

# Microsoft Dynamics™ License Model Transition Customer FAQ

## Overall Messaging

Microsoft is announcing a new transition policy called License Model Transition. This transition policy is effective worldwide and affects Microsoft Dynamics™ AX, Microsoft Dynamics™ GP, Microsoft Dynamics™ NAV and Microsoft Dynamics™ SL.

Microsoft is introducing License Model Transition to provide investment credit and choice for customers. The announcement is planned for January 17, 2007, with availability on:

US, Canada and LATAM	February 19, 2007
EMEA and APAC	March 1, 2007

License Model Transition provides customers with the opportunity to move from Module Based Licensing (hereafter “MBL”) to Business Ready Licensing (hereafter “BRL”) in order to take advantage of all the functionality in the Business Ready Licensing Full Access User and Foundation Pack.

## **License Model Transition Messaging**

As a customer’s functional needs increase, the Microsoft Dynamics licensing model that best suits his/her business may change as well. Microsoft encourages more use of available software capabilities by allowing a transition that recognizes the customer’s previous Microsoft investment and delivers the BRL edition that allows him/her to take advantage of additional capabilities.

Among the benefits of a License Model Transition are:

- **Customer Choice:** Customers can choose when and if they want to transition. Customers can choose to stay on the current license model and continue to license users and modules in their current licensing model.
- **Investment Credit:** Customers can license Microsoft Dynamics AX, Microsoft Dynamics GP, Microsoft Dynamics NAV and Microsoft Dynamics SL with confidence. If and when it makes sense to transition, customers will receive credit toward their new solution.

## **What is a License Model Transition?**

A License Model Transition is any move from the MBL model to the BRL model within the same product line.

## **When is the License Model Transition policy effective?**

For customers in the United States, Canada and LATAM, the License Model Transition offer is available on February 19, 2007. For customers in EMEA and APAC, the License Model Transition offer is available on March 1, 2007.

## **What is the difference between License Model, Product Line and Edition Transitions?**

**Product Line Transition:** Any move from one product line code base to a different product line code base.

An example of a Product Line Transition is:

Microsoft Dynamics GP Professional to Microsoft Dynamics NAV Advanced Management

**Edition Transition:** Any edition change within the same product line and licensing model.

An example of an Edition Transition is:

Microsoft Dynamics GP Business Essentials to Microsoft Dynamics GP Advanced Management

**License Model Transition:** Any move from the MBL model to the BRL model, remaining within the same product line.

An example of a License Model Transition is:

Microsoft Dynamics GP Standard to Microsoft Dynamics GP Advanced Management

**How do partners know which transition policy applies to their customer?**

The type of transition depends on the product line, edition and license model on which the customer currently operates and the product line, edition and license model to which the customer is moving.

In addition, there will be some scenarios where it seems the customer is making multiple transitions at the same time. For example, a customer might want to transition from Microsoft Dynamics NAV Standard Edition (under Modular Based Licensing) to Microsoft Dynamics AX Advanced Management Edition (under Business Ready Licensing). This transition appears to involve a product line (Microsoft Dynamics NAV to Microsoft Dynamics AX), licensing model (modular-based to Business Ready), and edition (Standard to Advanced Management) transition. In order to determine which policy applies, a transition order has been established to identify which transition policies take precedence over another.

The transition order is:

1. Product Line
2. License Model
3. Edition

To determine the transition policy that applies to each customer situation, the following questions should be asked until the correct policy to apply is determined:

1. Is the customer transitioning Product Lines?
  - a. If the answer is yes, the Product Line Transition policy applies.
  - b. If the answer is no, then go to the next question.
2. Is the customer transitioning licensing models?
  - a. If the answer is yes, the License Model Transition policy applies.
  - b. If the answer is no, then go to the next question.
3. Is the customer transitioning editions?
  - a. If the answer is yes, the Edition Transition policy applies.

In the example above, the Product Line Transition policy would apply because it satisfies the first question.

