



## Microsoft Licensing: Frequently Asked Questions

### Q. What is a Customer Access License?

- A. A Customer Access License (CAL) is required for each employee to use Microsoft software products. Every software product requires an individual license, or you can buy them as a bundle known as a “Suite.”

### Q. What is the difference between a “Standard” and “Enterprise” CAL?

- A. The “Standard” CAL has fewer features than the “Enterprise” CAL. Most Unified Communications features are in the “Enterprise” CAL, which costs more. To get an Enterprise CAL, **the customer must purchase the Standard CAL first**. For example, in Exchange 2007, the Enterprise CAL costs an additional \$25 over the price of the Standard CAL. In OCS the Enterprise CAL costs \$139 over the price of the Standard CAL. Note: This pricing isn’t discounted and can change.

### Q. What is the difference between a CAL and a Customer Access License “Suite?”

- A. A Customer Access License “Suite” is a bundle of Access Licenses for different products. There is a “Core CAL Suite” and “Enterprise CAL Suite” (ECAL). The Core CAL Suite includes products with “Standard CAL” features and pricing. The ECAL Suite includes products with “Enterprise CAL” features and pricing. Most of the key Unified Communications features Microsoft positions are in the ECAL Suite. This explains why the ECAL Suite costs \$686 **per user** while the Core CAL costs \$343. Two things to note:
1. **The customer doesn’t have to purchase the Core CAL suite first in order to get the ECAL.**
  2. The pricing mentioned above isn’t discounted, and it can change. Here is what is **currently** (heavy underscore) included in each:

#### Core CAL Suite

- Windows Server 2003
- Exchange Server 2007 (Standard CAL)
- Office SharePoint Server 2007 (Standard CAL)
- Systems Management 2003

#### Enterprise CAL Suite

- Windows Server 2003 CAL
- Microsoft Exchange Server 2007 Standard CAL
- Microsoft Exchange Server 2007 Enterprise CAL
- Microsoft Office SharePoint Server 2007 Standard CAL
- Microsoft Office SharePoint Server 2007 Enterprise CAL
- Microsoft Office Communications Server 2007 Standard CAL
- Microsoft Office Communications Server 2007 Enterprise CAL
- Systems Management Server (SMS) 2003 R2 Configuration Management License
- Microsoft System Center Operations Manager Client Operations Management License
- Windows Rights Management Services

- Forefront Security Suite

**Q. What do I do if my customer plans on upgrading to the ECAL or ECAL Suite and is saying “Unified Communications is free?”**

- A. UC is still not free. Point out the benefits of Cisco and the hidden costs in Microsoft’s “free” solution:

**Cisco Benefits**

1. Refocus the customer on the value of a Cisco tried, tested, and supported solution with expert Cisco Partners.
2. Refocus the customer on potential issues with multiple vendors supporting their mission-critical phone system.
3. Refocus the customer on investing in a single platform (including call control, messaging, and built-in security) that will support any critical application—not just Microsoft or Cisco.
4. Offer to conduct a CBC to demonstrate the solution and suggest that Microsoft do the same thing.

**Hidden Costs**

1. **CAL upgrade:** The ECAL or ECAL Suite costs more than the versions without most of the UC features called the “Standard CAL” or “Core CAL Suite.” The customer could stay with a less costly Standard CAL or Core CAL Suite and use Cisco Unified Communications. They would also benefit from Cisco’s tight integration with Microsoft.
2. **Software Assurance:** This is supposed to be “insurance” against having to pay for upgrades. The customer pays a percentage of the CAL charge every year to avoid paying for new licenses when a major software version is released (e.g., Exchange 2003 to 2007). Because Microsoft created the ECAL, their customer’s insurance doesn’t apply. And, because the ECAL is more expensive, so are the Software Assurance costs for the ECAL.
3. **Server upgrades:** Some ECAL applications require 64-bit servers.
4. **More servers:** Since Microsoft can’t deliver a complete solution the customer will need to buy additional servers to provide common, missing UC features like the voicemail light on the phone (Message Waiting Indicator).
5. **Gateways:** Because Microsoft can’t deliver a complete solution, the customer will still need to purchase voice gateways.
6. **PBX costs:** Even if UC is included, Microsoft still ties the customer to the legacy PBX. This means paying for the on-going costs of maintenance, upgrades, and changes to the legacy PBX architecture. Given that most traditional PBX vendors have no road-map and in some cases have withdrawn support for dated systems, stress the value of a centralized platform that offers forward investment protection.
7. **Operational costs of a multivendor communications solution:** A Microsoft UC solution means multiple vendors, multiple support models, and multiple operational cost models. In other words, it multiplies the amount of attention a customer will have to devote to their system.

