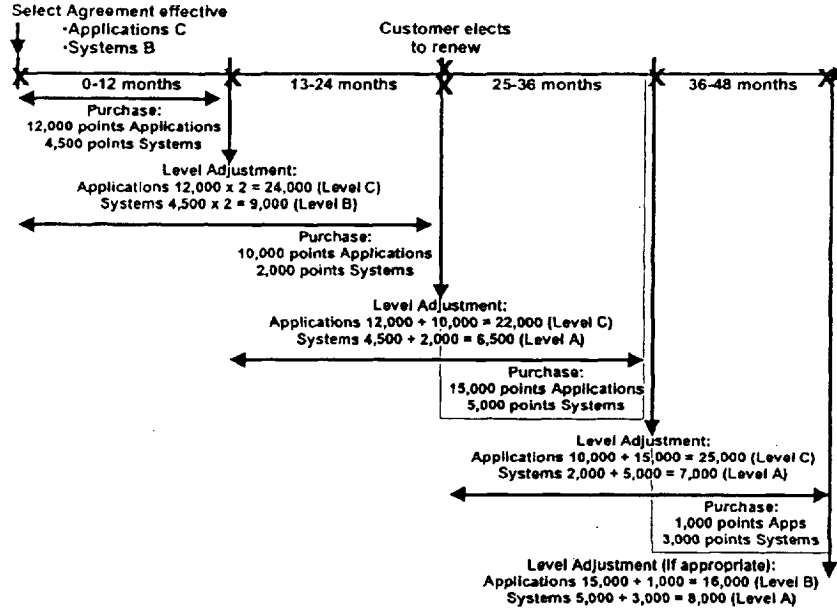
- Customers with EAs can now easily establish their Select price levels based upon the number of qualified desktops in the EA.
- This addition to the Select program allows the customer to be programmatically and easily recognized for their existing commitment to Microsoft.
- Indicate that how this process works will be reviewed using the Agreement GuideBook later in this presentation.

Review the change from compliance to the Annual Level Adjustment, focus on the process

- Indicate that the fundamental changes are:
 - ✓ there is only an annual review of the customer's purchase history (versus the 6 month and 12 month checks in 4.x), and
 - ✓ customers can be re-leveled up, providing them with a more beneficial price point.
- For customers that establish their Select price level based upon their EA, they will not have an Annual Level Adjustment check
 - ✓ Microsoft will review their EA status annually and if the Select outlives the EA, their purchase history will be reviewed annually similar to other Select customers.

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Annual Level Adjustment Scenario



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Existing Customer Scenario: Met Forecast (full 24 months history)

■ A Select customer elects:

- Applications Level C
- Systems Level A
- Servers Level A

■ Actual 24 month purchase history:

- Applications: 23,500 points
- Systems: 1,200 points
- Servers: 1,050 points

■ Solution: Customer will remain in

- Applications Level C
- Systems Level A
- Servers Level A

Because 100% of each forecast minimum was met

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Use the graphic to explain how the Annual Price Level Adjustment can impact customer's price levels and recognize cyclical purchasing

1. Show that the 12 month purchases are multiplied by 2 to get total points and they meet the level minimums forecasted, so no change to price levels
2. Show that the 24 month purchases in Systems fell below the minimum so the level was reduced to A.
3. Show that the agreement was renewed, therefore the 24 month purchase history is based on months 13-36, and they meet the level minimums forecasted, so no change to price levels.
4. Finally, show that the purchases fell in Applications, below the minimum for the final period, months 25-48 and the level is reduced to B.

Indicate that now you are going to explain several customer scenarios based upon the Annual Level Adjustment

This scenario is based upon an existing customer with a full 24 months of purchase history who has met their forecast.

- Their total points, when added together for each product pool, meet the minimum levels so there is no impact to the customer's price levels.

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New Customer Scenario: Met Forecast (12 months history)

■ **A Select customer elects:**

- Applications Level C
- Systems Level A
- Servers Level A

■ **Actual 12 month purchase history:**

- Applications: 12,000 points
- Systems: 710 points
- Servers: 525 points

■ **Solution: Customer will remain in**

- Applications Level C
- Systems Level A
- Servers Level A

Because 100% (actual points x 2 or 50%) of each forecast minimum was met

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Customer Scenario: Exceeded Forecast

■ **A Select customer elects:**

- Applications Level B
- Systems Level B
- Servers Level A

■ **Actual 24 month purchase history:**

- Applications: 21,000 points
- Systems: 8,100 points
- Servers: 1,200 points

■ **Solution:**

- Customer will remain in
 - Systems Level B
 - Servers Level A

Because 100% of each forecast minimum was met

- Customer will be re-leveled to
 - Applications Level C

Because at least 100% of next forecast minimum was met

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This scenario is based upon a new customer with only 12 months of purchase history who has met their forecast.

- Their total points, when added together for each product pool and then multiplied by 2, meet the minimum levels so there is no impact to the customer's price levels.

This scenario is based upon an existing customer with 24 months of purchase history who has exceeded their forecast.

- Their total points, when added together for the Systems and Server product pools, meet the minimum levels so there is no impact to the customer's price levels.
- However, their total points, when added together for the Application product pool, exceeds the minimum for Level C (they are currently Level B) so they will be leveled up to price Level C for the next 12 month period.

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Customer Scenario: Missed Forecast

- **A Select customer elects:**
 - Applications Level B
 - Systems Level A
 - Servers Level A
- **Actual 24 month purchase history:**
 - Applications: 4,000 points
 - Systems: 500 points
 - Servers: 1,200 points

- **Solution:**
 - Customer will remain in
 - Servers Level ABecause 100% of the forecast minimum was met
 - Customer will be re-leveled to
 - Applications Level ABecause less than 100% of forecast minimum was met
 - Customer will be notified that Systems will be terminated because less than 100% of forecast minimum was met

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Agreement Extension

- **Select 5.0 customers will be notified 60 days prior to the end of the agreement that the agreement can be extended an additional 24 months**
 - No action is required by the customer if the customer wishes to extend the agreement
 - If the customer does not desire to extend the agreement
 - Written notice must be sent to Microsoft
 - Customer orders must be received or CD shipments will be suspended until an order is received
 - An order must be received within 60 after the natural end of the agreement
 - Agreement will stay active and CD shipments will begin once an order is received
 - Suspension of CD shipment may be prevented upon written request by the customer

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This scenario is based upon an existing customer with 24 months of purchase history who has missed their forecast.

- Their total points, when added together for the Server product pool, meet the minimum level so there is no impact to the customer's price level.
- However, their total points, when added together for the Application and System product pools, miss the minimum levels so for Applications they will be re-leveled to Level A (they are currently Level B) for the next 12 month period and since they do not meet the minimum forecast for Level A in Systems, they will be terminated from that product pool.

Ask what questions the participants have about the Annual Level Adjustment process.



Transition to the next topic: Agreement Extension

- Review the process for agreement extension, pointing out the necessity that both parties must agree. The specific termination language will be covered when we review the Agreement Guidebook later in the presentation.
- Point out the CD process, indicating that there must be an order within 60 days of extension to keep the subscription.

Review the impact to Upgrade Advantage. Since the term of UA does not change (24 months) all UA purchased in the first 24 months of the agreement will expire at the end of the 24th month. Customers must elect to continue it for the extended term (and make another payment).

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Academic Select

■ Program description

- Select Level A
 - 1,000 point forecast minimum per product pool
- Academic Select Agreement
 - Stand alone agreement

■ Program consistencies:

- Academic definition remains the same
- Channel continues to be Authorized Educational Resellers

■ Differences from Select 5.0 (corporate)

- Microsoft Business Agreement does not apply
- Annual level adjustment does not apply

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Enterprise Agreement 5.0

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Transition to the next topic: Academic Select

Review the Academic Select offering.

- Indicate the major differences between Corporate and Academic offerings
- Point out that the MBA will not be used for Academic Select agreements
- Be sure to emphasize that Academic Select agreements cannot be re-leveled up but if they do not meet the minimum forecast, they could still be re-leveled out of the product pool.

Go to the Agreement GuideBook and review the Select agreement and enrollment structure and content with the participants.

Ask what questions the participants have about Select version 5.0

This is a good point for a break.

Use this slide to indicate a transition from the Select to the Enterprise Agreement program.

This section will take approximately 2.5 hours.

Before beginning the Enterprise Agreement presentation, ask what questions the participants have about Select?



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EA 5.0 Enhancements

EA 4.x

- **Agreement Structure**
 - Enterprise Agreement
 - Non-standard process to add affiliates
- **Term: 36 months, 12 month extension**
- **Get current, stay current**
- **Standard Microsoft Platform**
 - Desktop OS upgrade
 - Office Professional
 - BackOffice CALs
- **Published price points**
 - 500- 999
 - 1000-4999
- **Select Ad-Hoc Purchases**

EA 5.0

- **Agreement Structure**
 - MBA
 - Enterprise agreement (perpetual)
 - Enterprise Enrollment
- **Term: 36 months, 12 month extension**
- **Get Current Stay Current**
- **Standard Microsoft Platform or individual Enterprise Products**
 - Desktop OS upgrade
 - Office Professional
 - BackOffice CALs
- **Published price points**
 - 500- 999
 - 1000-4999
- **Additional Products**
 - Level A: 0-99
 - Level B: 100-499
 - Level C: 500-1999
 - Level D: 2000-4999
 - Level E: 5000+

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Key Sales Messages

- **The Enterprise Agreement 5.0 program enhancements provide added flexibility to meet customer needs**
 - Based upon common Business Desk requests
- **The full Microsoft platform of Enterprise products continues to remain the best value proposition for the customer as far as:**
 - Lower Total Cost of Ownership
 - Access to the Most Recent Versions of the Microsoft Enterprise and Additional products
 - Simplified License Tracking
 - Reduced Risks of License Noncompliance and Associated Potential Costs
 - Simplified Budgetary Planning
 - Streamlined Ordering Process
 - Facilitation of a Long-term Relationship with Microsoft

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This slide should be used to show the incremental changes from Enterprise Agreements 4.x to version 5.0

- Point out that the only changes to the Enterprise Agreement program are indicated by the boxed content
 - ✓ The basic structure and program elements that customers are used to remain intact
 - ✓ The incremental enhancements are designed to provide customers with additional benefits and choice and give more flexibility to the program
- Clear this slide quickly since each of the changes will be discussed on an upcoming slide.

