a US Cloud eBook:

The 2021 Independent Guide to Microsoft Unified

US CLOUD

©2021 US Cloud. All rights reserved.

Shedding Some Light on Microsoft Unified Support

Contents:

Unified Support Program Details

Hidden Costs of Cloud Adoption

Negotiation Details & Tactics

8 Steps to Audit Your Unified Agreement

Software Assurance

Alternatives to Unified Support

US CLOUD

Compiled by US Cloud, the only Gartner recognized independent Microsoft Support provider.

Microsoft Unified Support

represents the most radical change to Microsoft's support model in decades.

For some, a shift from Premier to Unified's unlimited support hours is worthwhile. For others, massive formula-driven price increases and deteriorating service quality have become a growing liability.

Understanding the complexity of Unified Support is paramount to protecting your organization's technical capabilities and precious IT budget.

Microsoft Premier vs. Unified Summary

Microsoft Service	Premier Support	Unified Support Core	Unified Support Advanced	Unified Support Performance
Pricing	Per-hour based on consumption	6% of User software, 8% of Server and Cloud software (annual spend)	8% of User software, 10% of Server and Cloud software (annual spend)	10% of User software, 12% of Server and Cloud software (annual spend)
Account Management	TAM - Technical account manager (team, shared or dedicated)	Service delivery team	Service delivery manager	Service delivery manager
Proactive Support Online Self-Service	Support assistance hours	Unlimited on-line resources (DIY)	Unlimited on-line resources (DIY)	Unlimited on-line resources (DIY)
Proactive Support "Built-in Proactive Services"	N/A (no option)	Optional, extra charge	1-3 engagements included	3-5 engagements included
PRS Reactive Services	PRS hours	Unlimited 10 contacts	Unlimited (50-350 contacts)	Unlimited (as-needed)
PRS DIY Online Services	Included without using hours			
Initial Response Time	1 hour catastrophic or critical; otherwise 2 hours during business hours	1 hour critical; 8 hours standard	1 hour critical; 4 hours standard	1/2 hour critical; 4 hours standard
Third-Tier Support	Optional, extra charge	N/A (no option)	N/A (CritSit manager assigned)	Included (priority routing for crit)
Min Contract Size	N/A	$25,000	$50,000	$175,000

(Gartner 2019)

Unified Support Pricing

Pricing is now driven off a percentage formula based on spend in product categories: User / Server / Cloud.

Percentages are based on plan tiers:

Core: 6%-8% annual spend
Advanced: 8%-10% annual spend
Performance: 10%-12% annual spend

User / Desktop Pool products =

M365 (formerly O365), Windows 10, Skype for Business, MSFT Project, Visual Studio, etc.

Server Pool products =

Exchange Svr., Windows Svr., SQL Svr. database software, Client Access Licenses, etc.