**What is the License Model Transition policy?**

**Equivalent Functionality:** Customers will be allowed to transition their current MBL modules and users to the functional equivalent under BRL.

**Protected List Price:** Customers will transition to BRL at their current protected list price (PLP) value. The PLP for their Enhancement Plan will not change. However, the Enhancement Plan percentage may change, as it is based on the license model to which the customer is transitioning.

For additional details, please refer to the Transitions section of the Customer Service Guide on CustomerSource:

[https://mbs.microsoft.com/customersource/support/information/supportinformation/services\\_guide\\_book.htm](https://mbs.microsoft.com/customersource/support/information/supportinformation/services_guide_book.htm)

**Why is the License Model Transition policy different than the Product Line and Edition policies?**

Microsoft wants to provide existing customers with a path to change to a license model that helps improve their business. After reviewing a number of options and gaining partner feedback, we found that the License Model Transition policy delivers tremendous additional value to the customers for a relatively limited fee.

**What if a customer doesn't want to transition to Business Ready Licensing?**

Customers can stay on their current licensing model. They will be able to license additional users and functionality for as long as their version of the product is still supported.

**Are there any requirements for transitioning?**

Yes. To transition, the customer must meet the following requirements:

1. **Enrolled in Enhancement Plan:** All customers must be current on their Enhancement Plan in order to make a transition to another license model, product line or edition. If customers have allowed their Enhancement Plan to expire, they must re-enroll in the enhancement plan before they will be allowed to transition.
2. **No module deactivations six months prior to transitioning:** If the customer has deactivated any modules in the past six months (starting with the announcement of the policy), the customer will not be allowed to transition to Business Ready Licensing until one of the following actions is taken:
  - a. Reactivate the module. The reactivated module would then be added back to the Protected List Price. Once this has been done, the customer would be allowed to transition to Business Ready Licensing.
  - OR
  - b. Wait six months from the date the module was deactivated.
3. **Module Based Licensing Professional User purchases:** If the customer has licensed additional Module Based Licensing Professional users between the time of the policy announcement and his/her License Model Transition, he/she will be charged the difference between the Business Ready Licensing Full Access User license price and the Module Based Licensing Professional User license price.
  - a. The difference between the Module Based User and Business Ready User will be added to his/her System List Price to calculate a new Protect List Price.

**How will the Enhancement Plan price change if a customer transitions to BRL?**

The customer's Protected List Price (PLP) will remain unchanged unless the customer has licensed additional users. However, the Enhancement percentage may change if the percentage is different between BRL and MBL.

**Is it true that soon existing customers will no longer be able to license components and users on module based licensing?**

No. There are no plans at this time to discontinue the Module Based Licensing or "European user based pricing" pricelists for customers who license under these pricelists. Customers who licensed under these pricelists on or before October 13, 2006, should feel confident that they will be able to license additional modules and/or users from those pricelists as the product is supported.

**Do customers need to be current on their enhancement plan to transition?**

Yes. To be eligible for a transition, customers must be current on their enhancement plan.

**What if customers allowed their Enhancement Plans to expire and choose to re-enroll now?**

Please refer to the customer service guidebook for the reenrollment policy.

**Are customers required to buy a new Enhancement Plan if they transition?**

Yes, a new 12-month Enhancement Plan is required.

**When transitioning, what happens to a customer's remaining balance for unused services?**

Customers will receive a services credit for any unused enhancements, support and/or training remaining on their current plan. The credit can be applied to any service offering but may not be applied to licenses.

**Is there a License Model Transition fee and if so, why?**

Yes. Business Ready Licensing includes a tremendous amount of value and capability for which transitioning customers will pay a relatively nominal fee. Customers must determine if the value and capability within the BRL is worth the cost of transitioning.

**What products are eligible for a License Model Transition?**

Microsoft Dynamics AX, Microsoft Dynamics GP, Microsoft Dynamics NAV and Microsoft Dynamics SL are eligible.

**Do customers need to be on the most current version of their product to transition?**

Yes. The customer must be on the latest edition of their product in order to transition.