Review the key sales messaging to customers about these enhancements, focusing on the fact that flexibility to meet customer need was the main focus of these changes.

- The changes that were made were intended to make programmatic many of the customer requests Microsoft was receiving and require fewer “touches” to the program, making it easier to close agreements faster.
- In addition, it is critical that all participants understand that the true value of the EA still remains in the full platform, and that should continue to be the main sales focus. Be sure to re-emphasize the value of the EA to the participants and point out that while Microsoft provided flexibility to have an EA with less than the full platform, the value of the EA may not be fully realized.

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Programmatic Consistencies

■ Pricing Levels

- Breadth levels offered by LARs
 - 500-999
 - 1000-4999
- 5000+ requires Microsoft Account Manager involvement

■ True Up Process

- Multipliers
 - Year 1: 2.5
 - Year 2: 2.0
 - Year 3: 1.5

■ Language Groups

- Listed Languages
- All Languages

■ Calculating Annual Payments

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Pricing Simplification

Pricing Matrix for 4.x

	Level 1	Level 2	Level 3	Level 4
50,000+	\$210	\$225	\$240	\$255
20,000 - 49,999	\$230	\$245	\$260	\$275
5,000 - 19,999	\$250	\$265	\$280	\$295
1,000 - 4,999	\$305	\$305	\$305	\$305
500 - 999	\$320	\$320	\$320	\$320

Pricing for 5.0

	EA Platform
50,000+	\$245
20,000 - 49,999	\$260
5,000 - 19,999	\$275
1,000 - 4,999	\$305
500 - 999	\$320

■ Enhancements to 5.0 Pricing

- Single price point per desktop volume level
- No requirement to collect install base information

■ Ability to recognize customer commitment to Microsoft products (installed base) enabled through empowerment and new pricing tool

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Use this slide to point out what is NOT changing from version 4.x to 5.0.

- This is meant to be a fast clear slide, however be sure to emphasize that:
 - ✓ Pricing remains the same with LARs able to close 500-4,999 EAs and with Microsoft Account managers involvement needed with any agreements 5,000+
 - ✓ Indicate that some of the languages within the language groups may have shifted, but that will be reviewed during the Agreement GuideBook review of the EA.

This is an internal Microsoft slide only. Please note that the actual price point on this slide may vary by region. US Dollar is indicated in this example.

- It is important to point out the simplicity that has been created by reducing the number of price points from version 4.x to 5.0.
- Rewarding customers for installed base of Microsoft products or competitive products can be accomplished via the new pricing tool
- Substantial time in this presentation as well as in a following presentation will focus on how to apply discounts and the new EA 5.0 pricing methodology.

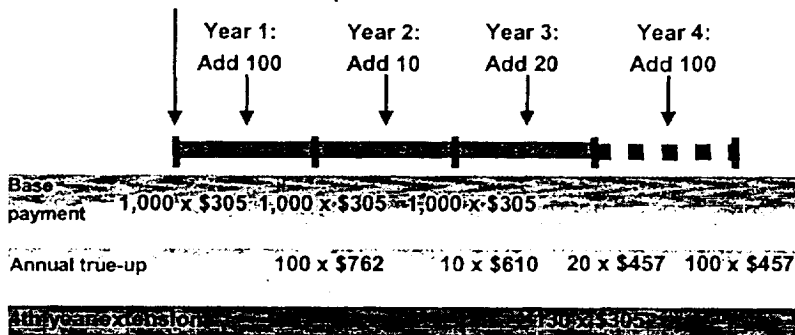
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Fourth Year Extension Pricing

■ For customer electing the fourth year extension

- Will pay annual desktop price for
 - Original desktops in the defined enterprise
 - All desktops added during true up for years 1, 2 and 3

Start 1,000 desktops



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Adding Affiliates

■ Affiliates may be added through the Enterprise enrollment

- Enterprise enrollments establish number of qualified desktops and pricing
- Enterprise enrollments will not be co-terminous (each may have a different end date)
- Each Enterprise enrollment is able to select it's own Enterprise products

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There is a change to the method of determining the fourth year extension price.

- This is an important concept to bring out so that the participants understand what the differences are between 4.x and 5.0.
- In 5.0, all fourth year extension prices will include all desktops trued up in years 1, 2 **and 3**.
- Version 4.x does not require that year 3 desktops that were trued up be part of the fourth year extension price.
- **This change was made due to the fact that there was confusion and in 4.x the fourth year extension was not being applied consistently. This model is a model that makes better business sense.**
 - ✓ True up multipliers do not change, so for desktops trued up in year 3, they will be charged the 1.5 true-up multiplier, then the 1.0 multiplier for the fourth year.

A new feature of the Enterprise Agreement is the Enterprise enrollment

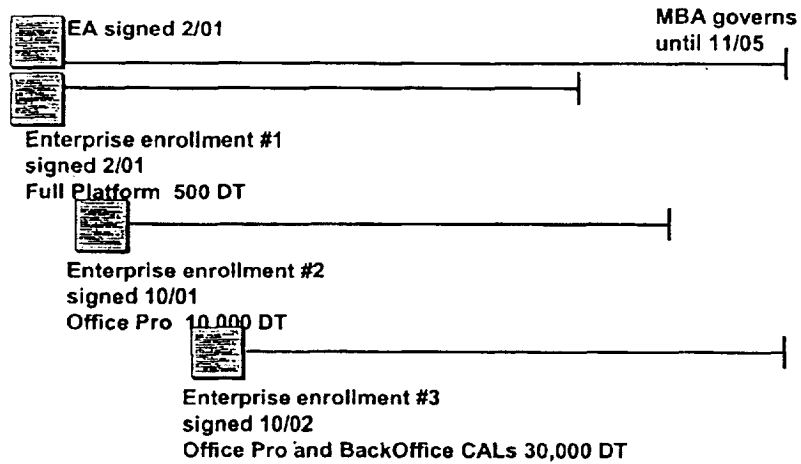
- It is **critical** to point out that **pricing, qualified desktops, and end dates** are determined on an enrollment basis
- Transition to the next slide where this becomes displayed graphically and participants will better understand it.

It is **critical** to point out that a customer must be an *affiliate, a legal entity*, in order to sign an Enterprise enrollment. This is **not** intended for divisions of a company.

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Customer Scenario: Adding Affiliates

■ Customer signs EA and Enterprise enrollment #1, then adds affiliates



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Qualified Desktop Definition

■ Qualified desktop definition

- personal desktop computers, portable computers, workstations and similar devices, which are used by the enterprise (affiliates included) and which meet the minimum requirements for running any of the enterprise products
- Qualified desktops do not include computers designated as a server and not used as a personal computer or any system dedicated to run ONLY line-of-business software

■ Customer scenario: *A customer with Macintosh deployed across their enterprise is eligible for a Office Pro Enterprise enrollment*

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This slide is intended to display the relationship between the EA, MBA and individual Enterprise enrollments. Key points to bring out on this slide are:

- Re-emphasize that the EA is a perpetual agreement so will remain in effect until the end date of the longest running enrollment (in this example, that is 11/05)
- Point out how each of the three enrollments
 - ✓ Were signed on different dates, so they will all three end at different times,
 - ✓ Each have different numbers of qualified desktops so that they will be priced at different levels; no aggregation between enrollments occurs
 - ✓ Each have a different product mixture

This slide is intended to point out that the Qualified Desktop definition has been altered slightly to allow for Macintosh machines to participate in an Enterprise enrollment.

- Emphasize to the learners that customers who are signing an Enterprise enrollment are still required to identify all desktops that meet the qualified desktop definition and use that as their qualified desktop number.

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Enterprise Products

- **Microsoft Platform Enterprise products**
 - **Windows Desktop Operating System Upgrade**; and
 - **Microsoft Office Professional** (the current version of which consists of the following components: Microsoft Word, Microsoft Excel, Microsoft PowerPoint® presentation graphics program, the Microsoft Outlook® messaging and collaboration client and Microsoft Access); and
 - **Microsoft BackOffice Client Access License** (the current version of which consists of Client Access Licenses for the following components: Windows NT Server, SQL Server, Microsoft Exchange Server, Systems Management Server, and SNA Server).

- Enterprise customers may elect any individual or combination of individual Enterprise products

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Enterprise Product Pricing

- Sum of individual Enterprise Products always greater than choice of full platform (15%)

Platform	Office	BO CAL	OS
\$320	\$200	\$112	\$64
\$305	\$190	\$108	\$61

- Enterprise products priced at 3 year price, regardless when added during the term of the Enterprise Agreement

	1st Year	2nd Year	3rd Year	Total
Platform	\$320	\$320	\$320	\$1060
Office	\$200	\$200	\$200	\$600
		\$300	\$300	\$600
			\$600	\$600
BO CAL	\$112	\$112	\$112	\$336
		\$168	\$168	\$336
			\$336	\$336
OS	\$64	\$64	\$64	\$192
		\$96	\$96	\$192
			\$192	\$192

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This slide is intended to present the Enterprise products that make up the EA platform.