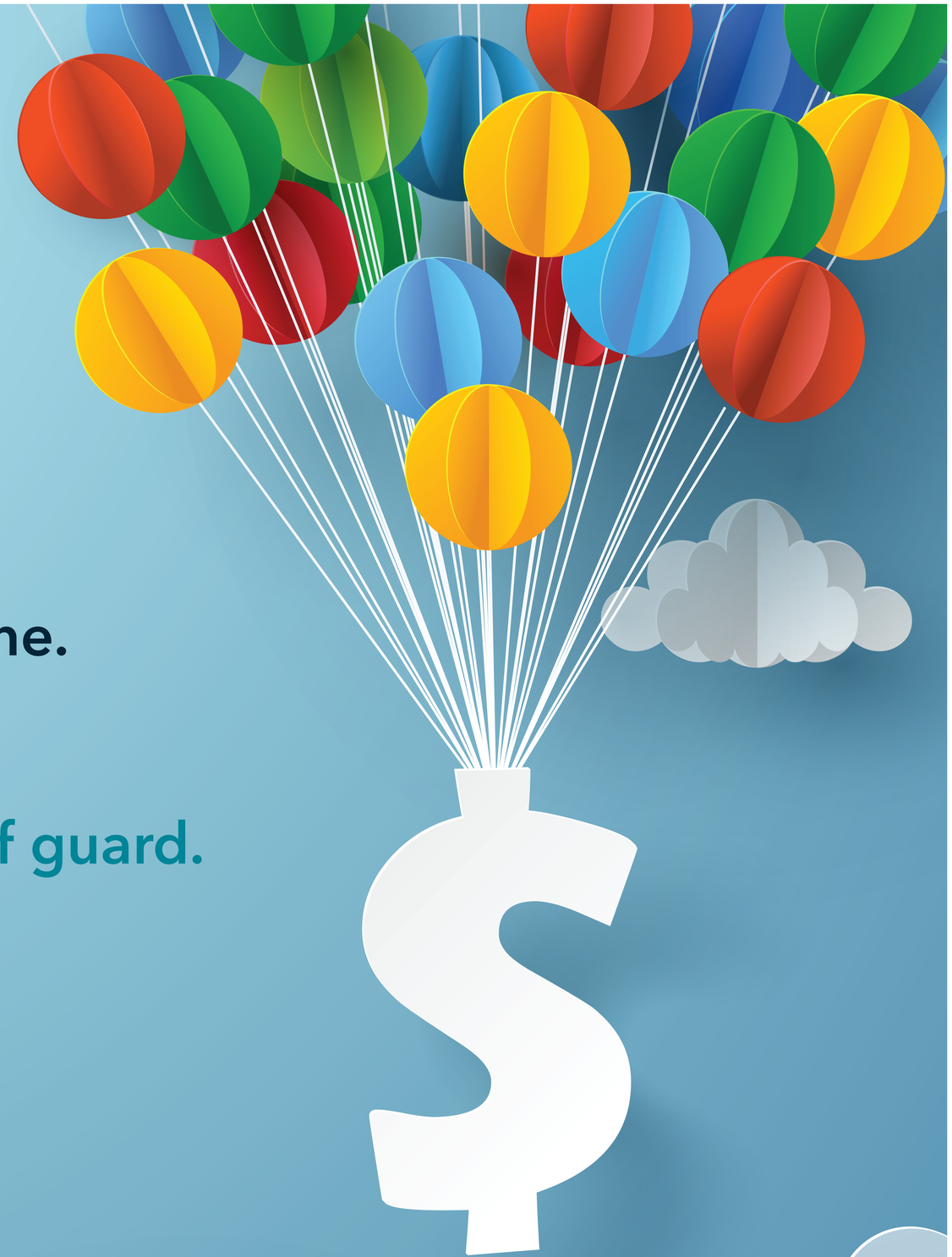
Cloud Pool products =

Azure Block Blob storage, Azure virtual machines (VM), Azure SQL Database, etc.

Lower Service Standards

Although problem resolution support (PRS) is unlimited, SLA's for response times have been lowered in Unified compared to Premier.

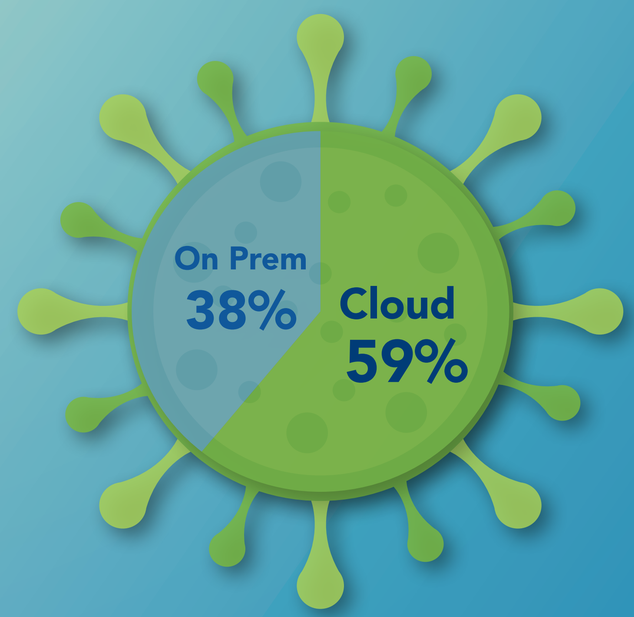
In addition, there are no repercussions for MSFT missing SLA's (which is happening more and more often according to clients).



