# Licensing model changes

## Summary

Effective October 2019, Dynamics 365 will be moving from multi-application, one-size-fits-all Customer Engagement (CE), Unified Operations (UO), and Dynamics 365 Plans to focus on the licensing of individual applications. Customers need software that aligns to their functional roles and scenarios, and they require the ability to add or remove applications as their company grows and changes over time. The new licensing model will allow customers to purchase the applications they need, when they need them.

Dynamics 365 will continue to provide technology solutions that drive measurable results, an industry-leading product roadmap, out-of-the-box interoperability with other Microsoft technology, and the support needed to realize fast time-to-value.

Please reach out to existing Plan customers, with renewals on or after October 1, to inform them of these changes, and help them move to the new licensing model.

## Key details

Effective October 2019:

- CE Plan, UO Plan, and Dynamics 365 Plan SKUs will be removed from all price lists.
- Finance and Operations will be split into two individual applications: Supply Chain Management and Finance, Sales, Customer Service, Field Service, Project Service, Marketing, Retail, and Talent will continue to be offered as standalone applications.
- New and renewing customers will be able to purchase individual applications as Base and Attach licenses. The Base license is the first application purchased for an individual user within a customer's organization. Attach licenses are additional applications that may be purchased after the Base license is acquired.

Prices below are Per User Per Month (PUPM), except for Marketing which is Per Tenant Per Month:

| Dynamics 365 CE Business Applications | Base License | Attach License | Dynamics 365 UO Business Applications | Base License | Attach License |
|---|---|---|---|---|---|
| Sales Enterprise | $95 | $20 | Supply Chain Management | $180 | $30 |
| Customer Service Enterprise | $95 | $20 | Finance | $180 | $30 |
| Field Service | $95 | $20 | Retail | $180 | $30 |
| Project Service Automation | $95 | NA | Talent | $40 | NA |

| Dynamics 365 for Marketing Applications | Base License | | Attach License |
|---|---|---|---|
| | New Customers | Existing Customers | |
| Marketing | $1500 | $750 | NA |

Customers first purchase a Base license for each Dynamics 365 user within their organization. Then, they may add one or more Attach licenses to each Base license. For example, if a customer has an individual user that requires both Sales and Customer Service Enterprise application functionality, they may purchase the Sales Enterprise Base license for $95 and then add the Customer Service Enterprise Attach license for $20. Their total PUPM rate for this user is $115. (additional rate considerations may apply, please see Calls to Action section below to learn more).

If the customer would like to purchase both a Base and an Attach license for a user, they must purchase the higher priced of the two licenses as the Base license. For example, if the customer would like to purchase a Retail license and a Customer Service license for a user, they must purchase the Retail license as the Base license ($180) and the Customer Service license as the Attach license ($20) for that user, for a total of $200 PUPM.

## More great reasons for customers to renew

A long-term investment in Dynamics 365 will keep a customer's digital transformation on the cutting edge for years to come. The Dynamics 365 **product innovation roadmap is industry-leading**, with heavy investments in artificial intelligence (AI) and machine learning, such as:

- AI functionality that enables sellers to deliver personalized messages to the right buyers and helps sales managers track and coach seller performance.
- Out-of-the-box AI models that help customer service agents determine next-best-actions.
- Easy-to-create, intelligent virtual agents.
- Multi-channel communication capabilities, such as Facebook Messenger, SMS, and chat.
- IoT alerts and visualizations that help field service technicians diagnose and fix problems.
- Customer payment predictive AI to support collection efforts and help improve cash flow.
- IoT intelligence, asset management, and planning capabilities for supply chain management optimization.

Dynamics 365 **drives measurable results**. An independent analysis from Nucleus Research revealed that for every dollar spent on Dynamics 365 solutions, companies realize an average of $16.97 in returns. According to the report summary, "this is significantly higher than the average for both enterprise resource planning (ERP) and customer relationship management (CRM), which deliver, on average, $7.23 and $8.71 respectively."

Dynamics 365 applications are **extensible** and have **out-of-the-box interoperability** with existing Office 365, LinkedIn Sales Navigator, Azure, and other popular Microsoft technologies, helping to improve efficiency for customers from day one:

- Each Dynamics 365 application is extensible and can be easily mixed-and-matched with other Dynamics 365 applications to configure unified solutions that align to distinct business requirements.
- Dynamics 365 is interoperable with LinkedIn, Office 365, and Dynamics 365 for Sales, enabling sales personnel to find more leads and build impactful connections with prospects and customers.
- Dynamics 365 customers can tap into Power BI's rich visualization and business intelligence capabilities, Azure-based services, and the extending capabilities of hundreds of custom-built PowerApps.
- Dynamics 365 customers have access to Office 365 online and offline Outlook add-ins, and enjoy the benefits of Dynamics 365, Teams, Excel, and OneNote interoperability.
- Microsoft's Common Data Model provides data structure and alignment across Microsoft products, allowing easy exchange of data between applications.

Microsoft offers pre- and post-purchase support for **fast Time-To-Value** for Dynamics 365 customers:

- The FastTrack for Dynamics 365 Program provides technical advisory services, from pre-sales through the solution delivery phase, via technical talks, hands-on workshops, and 30-minute phone consultations.
- Microsoft Technical Support Engineers can assist with reactive support issues that may occur during a Dynamics 365 deployment.
- Microsoft Services offers fixed-fee packages to support customers before, during, and after deployment, including workshops and assessments, to help customers build out new, transition, or partner-led solution plans.

## Call to Action

- **Review** readiness resources (FAQ, overview, etc.)
- **Join** us at the following events for more information:
    - Office Hours: Please see readiness resources for dates and times
- **Engage** your Q2 renewals by August 1, 2019
    - Use the customer email in the readiness resources to schedule time to talk about the changes
- **Attend** the following Inspire sessions to learn more:
    - Customer Engagement Licensing Updates on July 16 at 10:30am (Session I-BAP203)
    - Unified Operations Licensing Updates on July 16 at 1pm (Session I-BAP209)