- Point out at this juncture that there is new nomenclature for these products, “Enterprise products”. This becomes important in being able to distinguish between the different products available under the EA.
- Explain the EA product choice here. Customers may elect either all three of the products, as the Enterprise product platform, or any combination of the three products, including a single Enterprise product.

This is an internal Microsoft only slide.

This is an important slide to clear with the participants and to make sure that there is understanding of the concepts.

Be aware that the pricing in this example is US dollars and the US price point. This may vary regionally.

- The EA platform will always be priced better than the sum of the individual Enterprise products. The pricing represented on this slide is for the 500-4,999 EAs.
- Each Enterprise product is priced out so that if added at to the enrollment after the initial order (i.e. in years 1, 2 or 3) that the sum of the product will always equal the three-year price.

This is important for customers to understand and a strong selling point for them to add all products they think they will need in at the initial order.

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Adding Enterprise Products

- Customers who select less than the full platform can add Enterprise products at any time during their agreement
 - Will always pay a three year price, regardless of when the Enterprise product is added
- **Key Sales Message:** Encourage the customer to begin a new enrollment in order to benefit from full three year term, with ability to extend an additional year
 - Standard process to order additional Enterprise product and add to an existing Enterprise enrollment
 - Educate customer that it will be a three year price and added product will match term of existing Enterprise enrollment

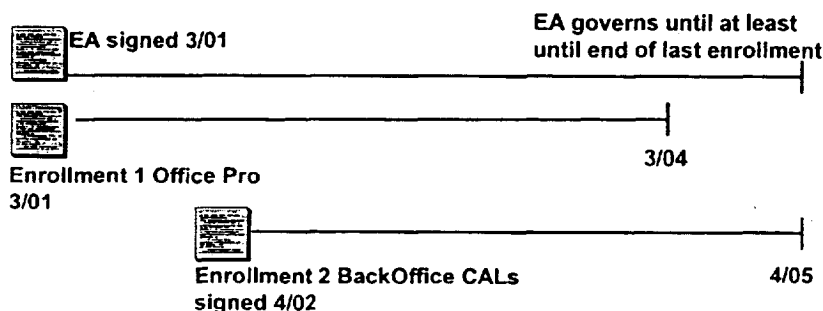
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Customer Scenario: Adding Enterprise Products

- Adding an Enterprise product through a new Enterprise enrollment



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The positioning on adding Enterprise products is a critical concept. Microsoft asks that you make sure you educate your customers about this in order to make sure that they can make the best, informed decision.

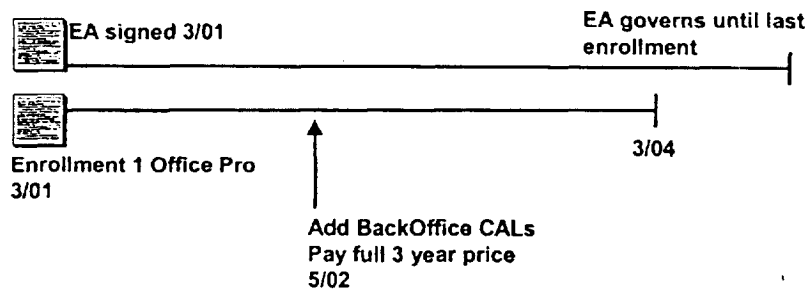
- Since the customer will always pay a three year price regardless of when they add an Enterprise product, if they desire to add an Enterprise product any time after the initial order, then Microsoft recommends that they do so by initiating a separate enrollment.
 - ✓ This way they take advantage of the full benefits of the three year term for the price that they will be paying
 - ✓ Enterprise products need to be ordered at the time they are installed, then the remaining payments will coincide with the anniversary dates
- It is important to point out that the end dates of the two enrollments will not be the same; they will be “non-coterminous.”
- Customers may add an Enterprise *product to an existing enrollment; however, they will always pay the full three-year price without the three-year term if they add the product in year 1, 2 or 3.*

Use slide 46 as a way to demonstrate the desired way to add an Enterprise product. Key points to note are different start and end dates.

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Customer Scenario: Adding Enterprise Products

■ Adding an Enterprise product to an existing Enterprise enrollment



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Additional Products

■ Additional products available as part of Enterprise enrollment

- Not based upon commitment across all desktops
- Purchase through initial order or add during any year of the enrollment

Level	Qualified Desktops
A	0-99
B	100-499
C	500-1,999
D	2,000-4,999
E	5,000+

- **NOTE:** Additional products are not cumulative across years

■ **Key Sales Message:** Encourage customers to determine upfront on the initial order the number of additional products they can forecast during the term of the entire agreement in order to offer the best pricing and annual payments

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This example is meant to show what happens if a customer elects to add the Enterprise product during the term of an existing enrollment.

- Clear this slide quickly, again emphasizing that this is not the recommended approach, pointing out the shortened term for the added Enterprise product and the full three-year price paid.
- Note: some customers may see this as their preferred method of adding products, which is why Microsoft built in the flexibility. But careful customer education of this point is required.

Transition the audience away from Enterprise products and indicate that they now need to think differently. Introduce the next section as focused entirely on Additional Products.

- Introduce that Additional products was added to this version release in order to provide customers with the flexibility of ordering and paying for these products in the same way their Enterprise products are ordered and paid.
- It is **critical** to point out that these products do not need to be ordered for every desktop in the enterprise.
- Be sure to educate the participants that the price level quantities are determined by:
 - ✓ Individual products available as Additional products, and
 - ✓ Each annual order of the products
- Therefore, customers may end up with multiple price levels not only within a year but also for the same product across years of the enrollment.
- Additional products do contain the same **Get current, stay current** feature as the Enterprise products.

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List of Additional Products

- Project
- FrontPage
- Visio
- Visual Studio Enterprise Edition
- Visual Studio Professional Edition
- BackOffice server
- SQL Server
- SQL Server Enterprise Edition
- Exchange Server
- Exchange Server Enterprise Edition
- Office Developer Tools
- Proxy Server
- Site Server Commerce Edition
- SNA Server
- Systems Management Server
- Windows Server
- Windows Advanced Server
- Windows Terminal Services CAL
- Windows Terminal Services Work at Home CAL
- Office Premium Upgrade
- Office Work at Home
- Office Pro Work at Home
- Office Premium Upgrade Work at Home
- Project Work at Home
- FrontPage Work at Home
- MS Press Learning Library Desktop
- MS Press Learning Library-Certified Plus

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Adding Additional Products

- **Additional products can be added anytime during the Enterprise enrollment**
 - For additional products added in year 1, the customer will pay annual payments
 - For additional products added in year 2 and 3, the customer will pay a single payment
- **For each new order of an additional product, a customer pays the price level associated with the volume ordered**
 - Payments for Additional products ordered during years 1, 2 or 3 of the Enterprise enrollments **must** be received prior to the anniversary date
- **Key Sales Message: Encourage customers to determine upfront on the initial order the number of additional products they can forecast during the term of the entire agreement in order to offer the best pricing and annual payments**

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The purpose of this slide is to introduce the list of Additional products that may be ordered on an Enterprise enrollment.

- Be sure to point out that this list includes
 - ✓ Applications such as Project and FrontPage
 - ✓ Visio
 - ✓ Server products such as SQL server
 - ✓ Work at Home skus, and
 - ✓ Microsoft Press Learning Library products
- The Additional products will be maintained on the Enterprise Product list, if products are added, this is where changes will be reflected.

Explain the process in which to add Additional products to the Enterprise enrollment. Take this process slowly, and in logical order so that the participants understand the slight nuances between the year 1 orders and year 2 and 3 orders.

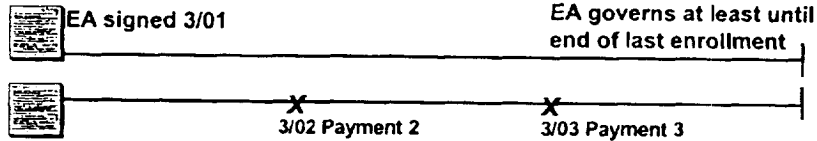
- The overall distinction that must be made is that for all Additional products, the order must reach Microsoft before the anniversary date of the year the products are installed.
- Be sure to point out the difference between:
 - ✓ Products added in year 1 where the payment will be annualized and invoiced at the same time as the annual payments, and
 - ✓ Products added in years 2 and 3 where the customer will pay a single payment.

Also explain the aggregation possible within the same year, but not across years.