Unified Support price increases of 20% up to 300%+ are common in year one.

Additional increases of 10% to 30%+ in year two & three have caught many off guard.

If you are accelerating Microsoft 365 or Azure adoption, your Unified pricing may see substantial increases in years two and three.

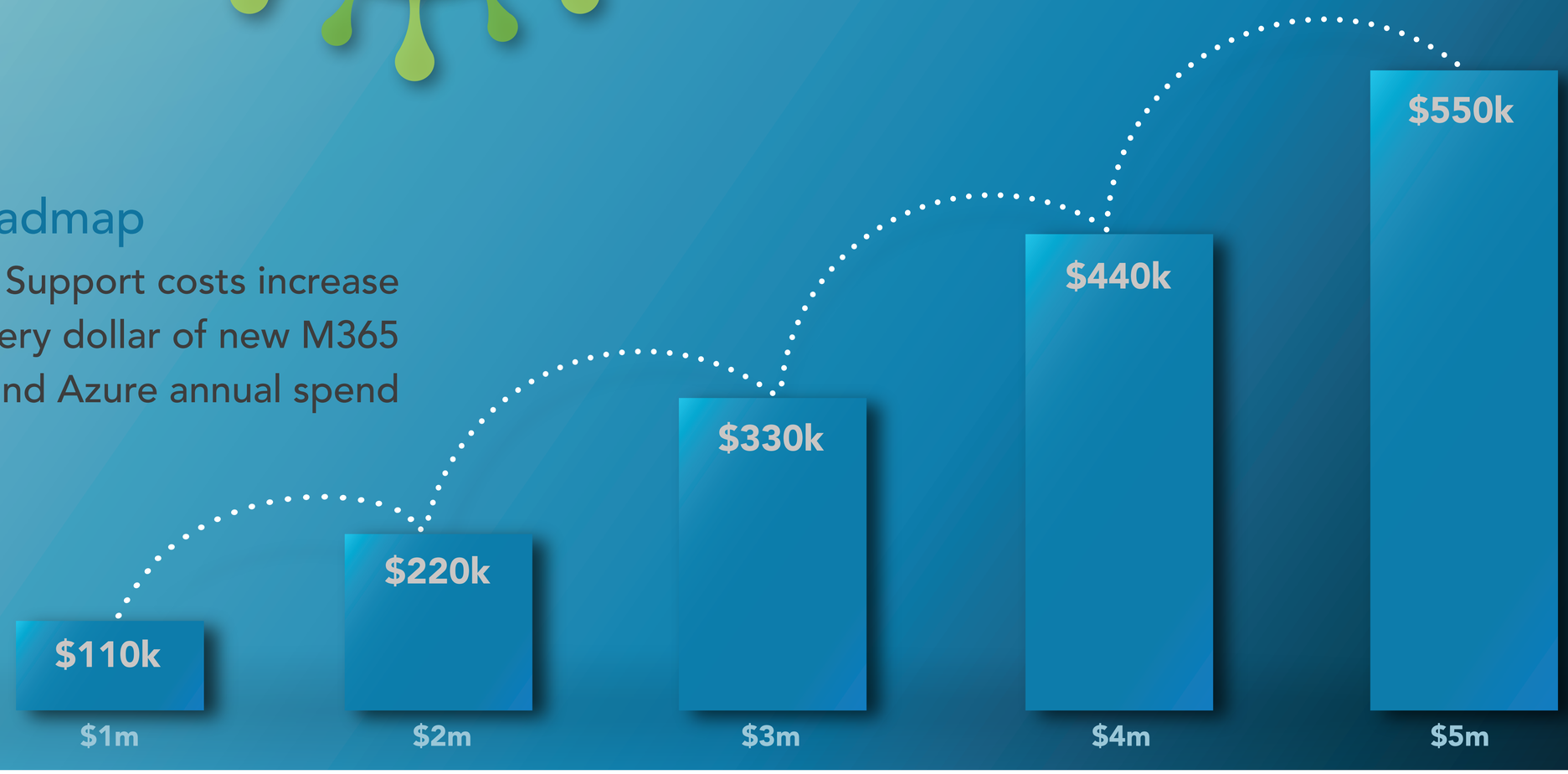


CIO's report total workload done on-premise dropped by 41% over the last year, accelerated by the pandemic and WFH. *(Deloitte 2020)*

In one example, a 10k-user company moving from Exchange on-prem to O365 E3 saw a 679% increase after switching to Unified. *(Gartner 2019)*

Know Your Roadmap

Unified Support costs increase 10% – 12% for every dollar of new M365 and Azure annual spend



Tips and Strategies for MSFT negotiations:

- **Big $ increases years 2 and 3:** Make the MSFT account team do 3 year comprehensive cost projections based on your roadmap.
- **License-only penalty:** If you purchase License-only software without Software Assurance (SA), Unified pricing is punitive. MSFT uses a one-year look-back for all Cloud services and SA, but a five-year-look back for License-only software. Also, License-only spend is charged at 10% of the entire spend vs. 10% of SA , which can mean a 3x–4x up-charge.
- **Hidden fees:** Check the fine print for things like 30% added to your DSE rates and proactive credits for "TAM involvement" or extra costs associated with faster response times for Azure.
- **Check the math and itemize:** It is not uncommon for the details going into the Unified pricing formula to be incorrect. Also, make sure pricing is separated into "base" and "add-ons", with add-ons (such as proactive credits) itemized. Make sure it details the number of any SAB credits used as well.