**Q. What is the difference between an Enterprise License, Enterprise Suite, and Enterprise Agreement?**

- A. An Enterprise License (Customer Access License = CAL) is permission to use one MS software product with Enterprise features. An Enterprise Suite is a bundle of several MS software products with Enterprise CALs. An Enterprise Agreement (EA) is a flat-rate; three-year contract with discounted pricing that requires a customer to also purchase something called Software Assurance (upgrade insurance). The EA can simply be a bigger bundle. For example, there is an EA that includes the

Enterprise CAL Suite, Vista upgrade, and MS Office 2007. Another EA could include the Core CAL Suite instead of Enterprise. Or, there can be an EA for just one software package like Exchange 2007. Regardless, the idea is to lock the customer in for three years and require them to purchase Software Assurance.

**Q. What do I do if my customer already has an Enterprise Agreement (EA) with Microsoft and they are saying “UC is free?”**

- A.** If the customer has an EA, it does not mean that it includes UC. Check the EA carefully to see what it covers.
1. Find out if the customer has an EA that includes either “**Standard**” or “**Enterprise**” Client Access Licenses. **If it is the Standard CAL, most UC features are not included so the customer will have to pay to upgrade. Note: If the customer’s EA has the “Core CAL Suite,” this means they have Standard CALs (and will therefore have to pay for upgrades for UC).**
  2. If your customer has an EA with Enterprise CALs, it does not mean UC is included. Find out if the EA includes OCS (Call Control) and/or MS Exchange 2007 (Messaging).
  3. If the customer has an EA with Enterprise CALs for OCS and Exchange 2007, it means UC is included. However, you can still win the deal in two ways:
    - i. Find out when the EA is up for renewal. You can then assist the customer in understanding how to best allocate their operations budget. Many times it is possible to remove inconsistencies between what Microsoft software the customer is using and what they are actually paying for. These reallocated dollars can then be used to fund applications from Cisco.
    - ii. Even if UC is included, the customer still has to place their mission-critical phone system in the hands of Microsoft. **Even if UC is included, Microsoft still ties the customer to the legacy PBX. This means paying for the on-going costs of maintenance, upgrades, and changes to the legacy PBX architecture. Given that most traditional PBX vendors have no road-map and in some cases have withdrawn support for dated systems, stress the value of a centralized platform that offers forward investment protection.**

**Q. My customer doesn’t have an EA, but Microsoft is trying to get them to buy it for UC features. What do I do?**

- A.** Make sure the customer understands the implications of an EA, potential hidden costs, and the benefit of Cisco:

**EA Implications**

1. The EA will probably sound like a good deal to the customer because it appears to makes things easier and less costly.
2. If Microsoft is pitching an EA for UC features, it means they are including Enterprise CALs (and higher prices).
3. Understand that there is additional cost involved in Enterprise CALs. Will the customer use all of the software in an EA?
4. Get the customer to consider an EA with less expensive Standard CALs and Cisco UC.

**Cisco Benefits**

1. Refocus the customer on the value of a Cisco tried, tested, and supported solution with expert Cisco Partners.
2. Refocus the customer on potential issues with multiple vendors supporting their mission-critical phone system.
3. Refocus the customer on investing in a single platform (including call control, messaging, and built-in security) that will support any critical application—not just Microsoft or Cisco.
4. Offer to conduct a CBC to demonstrate the solution and suggest that Microsoft do the same thing.

