

Services EA: Transition to True Up and \$200K ACV Deal Threshold

Customer Frequently Asked Questions (FAQ)

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Transition to True Up FAQ

What is changing in the Services Enterprise Agreement (EA)?

Services EA is transitioning from the current True Forward model to a True Up model for Hardware Support for all new and renewed Services EA bookings, starting July 26, 2026.

Why is Cisco making this change to Services EA?

Cisco is making this change to adhere to industry standards on growth capture and to further align the billing with actual consumption on an annual basis.

What is the difference between True Forward and True Up?

True Forward allows customers to grow without retroactive billing; customers pay for growth going forward. In the True Up model, customers pay retroactively for growth at the annual milestone date.

What is the frequency of True Up?

True Up invoices will be generated at the annual milestone for Hardware Support growth.

What are the benefits of True Up?

True Up allows customers to periodically reconcile their Services usage and costs, enabling more accurate and predictable annual budgeting cycles.

Will True Up be applied to Software Support as well?

No. EA Software Support will continue to align with Software licenses and follow the True Forward process for growth. Only Services EA Hardware Support will follow the True Up process.

Will existing EA customers be forced to move to True Up?

No. Existing EA customers (under an existing EA ID) will retain the True Forward model for the duration of their remaining terms, including any additional service purchases and upgrades. Existing customers will have to move to True Up at the time of next renewal.

In True Up, will there be a semi-annual excessive growth check?

True Up will only be triggered at the annual milestone date. Unlike the True Forward model, there will be no semi-annual exceptional growth event.

How can True Up consumption be monitored?

True Up consumption can be monitored through the existing Enterprise Agreement Workspace (EAWS) dashboard and APIs.

How is the delisting of hardware assets from the install base considered during True Up billing?

Delisted hardware assets remain eligible for True Up billing after the period of 90 days of the delisting action. Customers or partners are provided a 90-day window to review and clean up the delisted hardware install base. If the assets are not fully cleaned up or decommissioned within this 90-day period, they will be included in the True Up calculations.

How does Value Shift apply during the True Up process?

The Value Shift business rules remain unchanged during the True Up process. Any newly added hardware in the install base, as well as hardware that has been decommissioned, will be considered when calculating the Value Shift as part of the True Up. This ensures that adjustments reflect the net change in the hardware install base during the applicable period.

Will existing True Forward accuracy challenges be prioritized along with new policy changes?

Cisco is committed on addressing existing operational pain points and will prioritize capabilities roadmap, alongside new changes.

Will True Up changes apply to Software Licenses and Software Support in the future?

Currently, there are no plans to implement True Up model for Software Licenses and Software Support in EA 3.0.

What is happening with Partial Commit?

The Partial Commit option has been removed from hardware services in Services EA as part of the transition from True Forward to True Up. Going forward, only Full Commit will be available to ensure a minimum Annual Contract Value (ACV) commitment and enterprise-wide coverage where applicable. This change guarantees that customers receive the full benefits of the program, including multi-suite discounts and Value Shift capabilities. Note: Partial Commit will continue to be available for software support.

\$200K ACV Threshold FAQ

What is changing with Services EA eligibility?

A \$200K minimum Annual Contract Value (ACV) is now required for any customer purchasing Hardware Support (HW CX) within Services EA for both new sales and renewals (starting July 26, 2026). Customers below this threshold are not eligible to include HW CX in a Services EA.

Why is Cisco implementing this change?

By applying this threshold, we are aligning Services EA to larger, more strategic investments to ensure a consistent, high-quality experience, while enabling Cisco to operate more efficiently and deliver stronger overall outcomes.

When does the \$200K ACV threshold apply?

The threshold is enforced only when at least one HW CX suite is included in the proposal. If no HW CX is included, the threshold does not apply.

How is the ACV threshold calculated?

The ACV threshold is calculated as Net ACV after discounts.

What counts toward the \$200K ACV threshold?

The ACV of the following contributes toward the threshold:

- Services EA Hardware Support
- Services EA Software Support
- Services EA Professional Services
- Services EA Combined Services

What does NOT count toward the threshold?

The ACV of the following is excluded from the threshold calculation:

- Software EA
- Embedded support within Software EA
- Non-EA Software



- Non-EA Support (CX)
- Non-EA Professional Services
- Hardware

Are Software Support and Professional Services subject to the threshold?

No. SW CX and Professional Services are not subject to the \$200K threshold and can continue to attach at the \$100K platform-level requirement. However, HW CX cannot be included unless the \$200K threshold is met.

Does this change impact existing contracts mid-term?

No, this change does not impact active Services EA contracts. The \$200K ACV threshold is enforced at new sale of Services EA and renewal only (starting July 26, 2026). If an active Software EA without Services EA customer wants to add HW Support after this implementation, they will be subject to threshold as this is considered new Services EA.

What happens at renewal if a customer is below \$200K ACV?

Customers below the threshold at renewal must either increase the contract value to meet the \$200K ACV requirement (e.g., expand customer scope, buy more suites, upgrade to a higher tier of support, add Professional Services, or decrease discounts) or transition Hardware Support coverage out of the Services EA.

What options are available for customers below the threshold?

Customers who do not meet the \$200K ACV requirement can still purchase HW CX outside of an EA but will not have access to Services EA benefits.