- **Press on Security:** Microsoft suffered a large breach in Dec 2019 exposing over 250 million Premier Support client records. Press the Microsoft sales team on how they keep your data secure, particularly with oversees 3rd-party vendors. Even if its not operational data, ticket details and emails about potential vulnerabilities discussed with engineers overseas pose a risk.
- **Beat the clock:** If you're too close to a resubscription date to perform due diligence, ask MSFT for a 30-day extension (which are being granted more often).

Credible Threats

New, independent 3rd-party alternatives for Microsoft Support are maturing.

Get a competitive quote from a reputable specialist like US Cloud, or from your VAR / CSP to leverage in negotiations.

If Microsoft tells you that 3rd-party providers can't offer quality support or escalations to MSFT, don't listen.

Read Gartner's 2020 Market Guide to 3rd-Party Support:

Get the Guide!

Auditing Your Microsoft Support Agreement

1 Ask for a full list of contracts, including itemized products, and the Unified Support allocations for each. Make sure all the contracts are for your organization, are correctly classified, and are currently being used. Mistakes can and do slip though.

2 Confirm that your organization actually has all the software / licenses listed and that the entire entity has access to the support services. Conversely, pay attention to any other divisions or organizations that are included in your EA, but that may not be a part of an internal shared support agreement.

3 Ensure that the Microsoft products you are subscribed to have not been double counted. For example, if you move from Microsoft Office suite to M365 (formerly O365) you shouldn't be charged for Office license support.

4 Clarify for M365 what percentage is allocated toward User costs vs. Server costs which are up to 25% higher. It should be a 75% / 25% split, respectively. If those allocations are incorrect, it can have a huge impact on costs.