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Customer Scenario: Additional Products with Initial Order

- Encourage customers to order the total number of additional products they can forecast needing during the term of the entire agreement in order to offer the customer the best pricing and the benefit of spreading the cost of the additional products through three annual payments



Enterprise enrollment signed 3/01

- Full platform for 10,000 desktops
- Additional product: MS Press Learning Library Desktop for all desktops (price level E)

Initial order contains:

- First annual payment for 10,000 desktops for EA platform, and
- First annual payment for 10,000 desktops for MS Press Learning Library Desktop

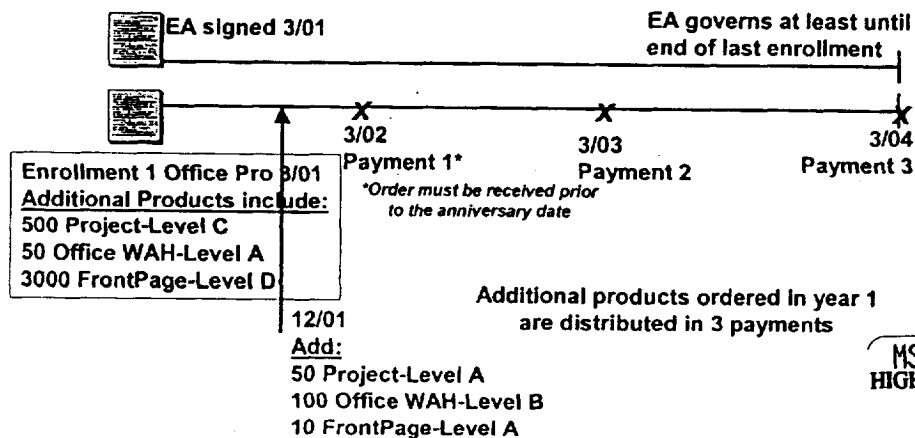
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Customer Scenario: Year 1 Adding Additional Products

- Customer orders additional products on the initial order then again in year 1



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Use this graphic to reinforce the concept of how to order Additional products as a part of the initial order, when signing the Enterprise enrollment.

- Key points to bring out are the “potentially” different price levels that may be assigned to each product, depending upon the quantity ordered
- When the payments for the Additional products will occur (on the anniversary dates and along with the payment for the annual payment for the Enterprise product(s))
- A key distinction for this example is that this particular customer has elected to deploy the elected Additional product across all desktops, but **this is not a requirement**. Additional product orders can be as minimal as 1 license.

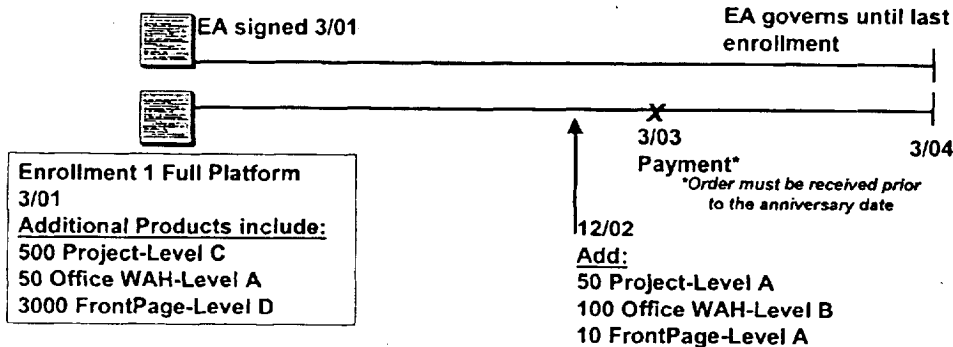
This customer scenario is intended to communicate the process for ordering Additional products in year 1 of the enrollment.

- Key points to bring out are the “potentially” different price levels that may be assigned to each product, depending upon the quantity ordered not only between products in year 1 but also between products on the initial order.
- When the payments for the Additional products will occur (on the anniversary dates and along with the payment for the annual payment for the Enterprise product(s))

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Customer Scenario: Year 2 or 3 Adding Additional Products

- Customer orders additional products on the initial order then again in year 2 or 3



Additional products ordered in year 2 or 3 are paid for in a single payment

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License Confirmations

- License confirmations for Enterprise Agreements 5.0 are streamlined
 - Full licenses, except for Operating Systems which will be upgrades
 - Issued in language category ordered: All or Listed languages
- Key Sales Message:** By indicating full licenses (except for Operating Systems) on the license confirmations, Microsoft will provide customers with easier license tracking and asset management

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This customer scenario is intended to communicate the process for ordering Additional products in years 2 and 3 of the enrollment.

- Key points to bring out are the “potentially” different price levels that may be assigned to each product, depending upon the quantity ordered not only between products in these years but also between products on the initial order. **Note:** the products do not accumulate across years for a better price level.
- The order must be submitted prior to the anniversary date and the customer will make a single payment for these products.

The License Confirmations for EA version 5.0 have been greatly simplified. Key points for the participants to understand is that now the license confirmations will contain:

- Full licenses for the most current version of the product ordered (both Enterprise and Additional products).
 - ✓ The only exception is that OS licenses will be upgrade licenses
- Languages for the licenses will be indicated by either *All Languages or Listed Languages* to simplify tracking.

Go to the Agreement GuideBook and review the Enterprise agreement and enrollment structure and content with the participants.

This is a good point for a break.



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Open License 5.0

Open License 5.0 Enhancements Open License 5.0

Open License (10/98)

- No signed Agreement
- Term: 24 months
- Upgrade Advantage Available
- Product Pools
 - Applications, Systems and Servers
- Pricing levels based upon points in the pool
 - A: 10 points
 - B: 150 points
 - C: 500 points
- eMOLP

- No signed Agreement
- Term: 24 months,
- Upgrade Advantage Available

- Business
 - no points, no pools
 - single price
 - Upfront order requirement of 5 licenses
 - No reorder minimum
 - Customer types: Corporate, Academic

- Volume
 - Product pools and points
 - 150 point minimum upfront order*
 - 500 point minimum upfront order
 - No reorder minimum
 - Customer type: Corporate
- eMOLP

**Outside of EMEA, comparable pricing can be achieved through Open License Business.*

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This section will take approximately 2 hours.

Before beginning the Open License presentation, ask what questions the participants have about the Enterprise agreement and enrollment?

Use this slide to indicate a transition from the Enterprise agreement to the Open License program.

Clear this slide quickly as following slides will explain the main differences between the offerings.

This slide should be used to show the changes from the current Open License program to version 5.0. The Open License program is the program that is most changed. While some structure of the previous program exists, the main portion of the program is radically different.

- Point out that the changes to the Open program are indicated by the boxed content
 - ✓ The changes implemented are intended to drive simplicity, ease of understanding for customers and ease of selling for the channel.
 - ✓ The program has moved from a tiered model with three distinct price points to one that contains two major offerings: Open Business (priced approx. at current Open Level B) and Open Volume (priced at current Open Level C). These offerings function very differently from one another.



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Future Enhancements for Open 5.0

■ New customer types

- Simplified offerings: No pools, no points, single price level
 - Charity (US)
 - Charity Open is not a donation program
 - Qualifications (US): not-for-profit, non-healthcare organizations currently registered under the Internal Revenue Service (IRS) tax code as a 501(c)3 corporation
 - ✓ excludes all private foundations
 - Government:
 - Differences in eligibility definition may vary by region

■ Currently targeted for release July 1, 2000

- Channel definition
- Verification processes definition

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Open License Sales Messaging

■ Sell Open License - Business

- Majority of sales will target customers
 - 95% of customers today purchase in Levels A and B
- Ease of entry (5 licenses)
 - No counting
 - No large upfront order required
- Ease of reorder
 - Reorders of any product, not limited to products purchase on initial order
- Ability to purchase across all products, no restrictions
- Upgrade Advantage purchase
 - Purchase under new authorization number each time to maximize 24 month term

■ Sell Open License Volume to customers

- where volume discount is critical (transition of current Level C customers), and
- where ability to make upfront payment to achieve the discount is possible

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- where ability to make upfront payment to achieve the discount is possible

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Use this slide to answer participant's questions about program features that they may have heard about but that are not yet ready for release.

- The Charity program is intended for rollout in NA primarily and is not necessarily relevant to other regions at this time.
- These programs are still undergoing the last phases of development and are targeted for release in July 2000.

Emphasize that Open Business is the main sales focus for the large majority of customers. It is easy to explain and will encourage incremental sales that Microsoft may be losing today due to:

- Customers purchasing product via FPP because they cannot reach Open Level A in all product pools.
- Customers not purchasing through and resellers not selling the Open License program due to its complexity of understand product pools, counting points, etc.
- Questions may arise about Open Volume and why it was maintained as a part of the new program. The offering was created to:
 - ✓ Meet the needs of large customers (current Open Level C customers) that strongly value a volume discount that would not realize the same discount via Open Business.
 - ✓ Complement the fact that while 95% of Open customers today purchase in Levels A and B, the 5% of customers purchasing Open Level C are approx. 30% of the Open revenue.

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Open License - Business

Program Structure

- 5 license minimum purchase to enter
- Ability to purchase all products from Open License Product List
- All software products count as 1 license, including Upgrade Advantage
- No reorder minimum

Benefits

- Easy to understand
 - No "counting" or aggregating
- Easy to qualify
 - Large purchase not required to enjoy discount
- Easy to track and administer
 - Single authorization number for purchases
- Easy ongoing purchasing
 - No restrictions on type of software purchase

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Open License - Volume

Program Structure

- Product pools
 - Applications
 - Systems
 - Servers
- Points
 - Assigned to each product
- Entry minimums per Product pool
 - 150 points*
 - 500 points
- Ability to purchase products elected Product pool
- Reorders at same price level, no minimum

*Outside of EMEA, comparable pricing can be achieved through Open License Business.

Benefits

- Opportunity for greater volume discount
- Better recognition for "larger" software purchases
 - i.e. purchases of server products
- Structure known by existing customers
- Tiered model similar to Select

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The purpose of this slide is to clearly distinguish the characteristics of the Open Business Offering. Key points to establish are:

- A minimum of 5 **licenses** required to enter the program, can be made up of any combination of products.
- This offering recognizes all software products as a single license regardless if it is BackOffice Server or Office Professional.
- Emphasize the benefits of this program offering.

The purpose of this slide is to clearly distinguish the characteristics of the Open Volume Offering. Key points to establish are:

- Open Volume maintains the structure of the existing Open License program with product pools and points.
- The minimum point entry for Open Volume for most regions (with the exception of EMEA) is 500 points.
- Clearly distinguish that the benefits of this program to the customer is the ability to continue to purchase in a familiar program and obtain a discount that recognizes the volume of license acquired.

