



OLP TO CSP

This is a free e-book that summarises the end of the Microsoft **Open License program** and migrating to the **Cloud Solution Provider (CSP)** program.



INTRODUCTION

The end of the Open License Program was announced on September 30, 2020. The OLP has enabled small to midsize customers (with between 5 and 500 employees) to purchase software licenses for Microsoft technology. This guidebook explains the new best program launched by Microsoft i.e. Cloud Service Program or CSP, that creates new opportunities for the partners and customers alike.

OLP, A BRIEF HISTORY

Microsoft is a leading developer of software systems and applications in the world. It has empowered individuals and organizations to achieve their best and to utilize their full potential at the max. The one among many initiatives of Microsoft includes this OLP program for products like Windows and Office that has simplified the organizational work.

The OLP program was started years ago by Microsoft 20 as part of the 'OPEN' program family. It is available for small to mid-sized organizations who for their organizational needs can purchase new desktops and Office licenses anytime. It is thus referred to as a pay-as-you-go program because of the flexibility to purchase licenses as per their needs change.



This program is open to the following:

- Small to mid-sized institutions include- commercial, educational, and government
- For at least 5 desktop PCs, that make the initial purchase of at least 5 software licenses
- Organizations with 500 desktops, users and employees needs, and
- For users who purchase via the CSP program or an Enterprise Agreement

Pros of OLP

The program offers a volume discount per license for sizeable purchases. For example, when buying Office 2019 for the whole company, they can avail software at lower prices.

Every software reaches its End-Of-Life (EOL) at some point in time. It means that the software is not supported by Microsoft anymore. But you can still use that because the product license does not expire. It just ceases to get new features and bug fixes, making it vulnerable to malicious attacks.

Cons of OLP

- The program does not offer rebates on licenses bought
- Not optimized for the partner channel, and customer support
- Not ideal for the cloud solutions, such as Azure, Virtual Desktop

WHAT ABOUT OLP BEING A PERPETUAL LICENSE?

Any software license purchased via the OLP program was of the "Perpetual Use" kind. Meaning, once paid for the software license, users can work on that as long as they want.

However, it also contained a smaller amount of 'subscription' offers, such as Office 365 subscriptions. With the periodic payment of the license, users can receive the benefit of upgrading to the latest versions of the software as long as the subscription is active.

Another notable support from Microsoft is called Software Assurance. It is an optional component where users gain technical support, user training manuals, license mobility, and other benefits.

But all these benefits make sense as long as Microsoft support that particular software. Since the digital era demands innovation, new changes are coming now and then. Making previous software redundant. After reaching EOL, the support ceases to work.

BIG CHANGES- New Commerce Experience

Microsoft introduced the 'new commerce experience', back in November 2019 stating, that "a more agile way for partners and customers to engage and do business with Microsoft, driving greater transparency and better business outcomes". This new commerce experience was supported by two new agreements making life simpler for partners and one for customers.

What is the Need to End the OLP Program?

Because the licenses bought via the Open License program are of 'perpetual use' kind. Meaning even if Microsoft issues that the software has reached its End-Of-Life (EOL) then it can still be used because the product license does not expire. A single one-time payment can make the software used for a lifetime.

To end something is a way to say its era and usage has been met its course. And so the new CSP program is a way to strengthen the Cloud-based service that keeps the user updated with new features. Likewise, it helps in optimizing the business.

But the major reason to end this is to simplify the licensing. Earlier the user base was limited to Microsoft only, but now CSP has 90,000+ different Indirect and Direct partners. Moreover, customers can now buy via all three available channels namely- direct partners, self-service, and Microsoft-led channels.

WHAT WILL HAPPEN TO PREVIOUS PURCHASES?

Licenses acquired via OLP before January 01, 2022, can still be used after this date. But that software will reach an End Of Support and an End Of Life status in the (nearby) future. Making you no longer receive security updates, leaving organizations who continue to use these vulnerable.