5 If you have true-ups, ensure that you are not inappropriately charged for the corresponding support. True-ups are primarily the cost of the licenses and should not be included at 100% of spend in the Unified calculation. Also, Software Assurance paid in true-ups should be spread evenly across the term of the true-up.

6 Check that multi-year Azure agreements are charged against Unified appropriately. For example, a 5-year agreement should be charged 20% per year, not the entire 5-year amount at one time or the amount consumed in any one particular year.

7 Microsoft offers private discounted Unified rates for enterprise customers buying large and/or multi-year Azure contracts. Verify that these public cloud support rates are competitive with the other competing public cloud support tiers and rates from Amazon and Google when support costs are included in the comparison.

8 Microsoft Unified Support contracts and proposals are based on past MSFT spends but you can and should negotiate on future trends. Look-back based proposals are a good deal for growing customers, but not if an organization is contracting.

Three Months Out

Audit your Unified Support Proposal at least 3 months prior to your Unified renewal in order to fully understand how the price is calculated.

Your audit rights allow you to see and fully understand the look-back over a 3-5 year timespan. Remember that Microsoft premium support is based on your organization's prior spending.

If Microsoft fails to provide the information in a timely manner, Sourcing, Procurement or Vendor Management (SPVM) leaders should escalate beyond their MSFT account team. Ask for the information as a spreadsheet, not a PDF. The information should include:

- Contract number and type (Enterprise Agreement, MPSA, etc.)
- Detailed list of every product in the contract, annual cost, and the type: User, Server or Cloud (for support cost purposes)

Quality Questions:

Still fragmented and siloed, Microsoft Unified Support is "all you can eat"

And it is showing the strain

Outsourced and Offshored

As Unified Support continues to roll out, Microsoft is doing less and less of the actual break-fix support. Third-party vendors are shouldering much of the increasing load with response times and ticket resolution times suffering. The rocky transition to work-from-home in India has exacerbated the issue.

This becomes relevant when looking for leverage during negotiations. Companies should demand to know who is handling their support, from where, and what percentage is outsourced.

Hello?

"I would absolutely say that every reactive support ticket we've had seems to have been handled by a 3rd-party consultant. I don't believe I ever spoke to Microsoft directly."

Ryan Holcomb
Computer Operations Manager
Multinational Oil & Gas Company

Did you know?

If email signatures from MSFT Support contain an "V -" that means it is a third-party vendor.

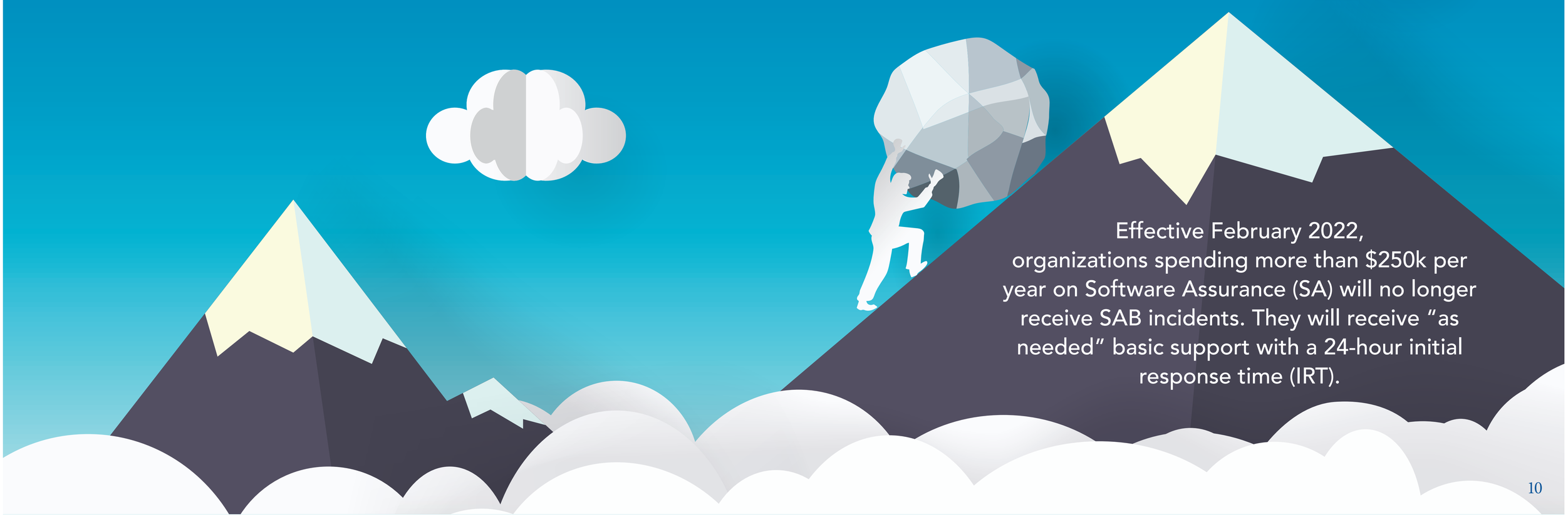
If there is an "A -" it indicates a temporary employee.