**Hidden Costs**

1. **CAL upgrade: The ECAL or ECAL Suite costs more than the versions** without most of the UC features called the “Standard CAL” or “Core CAL Suite.” The customer could stay with a less costly Standard CAL or Core CAL Suite and use Cisco Unified Communications. They would also benefit from Cisco’s tight integration with Microsoft.
2. **Software Assurance:** This is supposed to be “insurance” against having to pay for upgrades. The customer pays a percentage of the CAL charge every year to avoid paying for new licenses when a major software version is released (e.g., Exchange 2003 to 2007). Because Microsoft created the ECAL, their customer’s insurance doesn’t apply. And, because the ECAL is more expensive, so are the Software Assurance costs for the ECAL.
3. **Server upgrades:** Some ECAL applications require 64-bit servers.
4. **More servers:** Because Microsoft can’t deliver a complete solution, the customer will need to buy additional servers to provide common, missing UC features like the voicemail light on the phone (Message Waiting Indicator).
5. **Gateways:** Because Microsoft can’t deliver a complete solution, the customer will still need to purchase voice gateways.
6. **PBX costs:** Even if UC is included, Microsoft still ties the customer to the legacy PBX. This means paying for the on-going costs of maintenance, upgrades, and changes to the legacy PBX architecture. Given that most traditional PBX vendors have no road-map and in some cases have withdrawn support for dated systems, stress the value of a centralized platform that offers forward investment protection.
7. **Operational costs of a multivendor communications solution:** A Microsoft UC solution means multiple vendors, multiple support models, and multiple operational cost models. In other words, it multiplies the amount of attention a customer will have to devote to their system.

**Q. My customer says they don’t need Unity Voicemail because it is free with Exchange 2007.**

- A. Unified Messaging is included with Exchange 2007 but only under certain licensing circumstances.
1. Confirm with your customer that they have an Enterprise CAL for Exchange 2007. If not, the customer will have to pay for the Unified Messaging feature in Exchange 2007.
  2. If your customer has an Enterprise CAL with Exchange 2007, get them to consider Cisco’s benefits and Microsoft’s hidden costs and missing features before moving forward:

**Cisco Benefits**

1. Refocus the customer on the value of a Cisco tried, tested, and supported solution with expert Cisco Partners.
2. Refocus the customer on potential issues with multiple vendors supporting their mission-critical phone system.

3. Refocus the customer on investing in a single platform (including call control, messaging, and built-in security) that will support any critical application—not just Microsoft or Cisco.
4. Offer to conduct a CBC to demonstrate the solution and suggest that Microsoft do the same thing.

### **Hidden Costs**

1. **CAL upgrade:** Exchange 2007 with Unified Messaging requires the more costly Enterprise Customer Access License. This costs more than the alternative, which is Exchange 2007 with the Standard Customer Access License (and no Unified Communications features). The customer could stay with a less costly Standard CAL and use Cisco Unified Communications. They would also benefit from Cisco's tight integration with Microsoft.
2. **Software Assurance:** This is supposed to be "insurance" against having to pay for upgrades. The customer pays a percentage of the CAL charge every year to avoid paying for new licenses when a major software version is released (e.g., Exchange 2003 to 2007). Because Microsoft created the ECAL, their customer's insurance doesn't apply. And, because the ECAL is more expensive, so are the Software Assurance costs for the ECAL.
3. **Server upgrades:** The ECAL requires an upgrade to a 64-bit server.
4. **More servers:** Because Microsoft can't deliver a complete solution, the customer will need to buy additional servers to provide common, missing UC features like the voicemail light on the phone (Message Waiting Indicator).
5. **Operational costs of a multivendor communications solution:** A Microsoft UC solution means multiple vendors, multiple support models, and multiple operational cost models. In other words, it multiplies the amount of attention a customer will have to devote to their system.

### **Missing Features in Exchange 2007**

- Voicemail networking (i.e. VPIM, AMISa, OctelNet, etc.)
- Ability to use Outlook to reply to and forward messages using voice and retaining the context as a voicemail for MWI and TUI access.
- Alternate TUI
- Live Reply
- Dropped Call Recovery
- Private and Secure Messaging
- Message Monitor
- Live Record
- Alternate Device Recognition (Unity's correction of multiple caller IDs to a specific user's inbox)
- Advanced Call Routing Rules (i.e. Call Handlers)
- Alternate Contact Number
- TTY/TDD support