



New Commerce Experience

Frequently Asked Questions



PURPOSE

The purpose of this document is to review frequently asked questions regarding the updates to and the details of Microsoft's New Commerce Experience.



AUDIENCE

All Pax8 Partners

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What is New Commerce Experience?

Microsoft's New Commerce Experience (NCE) is part of a transformational journey that's changing the way customers transact with Microsoft. It's a multi-phase, long-term investment in the CSP program aimed at helping partners accelerate business growth, simplify licensing, and address how their customers prefer to purchase. Microsoft initially added the New Commerce Experience for Microsoft Azure in 2019, and in October of 2021 is including seat-based offers in CSP for Microsoft 365, Dynamics 365, Windows 365, and Power Platform.

Frequently Asked Questions

Here are frequently asked questions from other partners regarding current details on New Commerce Experience as well as questions around the launch of New Commerce Experience for Microsoft 365, Dynamics 365, Windows 365, and Power Platform.

Q: When will New Commerce Experience be Available?

A: Microsoft is making New Commerce Experience available on technical preview 2 on October 14th, 2021. General availability for all partners has been moved to January 2022. Stay tuned for more information from Pax8 regarding when Pax8 will make it available to our partners

Q: Will partners be automatically moved to New Commerce Experience in January 2022?

A: No, if a partner would like to move to New Commerce Experience, they will need to migrate their existing subscriptions manually.

Q: Will partners be forced to move to New Commerce Experience?

A: Microsoft has extended the period during which subscriptions can be renewed on the existing platform to June 30th, 2022 from the previously announced March 10th, 2022. This extension gives partners three additional months before all subscriptions must be renewed in the New Commerce Experience. The ability to place new orders on the existing platform will end on March 10th, 2022.

Q: Will partners earn incentives and Rebates on New Commerce Experience?

A: Partners must enroll in the Microsoft Commerce Incentive Program in Partner Center to earn incentives and rebates for subscriptions on New Commerce Experience. All Incentives and Rebates will be removed from CSP Legacy in October 2022.

Q: Will partner margin be affected on New Commerce Experience?

A: Partner Margin will remain the same.

Q: What are partners term options when purchasing on New Commerce Experience?

A: There are three term options for New Commerce Experience:

1. Monthly – Subscriptions will be held to a monthly commitment
2. Annual – Subscriptions will be held to an annual commitment
3. Multi-Year – Subscriptions will be held to a multi-year commitment

Q: Is there a premium for monthly commitments?

A: Yes, all monthly commitments will have a 20% premium. To accelerate the adoption of the New Commerce Experience, Microsoft will be offering a promo for the monthly term to be billed at the regular annual term price which will remove the 20% premium through June 2022.

Q: Can I pay monthly for an annual commitment?

A: Yes, partners will have the option to pay upfront for their annual commitment or 12-month billing for their annual commitment.

Q: Can I pay monthly for a multi-year commitment?

A: Yes, partners will have the option to pay upfront for their multi-year commitment, pay yearly for their multiyear commitment or 36-month billing for their annual commitment.

Q: Can I make changes to the seat count on an annual or multi-year commitment?

A: Partners will have 72 hours from the time of purchase to decrease their seat counts for a subscription. Partners can at any point during their commitment increase their seat count for an existing subscription.

Q: What is the cancellation policy for subscriptions on New Commerce Experience?

A: Partners have 3 days after purchasing to cancel a subscription. Customers will receive a full refund if the subscription is cancelled on Day 1 and will receive a pro-rated refund for subscriptions cancelled on Days 2 and 3. The 3-day period begins on the same day a partner starts a subscription and no refunds will be granted after the 3-day period. Once a subscription is canceled, this cannot be reversed. The subscription will immediately enter a "disabled" status where users cannot access services or files, however admins will have to access to data for subscription(s) for 90 days.

Q: Can partners pause customer subscriptions on New Commerce Experience?