Software Assurance Benefits

Understanding the Changing SAB Program

You can and should exchange your SAB incidents in order to reduce your Unified Support bill. They play a particularly impactful role during the first year of moving from Premier to Unified Support, softening the blow of the initial price increase. That often just pushes pain out into year 2, but it can buy time to evaluate alternatives.

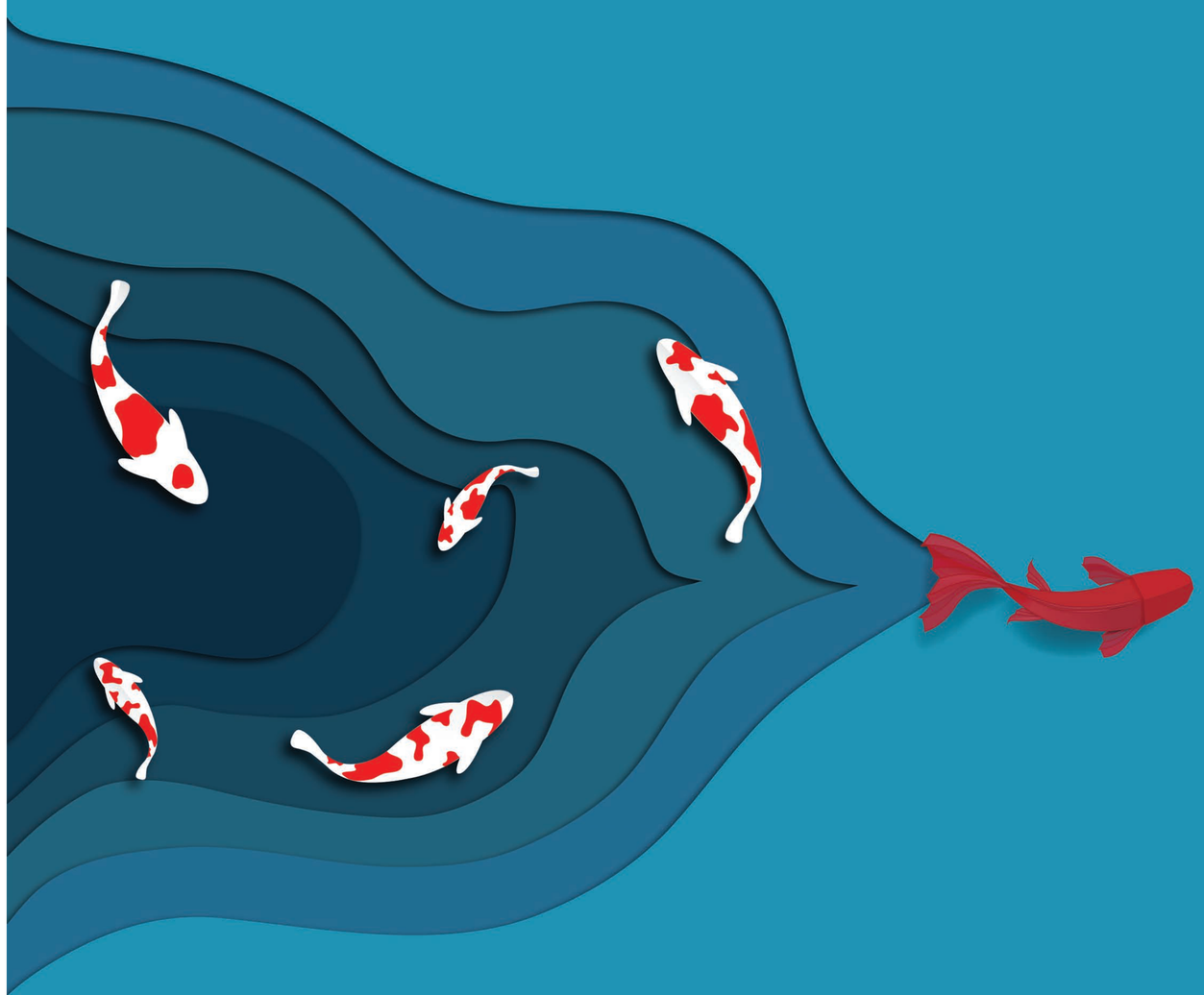
SAB incident credits are accrued based on an organization's Microsoft Software Assurance (SA) spend, including payments for online services and typically reduce an organization's first year of Unified support bill by 25% or more. These savings are lost as an enterprise transitions to Microsoft cloud services like Dynamics, Microsoft 365 and Azure. Software Assurance (SA) decreases over time as traditional on-premise licenses are retired (EOL) and most of the Microsoft licensing spend turns to online services. As a result, SAB credits accrue more slowly or fall off completely resulting in a net increase to Unified Support costs of 25% or more.



