



Dear Sir or Madame,

Microsoft has communicated some programmatic changes, as well as price increases as of 01 March.

UPDATE:

Microsoft has just announced that price increases for the 6 affected New Commerce Experience Model products have been pushed back to 14 March. Increases for the existing CSP model came into effect on 01 March!

Bechtle is, of course, on hand to offer support with all the changes that have to be made as a result.

Overview.

Price increases and recommendations.

- The changes will not only affect CSP, but all other contract models as well.
- This is the first major price increase for M365 since the introduction of CSP (7 years ago).
- Many features and innovations are now included in existing products, which explains the partly higher price (e.g. phone conferencing).
- Depending on the product, price increases of 9-25% are possible.
- Only affects commercial SKUs.

Affected products:

- Microsoft 365 Business Basic (+20%)
- Microsoft 365 Business Premium (+10%)
- Office 365
- E1 (+25%)
- E3 (+15%)
- E5 (+8.6%)
- Microsoft 365 E3 (+12,5%)

One of the most important changes was the announcement of **New Commerce for CSP** and **seat-based services**. New Commerce includes programmatic changes to the existing CSP program. These will be officially available to customers and partners starting in January 2022, but will not be binding until 10 March 2022.

Microsoft will roll out New Commerce for seat-based services, including Microsoft 365, Dynamics 365, Power Platform and Windows 365, which will include the following changes:

- The introduction of multi-year contracts for certain services, i.e. beyond 12-month terms
- Price increases for monthly contracts
- A stricter cancellation policy (cancellations are only possible 72 hours after ordering)

What does this mean for you?

- The current CSP model will remain available for new contracts until 09 March 2022
- From 10 March, new contracts have to be booked in the new NCE Model
- Existing contracts can be renewed in the old model up until 30 June 2022
- Existing contracts with a renewal date after 01 July 2022 will not be renewed and must be reordered in the new NCE Model
- Multi-year contracts will not be available before March 2022. We will inform you as soon as further information is available from Microsoft.

Our recommendation:

- Use the remaining time until mid-March to get an overview of your current contracts
- It may make sense to switch to an annual contract for the affected products to avoid the price increase from 14 March 2022 and to secure the annual promotional prices up to the end of March.
- Our licence experts will be happy to advise you.

We're here to to explain and evaluate the situation from a purchasing perspective within the framework of a workshop.

If you need support, please do not hesitate to contact your regional Bechtle contact or licensing specialist. Our Bechtle Clouds Team (cloud.support@bechtle.com) is also available to answer any questions.

Let us know how we can help you.

Your Bechtle Team