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Open License Target Customer Characteristics

Business

Customers tend to:

- Want a simple, transactional process
- Want a simple licensing solution
- Not aggregate purchases
- Want ease for tracking and reordering

Purchases tend to:

- Contain variety of products
- Be smaller, one-off purchases

Volume

Customers tend to:

- Aggregate purchases
- Value a deeper price discount to recognize a large purchase

Purchases tend to:

- Contain a specific "type" or "category" of product(s)
- Be larger in quantity

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Open License Target Customer Examples

Business

Customer purchasing:

- ...a mixture of a small number of products such as Office, Windows Upgrades, BackOffice CALs
- ...a few licenses at a time to support a slow or uncertain deployment schedule
- ...a few licenses at a time, due to budget constraints

Volume

Customer purchasing:

- ...the same mix of products (i.e. Office) for all desktops across a medium/large organization
- ...a combination of a single or same type of product plus Upgrade Advantage for a medium/large organization (i.e. Office and Office Upgrade Advantage)

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With version 5.0 of Open License, it is important to be able to recognize the type of customer that will benefit most from the appropriate offering. This is critical due to the fact that the sales process for Open Volume is substantially more complex than the sales process for Open Business.

- Customer satisfaction will be maintained if the correct offering is targeted to the correct customer and customers are not required to go through lengthy sales process unnecessarily.
- Review what typical customers want and how their purchases tend to be characterized first for Open Business and then for Open Volume. Clearly draw out the differences.

This slide is intended to demonstrate the differences between some example purchases of Open Business and Open Volume customers.

- This slide can be cleared quickly, by drawing parallels to the information presented on the previous slide, slide 61.

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Transitioning Existing Open License Customers

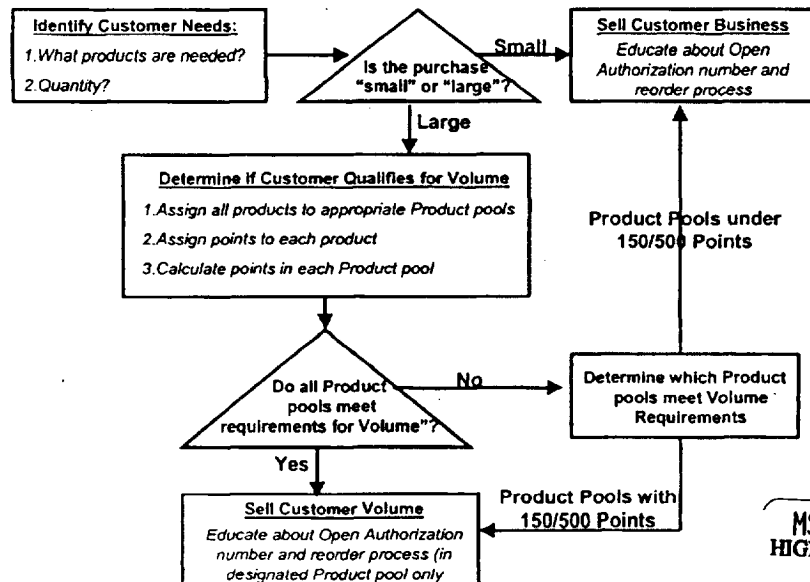
- **Move these customers to Open License 5.0, Business**
 - Current Open License Level A customer wishing to reorder 5+ licenses
 - > Benefits:
 - Better price level
 - Ability to purchase all software licenses under a single Open License Authorization number
 - Current Open License Level B customer wishing to reorder 5+ licenses
 - > Benefits:
 - Ability to purchase all software licenses under a single Open License Authorization number
 - Current Open License Level C customers whose current agreement has ended, not able to commit to a large upfront purchase
 - > Benefits:
 - Ability to obtain volume discount without large purchase
 - Ability to purchase all software licenses under a single Open License Authorization number
- **Move these customers to Open License 5.0, Volume**
 - Current Open License Level C customers whose current agreement has ended
 - > Benefits:
 - Ability to maintain current volume discount for software licenses purchased in a single Product pool

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Open License Sales Process



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This slide is intended to focus the selling of Open License post the April 3rd launch. The key points to emphasize on this slide are:

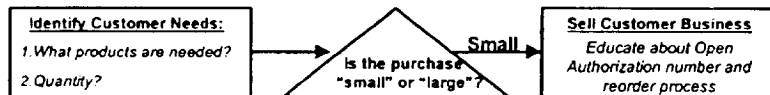
- Where at all possible, transition customers to Open Business, specifically for:
 - ✓ Any customer requesting a new Open License agreement (Level A or B, and even C in some cases)
 - ✓ Any customer who is wishing to reorder a minimum of 5 licenses under their existing Open License agreement
- Transition Open Level C customers to Open Volume if they can reach the minimum, and review with them Open Business in case they wish to simplify their purchasing.

This slide is intended to be a graphical representation of the “new” sales process that Microsoft is encouraging with Open License 5.0.

- Walk through each of the decision steps with the participants, point out how quickly someone selling Open Business can come to a decision with a customer and make the sale.
- Emphasize the additional steps that need to be taken with a customer considering Open Volume. Also point out that in many cases, the seller will need to also go back and sell Open Business to this same customer.
- **Critical learning point:** Make sure that the participants understand that the focus of this sales process is to first always sell Open Business since that should quickly meet the needs of 95% of customers.

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Open License "Business" Sales process



■ Small purchases:

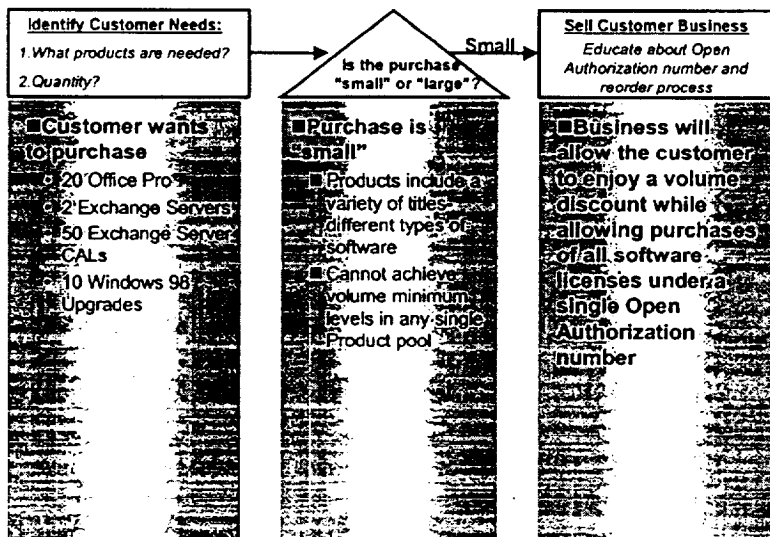
- Less than 150 – 250 software licenses such as: Office, Windows Upgrades, Project, BackOffice CALs, etc.
- Variety of software licenses, none of which combine to a large quantity

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Sales Process Example: Electing Business Offering



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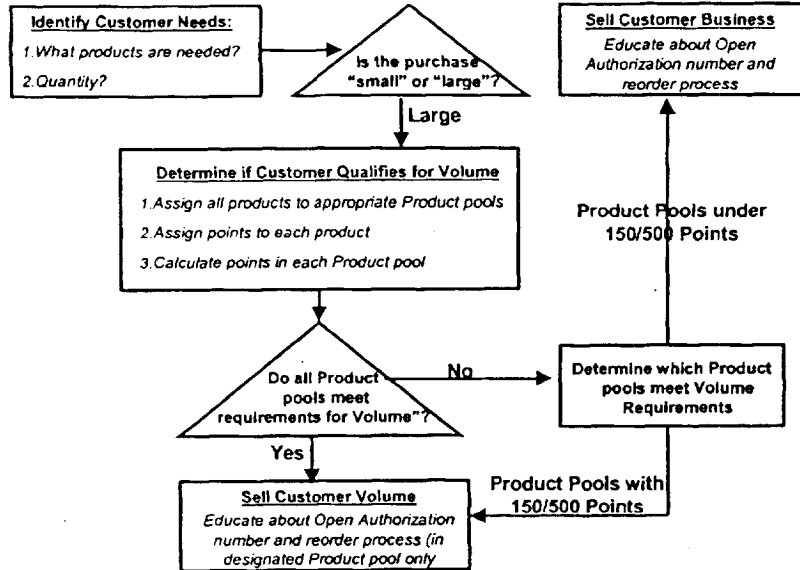
This slide isolates the Open Business sales process and offers an example of how to “characterize” small and large purchases as part of the questioning process of a customer.

- Emphasize the simplicity and ease of using this sales process with the majority of customers to drive sales and to leave more time for selling and less time for education.

This slide demonstrates the Open Business sales process as applied to a specific customer scenario. Walk through the scenario with the participants, again emphasizing how rapid this process is and how quickly a customer’s needs can be met.