A: Partners can pause customer subscriptions on New Commerce Experience, but the partner will continue to get billed. Pausing a subscription will immediately have it enter a "disabled" status where users cannot access files or services. Admins will still be able to access data until the end of the subscription term.

Q: Will subscription terms auto-renew?

A: Partners have the opportunity to determine if they want a subscription(s) to auto-renew. A Subscription(s) that is set to auto renew, will automatically renew at the end of the subscription(s) term and the 72-hour cancellation period will restart for the renewal term. If a partner does not set subscription(s) to auto-renew at the end of the term, they will need to renew the subscription(s) during the renewal period to avoid the subscription(s) from entering a "disabled" status.

Q: What is the renewal date for newly added seats to a subscription on New Commerce Experience?

A: The renewal date for the newly added seats will match the original renewal date for that subscription.

Q: Can a partner have a customer tenant with both an annual commitment and a monthly commitment for the same subscription?

A: Yes, a partner can have a customer on both monthly and annual purchasing options for the same subscription.

Q: Can monthly term subscriptions be changed to annual term?

A: Yes, a customer's subscription can be changed from a monthly term to an annual term in New Commerce Experience. The following month's reconciliation file will reflect the billing difference.

Q: If customers who are purchasing through Microsoft direct want to move to Indirect CSP or are purchasing from one MSP and want to move to another, will they have to wait until the renewal period to change channel to avoid duplicate billing?

A: Change of Channel can only be done without penalty during the renewal period. If a change of channel is done within the term, the customer is responsible for full payment of their agreement.

Q: Is Microsoft offering any incentive for partners to move to New Commerce Experience right away?

A: To encourage partners to migrate to the New Commerce Experience, Microsoft will offer two time-bound promotions to coincide with the January general availability launch. These offers will be available between January and June 2022 on monthly-term and annual-term offers.

- The annual term promo gives a 5% discount off the CSP price list amount will be in effect through March 2022
- The monthly term promo bills the regular annual term price which will remove the 20% premium on monthly terms through June 2022

The promotion will apply to all new commerce seat-based commercial offers for subscriptions of up to 2,400 seats, with the exception of Windows 365.

Q: Are there price changes to the SKUs included in New Commerce Experience?

A: While there are no price changes related to the expansion of New Commerce Experience, Microsoft has announced price increases to the following SKUs starting on March 1st, 2022:

- Enterprise SKUs
 - Office 365 E1 is increasing to \$10 per user per month (PUPM) from \$8 PUPM
 - Office 365 E3 is increasing to \$23 PUPM from \$20 PUPM
 - Office 365 E5 is increasing to \$38 PUPM from \$35 PUPM
 - Microsoft 365 E3 is increasing to \$36 PUPM from \$32 PUPM
- SMB SKUs
 - Microsoft 365 Business Basic is increasing to \$6 PUPM from \$5 PUPM
 - Microsoft 365 Business Premium is increasing to \$22 PUPM from \$20 PUPM
- NOTE: Prices for Microsoft 365 E5, Microsoft 365 Business Standard, & Frontline SKUs will not be changing at this time. These price changes will impact all public sector customers worldwide. Purchasing channels for Nonprofit solutions is not changing at this time.

Q: If a customer decides to upgrade a subscription to a different SKU, what are my options?

A: In the New Commerce Experience, upgrading means going from one paid subscription to another paid subscription. You can upgrade all seats as a full upgrade or some of the seats as a partial upgrade. It is important to know that subscription upgrades must be on the authorized list of upgrades provided by Microsoft. Please note, subscription downgrades are NOT supported.

Q: Can partners receive a price protection if they provision new or 'renew' a license on or before the price change date of March 1st?

A: A partner can lock in price protection before the price increase in March 2022 by purchasing an annual commitment on New Commerce Experience. If the partner purchases an annual subscription on legacy, they will forfeit any incentives and rebates that would be paid out after October 2022.