Q. What is tiered pricing and where do I learn more about it?
A. Tiered Pricing is a way to normalize pricing for customers over different size ranges for the Unified Communications Manager (UCM) application. A key resource to find additional information about tiered pricing is the IPCBU Ordering Guide posted to Partner Central. There are also other presentations and documents including this FAQ posted to the Licensing Community of Community Central:

https://www.myciscocommunity.com/community/partner/collaboration/licensing

Q. To which products does tiered pricing apply?
A. Tiered pricing only applies to Unified Communications Manager (UCM) and associated software service (Cisco Unified Communications Essential Operate Service [ESW]) and subscription (Cisco Unified Communications Software Subscription [UCSS]). Historically, UCM has provided economies of scale via a server based pricing model. It is important to maintain these economies of scale which tiered pricing now provides. This is the key customer benefit of tiered pricing.

Q. To which product releases is tiered pricing applicable?
A. Tiered pricing will take effect with the launch of UCM 8.5 in Q4CY10. It will apply to any release for which you can order User Connect Licensing – today this list includes 7.1(5), 8.0 and (as of orderability) 8.5.

Q. Is tiered pricing applicable to Cisco Unified Workspace Licensing (CUWL)?
A. No – tiered pricing is only applicable to User Connect Licensing.

Q. What are the tiers?
A. Tiered pricing matches logical user volume tiers as follows:
   - 0-999
   - 1,000-9,999
   - 10,000 plus

Q. How does tiered pricing change the process for ordering User Connect Licensing (UCL)?
A. There is no change to the existing top-level SKU’s for UCL - CUCM-USR-LIC, and CUCM-USR-LIC-ADD. These SKU’s will present options for ordering tiers based on the number of UCM users being ordered on any single order. UCSS and ESW mirror the UCM tier structure and ordering rules.
   - Example 1:
- Customer A orders a combination of UCL licenses for UCM Enhanced, Basic and Essential IP Licenses for a total of 10,000 users.
- The applicable tier for the order is 10,000 for each of the license types being ordered. The same is true for the UCSS being ordered for the 10,000 users.
- Subsequently, the same customer orders a combination of UCL licenses for 1,000 add-on users. The applicable tier for this order is 1,000 based on this order size. 10,000 is no longer the applicable tier even though the customer has over 10,000 total users in their deployment. The same is true for the UCSS being ordered for the 1,000 users.

- Example 2:
  o Customer B orders a combination of UCL licenses for UCM - Enhanced, Basic and Essential IP Licenses for a total of 9,500 users. They also add 500 Public Space devices for a total of 10,000 users.
  o The applicable tier for the order is 1,000 for each of the Enhanced, Basic and Essential license types being ordered. This is because the Public Space licenses are not tiered. UCSS must also match the tier being ordered for the tiered licenses – in this case the appropriate tier is 1,000

- Example 3:
  o Customer C orders a combination of UCL licenses for UCM - Enhanced, Basic and Essential IP Licenses for a total of 5,000 users. They also order 5,000 CUWL PRO licenses.
  o The applicable tier for the order is 1,000 for each of the Enhanced, Basic and Essential license types being ordered. This is because the CUWL licenses are not tiered. UCSS must also match the tier being ordered for the tiered licenses – in this case the appropriate tier is 1,000

Q. Did UCSS-UCM prices change?
A. Yes, for UCSS-UCM (Enhanced, Basic and Essential), prices change at the higher user counts: 1,000 – 9,999 and 10,000 and up. UCSS-UCM cost is going down at the higher user counts.

Q. What if UCSS is required for a version prior to UCM UCL?
A. If UCSS is purchased through the legacy Ordering Tool, then users are considered Enhanced IP users only for Cisco Unified Communications Manager 4.3 to 7.1(4). Tiered prices will apply to UCSS for UCM IP Enhanced users.

Q. My customer is about to renew UCSS, do the tiered prices impact UCSS-UCM renewals?
A. Yes. Prices have changed for UCSS-UCM per user renewals. The cost will be 2% to 6% of UCM per user product list price, depending on length of term and user volume. The customer will need to increase their budget for a UCSS-UCM renewal, to cover the cost difference between the legacy per user UCSS-UCM (based on server/DLU model) and the new UCL-based UCSS-UCM.

Q. Did the upgrade strategy change?
A. No. UCSS provides the best value to get new features and capabilities. A la carte software upgrades are priced at 50% of Unified Communications application list price. A single a la carte upgrade is the equivalent of many years of UCSS coverage. Compared to the market and other UCSS, UCSS-UCM provides a lower TCO as well as a highly competitive and reasonably priced way to maintain an up-to-date unified communications system.

Q. Does UCSS have both tiered prices and built-in discount for multi-year term?
A. Yes. In addition to price breaks at higher user counts, there is a built-in price discount structure based on length of the software subscription term. Customers will optimize savings and gain the most value for their money with a UCSS multi-year term.

Q. For a multi-cluster deployment, is tiered pricing based on the Sales Order or the individual configurations?
A. Tiered pricing for UCM and UCSS-UCM is on a per configuration basis, not Sales Order. If a customer has multiple clusters, then UCSS-UCM must be structured per cluster and the tiered pricing will apply to each configuration. For example, if cluster 1 has 500 users then tier A applies. If cluster 2 has 1500 users then tier B applies. If cluster 3 has 15,000 users then tier C applies. At minimum, UCSS-UCM configuration should match the ESW contract.

Q. Did the UCSS-UCM SKUs change?
A. Yes. For the legacy Ordering Tool, the top level SKUs are the same, either L-UCSS-UCM (eDelivery) or UCSS-UCM (paper delivery of the claim certificate). For Cisco Commerce Workspace, there are new UCSS-UCM-U SKUs that auto-attach to the UCM license SKUs. It’s possible to configure the license and UCSS using the top level SKU CUCM-USR-LIC; however, there is no UCSS eDelivery option as well as no monthly SKU for co-termination.

Q. Are UCSS renewals based on the UCM license type in the contract?
A. Yes. In addition, if the contract is updated at renewal to reflect a new license type, for example going from LIC-CUCM-USR-B to LIC-CUCM-USR-C, then UCSS and ESW coverage must change.
Q. Is there an updated UCSS ordering guide?
A. Yes. It will be found on Partner Central UCSS (to be posted in November 2010, replacing the February 2010 version)

Q. Who can I contact for UCSS quote guidance?
A. For help with UCSS quotes and guidance, please contact UCSS Support: ucss-support@external.cisco.com