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Open License "Volume" Sales process

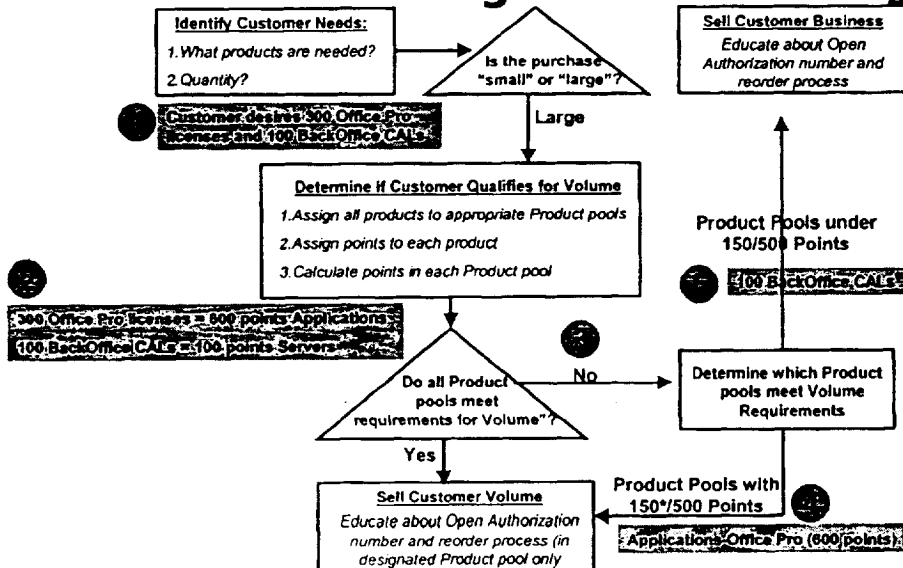


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Sales Process Example: Electing Volume Offering



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This slide isolates the Open Volume sales process and displays the many decision points that someone selling Open Volume needs to work through during the questioning process of a customer.

- Emphasize that this can be a lengthy process that can result in the customer being sold a mixture of both Open Volume and Open Business (where the customer is not able to qualify for the minimum point requirement in all three product pools).

This slide demonstrates the Open Volume sales process as applied to a specific customer scenario. Walk through the scenario (carefully drawing out each point in the process #1-5) with the participants, emphasizing the information and process required at each step of the sales process.

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Customer Scenario #1

- **New customer, without any previous Microsoft Open License experience**
- **Purchase of**

Quantity/License	Points	Product pool
10 Windows 98 upgrade	2	System
15 Office Professional 2000	2	Applications
2 BackOffice Server	30	Server

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Customer Scenario #1 Response

- **Sell the customer Business**
 - Purchase is a small purchase
 - Variety of software licenses needed
- **Customer Benefits:**
 - Single Open License Authorization number for all purchases
 - Easy reorder, no minimum requirement

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NOTE: For these scenarios, the participant's guide only has the "Customer Scenario" slide, all of the "Response" slides are included at the back of their packet.

These next 7 scenarios are intended to engage the participants so that they begin to think about the different concepts of Open Business and Open Volume.

For each customer scenario, use this process:

1. Read the scenario to the participants
2. Ask the participants what they believe the correct offering is.
3. Take a consensus of thought in the room, or ask one individual to respond.
4. Switch to the Response slide and review both the correct program offering along with the benefits that offering will bring to this specific customer.

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Customer Scenario #2

■ New customer, without any previous Microsoft Open License experience

- Purchase of

Quantity/License	Points	Product pool
150 Office Professional 2000	2	Applications
200 FrontPage 2000	1	Applications
50 PhotoDraw 2000	1	Applications

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Customer Scenario #2 Response

■ Sell the customer Volume

- Purchase is a large purchase
- Software licenses needed falls into one main category
 - Applications Product pool
- Meets minimum level requirements for Volume
 - Total points for the purchase is: 550 points

■ Customer Benefits:

- Single Open License Authorization number for all future purchases in the Application Product pool
- Easy reorder, no minimum requirement
- Volume discount recognition for larger purchase

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For this customer scenario, use this process:

1. Read the scenario to the participants
2. Ask the participants what they believe the correct offering is.
3. Take a consensus of thought in the room, or ask one individual to respond.
4. Switch to the Response slide and review both the correct program offering along with the benefits that offering will bring to this specific customer.

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Customer Scenario #3

- Current Open License customer, has Level A for Systems
- Wants to reorder and purchase

Quantity/License	Points	Product pool
2 Windows 98 Upgrade	2	Systems
10 Office Professional 2000	2	Applications

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Customer Scenario #3 Response

- Sell the customer Business and transition to Open License 5.0
 - Purchase is a small purchase
 - Variety of software licenses needed
 - Can purchase both Systems and Application products
- Customer Benefits:
 - Single Open License Authorization number for all purchases
 - Easy reorder, no minimum requirement

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For this customer scenario, use this process:

1. Read the scenario to the participants
2. Ask the participants what they believe the correct offering is.
3. Take a consensus of thought in the room, or ask one individual to respond.
4. Switch to the Response slide and review both the correct program offering along with the benefits that offering will bring to this specific customer.

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Customer Scenario #4

■ Customer with expiring Open License Level C for Applications

- Wants to purchase

Quantity/License	Points	Product pool
250 Office Professional 2000	2	Applications
200 FrontPage 2000	1	Applications

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Customer Scenario #4 Response

■ Sell the customer Volume, transition to Open License 5.0

- Purchase is a large purchase
- Software licenses needed falls into one main category
 - Applications Product pool
- Meets minimum level requirements for Volume
 - Total points for the purchase is: 700 points

■ Customer Benefits:

- Single Open License Authorization number for all future purchases in the Application Product pool
- Easy reorder, no minimum requirement
- Volume discount recognition for larger purchase

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For this customer scenario, use this process:

1. Read the scenario to the participants
2. Ask the participants what they believe the correct offering is.
3. Take a consensus of thought in the room, or ask one individual to respond.
4. Switch to the Response slide and review both the correct program offering along with the benefits that offering will bring to this specific customer.

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Customer Scenario #5

■ Customer with current Open License Level B for Servers

- Wants to reorder

Quantity/License	Points	Product pool
100 Exchange Server CALs	1	Servers
4 Exchange Servers	15	Servers

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Customer Scenario #5 Response

■ Sell the customer Business and transition to Open License 5.0

- Purchase can be categorized as a small purchase
- Will allow customer to purchase additional software licenses, regardless of type
 - Will enable future purchases of both Systems and Application products

■ Customer Benefits:

- Single Open License Authorization number for all purchases
- Easy reorder, no minimum requirement

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For this customer scenario, use this process:

1. Read the scenario to the participants
2. Ask the participants what they believe the correct offering is.
3. Take a consensus of thought in the room, or ask one individual to respond.
4. Switch to the Response slide and review both the correct program offering along with the benefits that offering will bring to this specific customer.

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Customer Scenario #6

■ Customer with no Open License experience

- Wants to purchase

Quantity/License	Points	Product pool
250 Office Professional 2000	2	Applications
40 BackOffice CALs	1	Servers
25 Windows 98 Upgrades	2	Systems
200 FrontPage 2000	1	Applications

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Customer Scenario #6 Response

■ Sell the customer Volume for the Application Product pool

- Purchase is a large purchase
- Software licenses needed falls into one main category
 - > Applications Product pool
- Meets minimum level requirements for Volume
 - > Total points for the purchase is: 700 points

■ Customer Benefits:

- Single Open License Authorization number for all future purchases in the Application Product pool
- Easy reorder, no minimum requirement
- Volume discount recognition for larger purchase

■ Sell the customer Business for the remaining software licenses

- Purchase is a small purchase

■ Customer Benefits:

- Single Open License Authorization number for all future software license purchases
- Easy reorder, no minimum requirement

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For this customer scenario, use this process:

1. Read the scenario to the participants
2. Ask the participants what they believe the correct offering is.
3. Take a consensus of thought in the room, or ask one individual to respond.
4. Switch to the Response slide and review both the correct program offering along with the benefits that offering will bring to this specific customer.

Customer Scenario #7

■ **Customer with current Open License Level C for Applications whose current agreement has ended**

- Wants to purchase

Quantity/License	Points	Product pool
100 Office Professional 2000	2	Applications
50 FrontPage 2000	1	Applications
20 Exchange Server CALs	1	Servers
15 Windows 98 Upgrades	2	Systems

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Customer Scenario #7 Response

■ **Sell the customer Business and transition to Open License 5.0**

- Purchase can be categorized as a small purchase
- Large upfront purchase not required
- Will allow customer to purchase additional software licenses, regardless of type
 - Will enable future purchases of both Systems and Server products

■ **Customer Benefits:**

- Single Open License Authorization number for all purchases
- Easy reorder, no minimum requirement

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For this customer scenario, use this process:

1. Read the scenario to the participants
2. Ask the participants what they believe the correct offering is.
3. Take a consensus of thought in the room, or ask one individual to respond.
4. Switch to the Response slide and review both the correct program offering along with the benefits that offering will bring to this specific customer.

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Academic Open

■ Program description

- Open Business
- In EMEA, additionally Open Volume
 - 150 point minimum upfront order level
- Academic Open Agreement

■ Program consistencies:

- Academic definition remains the same
- Channel continues to be Authorized Educational Resellers

■ Differences from Open 5.0 (corporate)

- Open Volume, 500 point minimum not available

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MSDN in Open (Applicable NA only)

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Academic Open is based upon the Open Business offering. Use this slide to describe the differences between current Academic Open and Academic Open 5.0.

Ask the participants what questions that they have about Open License 5.0 and the Business and Volume offerings?



Use this slide to transition to introduce a new process for ordering MSDN in Open License. This information is applicable in North America ONLY at this time. Remove for regional presentations outside of NA.