Effective February 2022, organizations spending more than $250k per year on Software Assurance (SA) will no longer receive SAB incidents. They will receive "as needed" basic support with a 24-hour initial response time (IRT).

Alternatives to Unified Support

Options for a New Direction



Microsoft SAB Support / Business Incidents

Organizations who opt out of Unified can use internal resources augmented by SAB support incidents. The downsides to SAB incidents are that they lack a TAM, have limited escalation, no proactive support, and no CritSit process. You can also buy Incidents directly from Microsoft, however, using them is getting increasingly slower both for response times and also resolution times given the issues with offshore vendors.

Independent Third-Party Provider Alternatives

Independent third-party Unified Support alternatives include MSFT support specialists, VAR's (Value Added Resellers), large integrators and CSP's (Cloud Service Providers). The downsides of the third-parties can often be a lack of references, limited escalation to Microsoft, and wide variance in ability to perform both proactive and reactive support. But, more mature independents, like US Cloud, can offer comprehensive support that is comparable and are able to leverage premium partner agreements with Microsoft to enable rapid escalations.

Larger System Integrators

These integrators already have hardware or consulting relationships with large enterprises worldwide and understand the issues with Unified. They also have strategic Microsoft relationships so they fill large skill and support gaps using MSFT. Things to consider are focus and responsiveness. Microsoft support is not a core offering for mega providers and the world's jumbo integrators move slowly and deliberately.

US CLOUD

Save 30%–50% vs. MSFT Unified Support and get 5x faster response times – without sacrificing quality or expertise.

- The ONLY third-party Microsoft support provider recognized by Gartner
- 15-minute initial response times guaranteed
- 100% US citizen, domestic engineering teams
- Level 2, 3, and 4 engineers in-house
- Managed Microsoft escalations
- 20+ years of Microsoft support experience

If you would like more information visit us at www.uscloud.com or click the link below to schedule a time to talk.

Schedule a Call!