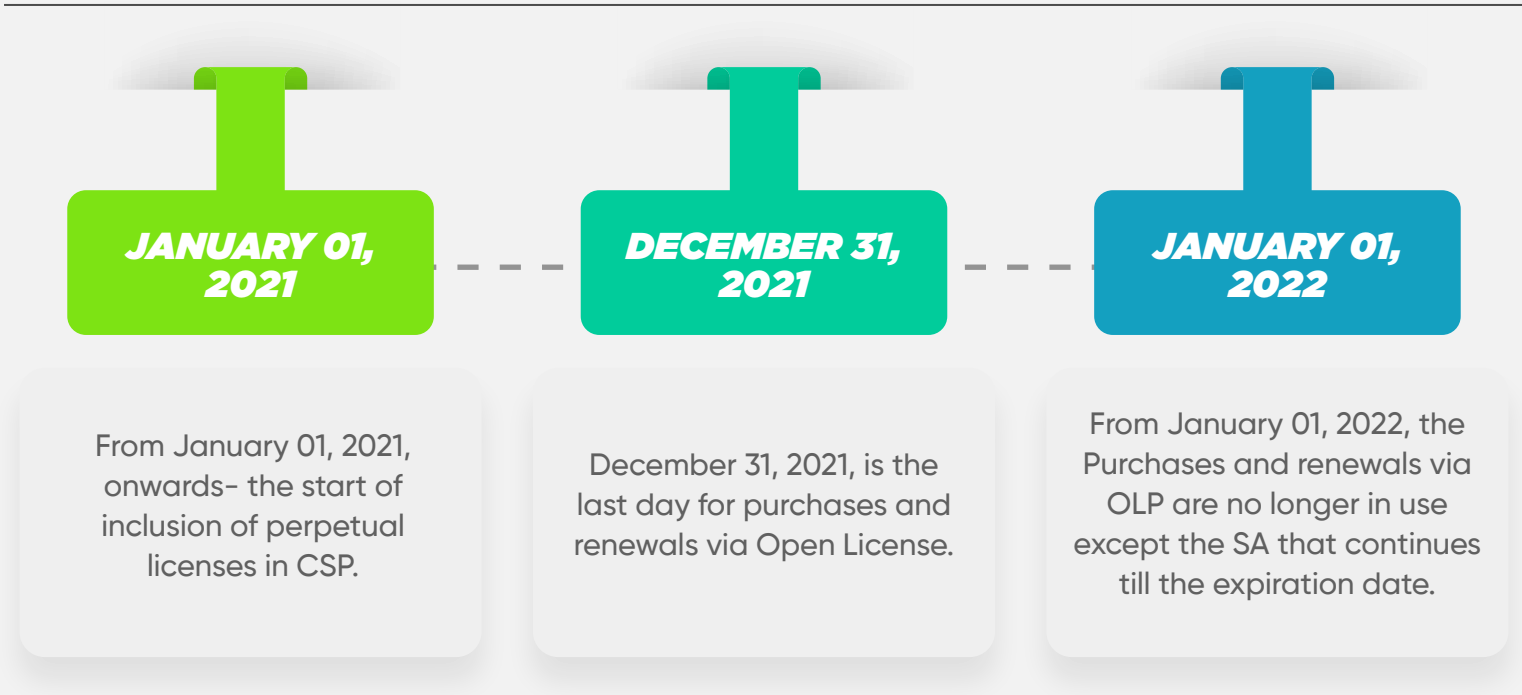
What About Future Purchases And Renewals?

For commercial customers, non-enterprise, 500 users or less: Any purchase after December 31, 2021, will be done via the CSP program, be it for new software licenses, subscriptions, or Azure usage.

For enterprise customers, 500 users or more: If purchases are made via OLP then they can also migrate to the CSP program by talking to their IT partner.

New Opportunities Awaits!

The Timeline:



About The Cloud Service Provider Program

- The new CSP program was started by Microsoft around 2014.
- It is a relatively new program of Microsoft that enables the partners to manage their entire cloud customer lifecycle directly.
- This engagement of customer lifecycle ranges from billing and provisioning, from sales to renewal, to support of their customers.
- Its offers have become more like SaaS solutions running on Azure on a subscription, and pay-as-you-go model.
- The CSP partners can pack their own tools, services, and products.
- They can opt for the services into the monthly or annual bills as they prefer.

DYNAMICS OF THE CSP PROGRAM

There are around 90,000+ actively participating CSP partners in 200+ countries. They range from small to very large Managed Service Providers (MSPs), Independent Software Vendors (ISVs), and System Integrators, to IT-resellers / Value Added Resellers (VARs).

Some CSP partners centered on providing Modern Workplace solutions such as Microsoft 365, and Microsoft Teams. While others generate their own solutions built on Azure.

The Flexibility of the CSP Program:

One of the highlighted points of the OLP program was the perpetual license which was- "pay once, use forever" kind. Here, the CSP program has added the perpetual licenses available for on-premises deployment.

This signifies that for Microsoft partners already selling via the Open License program, this can continue to sell even after the end of December 31, 2021. Such perpetual licenses bought via the CSP program do not include the Software Assurance component.



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Hopefully, this guidebook has helped you in understanding the need for migrating towards the CSP program.

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