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MSDN Subscription

- **MSDN subscriptions are comprehensive services that provide developers with all of the development tools, technologies, and information they need to develop and test applications on Microsoft platforms**
- **Customer Benefits:**
 - Gives developer priority treatment
 - receive software before the public release, receive early beta and evaluation versions of software, and have access to all platforms and language versions
 - Most cost-effective way to receive delivery of all of Microsoft's technologies for developers
 - Convenient
 - keeps you up to date with all of latest Microsoft technologies and delivers them to your doorstep
 - Timely
 - Software updates are sent monthly and are available via secure download

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MSDN Subscription Levels

- **There are 3 subscription services:**
 - **MSDN Library**
 - receive technical articles and code samples monthly
 - **MSDN Professional**
 - receive all operating systems, SDKs, DDKs
 - MSDN Library
 - **MSDN Universal**
 - MSDN Library
 - MSDN Professional service offerings and:
 - Visual Studio Enterprise Edition
 - BackOffice Test Platform
 - Microsoft Office 2000 Developer

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Use this slide to introduce the concept of the MSDN Subscription as offered through the Open License program.

- Point out that this change is coming about around the same time as the launch of version 5.0 so Microsoft has included these slides to reach the broad audience, but that these changes are not a part of the version 5.0 enhancements.
- Walk through the bullet points on this page and emphasize the customer benefits of this subscription.

This slide describes the three different subscription levels offered in MSDN. Point out that they build upon one another.

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MSDN Open License Ordering Process

Today's Process

- **Customer must order FPP in order to get media set**
 - No method of obtaining additional media via WWF or otherwise
- **Customer orders Open License (MSOL) to receive additional licenses to access the media set**
- **Only one person has access to the download services**

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MSDN – New Ordering Process

New Process

- **Customer purchases MSDN via Open License**
 - License to media ratio of 5:1 per Open License transaction Number
 - Additional media orderable at COGS
- **Order activates Microsoft to send a Customer Care Kit which explains MSDN benefits, registration instructions, and MSDN website location for more info**
 - Customer should receive Customer Care Kit and license confirmation automatically sent after purchase
 - Reseller communicates to customer how to register via sales reps, email, and Faxbacks
- **Customer registers for MSDN via the MSDN Registration Tool**
 - Customer gives all named users access to the MSDN download service and sends media kits to the specified users.
- **Customer will receive MSDN Media within 10 business days after registering**

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This slide demonstrates today's ordering process in Open License. Point out the inherent steps that can cause customer dissatisfaction:

- Required to purchase FPP in order to acquire the media set that is a part of the subscription
- Only a single person is able to access the download services

This slide shows the enhancements to the MSDN ordering process beginning in May 2000. Key points to emphasize that are wins in the customer ordering experience are:

- Upon order of the media, receives the ability for 5 users to use each media license.
- A "Customer Care Kit" will be sent to help the customer access the MSDN website.
- Customers can allow all five users tied to each media license access to the MSDN website.
- MSDN media will now be shipped to the customer removing the requirement for them to purchase FPP.

If you are running the two-day Train the Trainer session, this concludes the content for Day 1. The next slide, slide 89 is the beginning of day 2.

Close the day's session by taking any participant questions.



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Knowledge Challenge

Knowledge Challenge

1. Which agreements are perpetual?
2. What is the value of Open License 5.0 for current Open License Level A customers?
3. How can you add Additional Products to an Enterprise enrollment?
4. What two offerings make up the Open License 5.0 program structure?
5. What is the Enterprise platform of products?
6. How long is the term of a Select agreement if the customer elects to renew?
7. If a customer wishes to purchase a variety of licenses (i.e. Windows 98 Upgrades, FrontPage, Exchange Server CALs), yet the total quantity of licenses to be purchased across all software products is less than 100, what is the best Open License 5.0 answer for this customer?

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Begin day two of the Train the Trainer by reviewing the content presented the day before.

Activity recommendation:

1. Split the group into teams of approx. 4 people each.
2. Put slide 90 and 91 up and challenge the teams to see who can be the first done with the most correct.
3. Have some type of reward for the team done first and then team with the most correct.

NOTE: The participant's materials do not include slides 92 and 93 in the same order as the presenters, they are in the back of the participant's materials. Refer the participants there for the answers.

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Knowledge Challenge

8. Describe a situation where a customer would have both Open License 5.0 Business and Volume.
9. When can Open License 5.0 be discussed with resellers?
10. What is the best way to add Enterprise products to an Enterprise enrollment?
11. When can Open License 5.0 be discussed with end customers?
12. If a customer currently has an Open License Level C agreement that has just ended, would you recommend the Open License 5.0 Business or Volume? Why?
13. What are the price level adjustment rules in Select 5.0?
 - Level stays the same
 - Re-level up
 - Re-level down
14. Can a customer add a divisional enrollment in EA 5.0?

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Knowledge Challenge Answers

1. **Microsoft Business Agreement, Enterprise Agreement and Services Agreement**
2. **Open Business**
 - single price point
 - ability to purchase variety of products
 - no large upfront payment
 - more attractive pricing than current program
3. **It is best to order Additional products included with the Initial Order, or they can be ordered before the anniversary date in years 1, 2 and 3**
 - If ordered as a part of the Initial Order or before the anniversary date of year 1, then the Additional products are added to the annual payments
 - Additional products ordered in Years 2 and 3 are paid in a one time payment
4. **Open Business and Open Volume**
5. **Windows Desktop Operating System Upgrade, Microsoft Office Professional and Microsoft BackOffice Client Access License**
6. **24 full calendar months plus an additional 24 full calendar months (48 full calendar months), and possibly into "perpetuity" if Microsoft should never rev a new Select program and continue to accept renewals**
7. **Open Business: ability to purchase variety of products, no large upfront payment necessary, single price point**

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Activity recommendation:

1. Have each group provide the answer for each question.
2. Don't show slides 92 and 93 until all answers have been provided

NOTE: The participant's materials do not include slides 92 and 93 in the same order as the presenters; they are in the back of the participant's materials. Refer the participants there for the answers.

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Knowledge Challenge Answers

8. When the customer has enough quantity in a single Product pool to achieve Open Volume (150 or 500 points) but will use Business to purchase the remaining software licenses not covered by the elected pool.
9. February 28, 2000
10. To begin a new Enterprise enrollment for the selected Enterprise product
 - Customers can elect to add the Enterprise product to an existing Enterprise enrollment, however they will still pay the full 3 year price regardless of the amount of time remaining in the term of their enrollment
11. March 20, 2000
12. Both may apply:
 - Open Business: if unable to commit to a large upfront purchase, needs include purchasing across variety of products
 - Open Volume: if value volume discount, can commit to large upfront purchase, continuing to purchase similar products
13. What are the price level adjustment rules in Select 5.0?
 - Level stays the same: must meet 100% of minimum forecast of current price level
 - Re-level up: must meet 100% of minimum forecast of a higher price level (does not necessarily have to be the next price level)
 - Re-level down: meets less than 100% of minimum forecast of current price level
14. No. Enrollments are only available for affiliates (legal entities)

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Field Guide 5.0 Empowerment Update

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Open the floor to questions following the Knowledge Challenge. Clarify any content from the previous day.

Use this slide to transition to an overview of the version 5.0 Field Guide. Key points to emphasize before starting this section are:

- The following slides are only intended to be a starting point to talk about changes to the 5.0 Field Guide.
- Extensive 5.0 Field Guide training will be conducted later in March and close to the April 3rd launch date, along with extensive pricing tool training.

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Green Exceptions

As currently drafted, final training and guide to be presented mid-March

- Price Discount 0-10%
- Ramped Payments
- Split First Year Annual Payment (enroll. Sec. 4)
- Quarterly Payments (enroll. Sec. 4)
- Multiple Language Blending
- Modify Applicable Law/Venue
- Adjust Number of Training Center Copies (up to 100)
- Reduce First EA Payment for Un-expired Portion of Maintenance Contract

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Yellow Exceptions

As currently drafted, final training and guide to be presented mid-March

- Price Discount 10-20%
- Include More Specific Divestiture Language
- Extend Cure Period for Breach to 60 Days
- Extend Agreement for Two Years Instead of One
- Split True Up Payments into Smaller Payments
- Modify Limits of Liability
- Adding Divisions

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Introduce the Green exceptions; this is a quick clear slide. Simply review what is similar to the current Field Guide and indicate that this is not an exhaustive list, it will be more complete when the final training is presented.

Introduce the Yellow exceptions; this is a quick clear slide. Simply review what is similar to the current Field Guide and indicate that this is not an exhaustive list, it will be more complete when the final training is presented.

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Red Exceptions & Special Cases

As currently drafted, final training and guide to be presented mid-March

■ Red Exceptions

- Price Discount 20-30%

Approval by Jeff Raikes only:

Windows 2000 Professional Price

Discount 21-30%

- Reduce True Up Multipliers
- Credit for Purchases During Negotiation

■ Exceptions never granted:

- Price Discount Greater Than 30%

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Previous Exceptions Moved to Agreement

Exception	Previous Level	Current Location
Incurable Breaches Language	Green	Enterprise Agreement
Assignment (agree not to unreasonably withhold consent)	Green	Enterprise Agreement
Best efforts to ensure affiliate compliance with terms	Green	Enterprise Agreement
Commercially reasonable efforts to replace/refund enjoined product	Green	MBA (6)
Freeze PUR by Version	Red	Enterprise Agreement
Less than Full Platform	Green	Enterprise Enrollment
Include other Products	Yellow	Enterprise Agreement
Allow True Up on Other Products	Red	Enterprise Agreement
Legal Entity/Divisional Participation (still not allowed?)	Yellow	Enterprise Enrollment
Include Early Termination Language	Red	Enterprise Agreement
Mutual Consequential Damages	Yellow	Microsoft Business Agreement
Consent to Transfer Licenses (duplicate of #2 above)	Green	Enterprise Agreement
Extend Y2K Warranty Period	Green	Microsoft Business Agreement

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Introduce the Red exceptions; this is a quick clear slide. Simply review what is similar to the current Field Guide and indicate that this is not an exhaustive list, it will be more complete when the final training is presented.

Key point to bring out: Emphasize the requirement of Jeff Raikes approval for any discounting above 20% on Windows 2000 Professional.

Use this slide to demonstrate the exceptions that have moved into the agreements. This is an excellent slide to demonstrate the work done by the Program Development team to make programmatic commonly requested exceptions.

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Changes to the Field Guide

■ Field Guide to be updated for versions 5.0

- Many exceptions are now standard program elements
 - Enterprise enrollments for affiliates
 - Adding Enterprise products
 - Additional products
- Reset empowerment levels for some exceptions

■ Guide will be finalized and available prior to launch date of April 3, 2000

■ New pricing tool to support Field Guide

- Available by April 3, 2000
- Easy to use interface
- Training to support new tool and Field Guide targeted for mid to late March 2000

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Price Quotes: Platform vs. Individual Enterprise Products

■ Pricing methodology for Enterprise Agreements 5.0 is critical element

- Must maintain the 15% platform discount

■ Empowerment

- Discount on individual Enterprise products needs to be in line with discounts given on platform
- Maximum empowerment on individual Enterprise product deals equals maximum empowerment for platform -30%

■ Negotiation example:

- A negotiation shifts from platform negotiation to and Enterprise enrollment for and individual Enterprise product
 - Must start Enterprise product negotiations with platform discount
 - If Platform was negotiated down to \$180
 - Sum of Enterprise products must maintain the 15% platform discount and can not be more than \$212
 - If single Enterprise product is offered to the customer, it must be in line with the actual Enterprise product price that made up the platform price

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Use this slide to emphasize again that the Field Guide is currently being finalized and that the Licensing Executives are targeting training for late March, close to April 3rd launch for this tool.

- At the same time, extensive training for the new pricing tool will take place.

Introduce the fact that there will be a new pricing methodology tied to version 5.0 of the Enterprise agreement. This methodology will be supported in the tool.

- This information is being presented now only as a preview and to begin the participants thinking about how they will need to understand how the new pricing methodology works.
- This is a **critical** concept due to the fact that it is required to demonstrate that discounts are being applied in a logical manner to the individual Enterprise products.
- The main intent of this slide is to show how the 15% discount of the platform is maintained by the discounts applied at the individual Enterprise product level.

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Price Quote Scenario

- Quote platform price to customer based on specific product discount criteria, for example

Product	Discount	Criteria
Office	10%	Adjusting for slow deployment schedule
BO CAL	10%	Meeting competitive bid
NTW	5%	Strategic opportunity
Platform	15% (plus sum of component discounts)	Savings to MS

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- Total discount on platform will be equal to cost savings discount from total individual Enterprise product price. The platform discount is 15%.
- If customer moves away from the platform and asks for single Enterprise product deal
 - Must be prepared to offer it to them at the empowerment discount price before the cost savings was removed
- All proposals and quotes need to state:
 - "Products comprising the Enterprise platform are available separately. If interested, please see your account representative for pricing."

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Negotiation Example

- Customer is quoted \$241 for the Enterprise Platform, based on combined total of empowerment discounts of
 - 10% (Office)
 - 10% (BackOffice CAL), and
 - 5% (NTW)
 - Plus platform cost savings discount of an additional 15%
- If customer elects to take just one Enterprise product, (i.e., Office), the maximum price for Office is \$123

	Platform	Office	BOCAL	NTW
Original Price		\$137	\$61	\$68
Empowerment Discount		x .10	x .10	x .05
Empowered Price	\$241	\$123	\$55	\$63
Platform Cost Savings Discount	x .15			
Platform Cost Savings Price	\$205			

FIXED

- Can't reduce the discount offered on Office just because they chose not to take the platform

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Walk through the price quote scenario, pointing out the individual discounts and then the 15% discount on the platform, after the individual Enterprise products are summed. Key points are:

- Requirement now to always show a customer the individual Enterprise product prices (with applied discounts) if requested or if they move from a platform deal to an individual Enterprise product deal.

Walk through the negotiation example, pointing out the individual discounts and then the 15% discount on the platform, after the individual Enterprise products are summed. Key points are:

- Once the individual Enterprise product discounts are applied, they become “fixed” and cannot be changed.

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Price Quote Process

■ Can

- Justify discounts on all components
- Work within a range of prices for each product

■ Must

- Upon customer request, be prepared to offer the customer a single Enterprise product at the uplift from platform price allocated to that Enterprise product (uplift not to exceed percentage cost savings)

■ Can't

- Apply discounts all to one product when the product doesn't merit the full discount
- Overburden one product with a discount in order to obtain customer commitment
- Quote the platform at 20% discount and then quote the individual Enterprise products at a 0% discount

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Launch Details

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Review what can, must and cannot happen in the new price quote/pricing methodology process.

- Emphasize again that this concept will be re-explained during the pricing tool training.

Ask the participants what questions they have about either the Field Guide or the EA pricing methodology.



Use this slide to transition to the next section, Launch Details.

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Launch Details

■ Safe dates:

- Channel received price lists and ongoing communication week of December 20, 1999
 - Agreements and orders not accepted until April 3, 2000
- Reseller communication about Open can not occur until February 28, 2000
- Customer communication of new programs can not occur until March 20, 2000

■ Select and Enterprise Agreement 4.x versions accepted until July 1, 2000

■ Sales collateral available for localization and to support knowledge transfer

- Sales Reference Guides
- Quick Reference Guides
- Data Sheets
- Program Comparisons
- FAQs

■ Training and Train the Trainer materials available

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Train the Trainer Action Items

■ Establish and communicate regional level training sessions

- Include VLChamps
- Those with responsibilities to train channel
- Communicate dates to teresah
- Channel training

■ LEs to coordinate Field Guide/Empowerment training for each region

■ Target Dates:

- MS internal by March 1, 2000
- Channel by March 15, 2000

■ Use resources available to you

- Training kits (MS and Channel Ready)
- Plan enough time for discussion and verification of knowledge transfer
- Push post-session learning: MS Volume Licensing Sales Specialist course/exam

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Review the launch details with the audience, be sure to emphasize the following points:

- Customer safe dates. These need to be strictly enforced by everyone.
- Everyone should be very careful not to stall sales during March.
- Point the participants to the resources available to continue learning and encourage them to read the Volume Licensing Flash each month to learn what new resources are being introduced to support these programs.

This is a critical point where you need to communicate your expectations to your audience. Take time here to set up process and procedures to make sure that follow-on training sessions occur, that attendance can be tracked and online evaluations distributed to all attendees.

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Train the Trainer Scenarios

Goals of this Section

- **Review content from program training**
 - Reinforce learning of concepts
 - Move from passive to active learning
- **Gain practice at developing positioning and sales messaging**
- **Answer objections**
 - Prepare for own training sessions
 - Prepare for customer interactions
- **Work together to develop further messaging and positioning statements**

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Transition into the Train the Trainer. Explain to the participants that this is the point where they stop being passive listeners and instead will become actively engaged in presenting and talking about the content of the new programs.

Explain the goals of the session to the participants. Indicate that everyone will be expected to participate during this section.

- This is their “safe” opportunity to begin practicing the presentation of the new programs and determining what are the key points that they want to emphasize and the selling benefits of the enhancements.

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Scenario Process

- Work in teams of 3
- Each team assigned a scenario or objection
 - Develop positioning/messaging based upon program information presented in Day 1
 - Elect a “spokesperson” or “act” out in a roleplay
- Each team presents their scenario and answer
- Entire group feedback on what was effective, what could be added and enhanced in messaging

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Scenarios/Objections

1. Customer wants an EA 5.0 but refuses to sign an MBA
2. An existing EA 5.0 customer with an Office Pro Enterprise enrollment wishes to add BackOffice CALs in year 2
3. An existing Select 4.x customer wants to sign an MBA
4. An customer considering signing an EA 5.0 is objecting to the perpetual term of the agreement
5. An EA 5.0 customer wants all of their Enterprise enrollments to end on the same date (co-terminous)
6. A new Select customer in the 12th month of their 5.0 agreement has a 12 month purchase history of 8,000 points for their Applications Pool level B. What do you tell them when they ask about their price level adjustment
7. A customer with an existing Select 5.0 in the 13th month of the agreement and an Enterprise enrollment in year 1 wants to terminate their MBA, what do you tell them?
8. A customer wants to purchase Additional products on their Enterprise enrollment in year 1 of the agreement. What is the process?
9. A customer signing an Enterprise enrollment questions you if it is better to purchase Additional products under their EA or via Select 5.0. What do you tell them?
10. A customer wants to know how many times they can renew their Select 5.0. What is the correct answer?

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Review the process with the participants and split them into teams.

Give them between 15-30 minutes to work up their scenario, then have each group present.

At the end of each presentation ask the audience to throw out the hardest questions that they can think of or give suggestions on what could have been described/explained better and how.

- The facilitator should be prepared to throw out any questions or issues missed by the team or audience.
- Use the training materials/slides as a resource and guide.

Additional Activity: If there remains time in the session at this point, consider splitting the participants up into teams again, assign each team one of the sections of the previous day's presentation (i.e. Open, EA, Select, Introduction, etc.) and give each team about 30 minutes to prepare and have each member in the team present one or more of the slides to everyone else.

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Questions and Answers Issues

Online Evaluation of Session

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Use this as a last opportunity to answer any questions that there may be.



Evaluations for internal Microsoft training will be sent out following the training. Ask the participants to be honest and complete when they answer the questions on the evaluation form.

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