



Microsoft Partner Incentives

Cloud Solution Provider (CSP) Indirect Reseller Incentive Guide

July 1, 2018 – June 30, 2019

Microsoft
Partner Network

Contents

Updates to Incentive Guide	4
Overview	5
Purpose.....	5
How to use this guide	5
Executive summary.....	5
Incentives summary	6
Partner eligibility.....	6
Business eligibility requirements.....	7
Operational eligibility requirements	7
Eligibility and Incentive Calculation Timeline	8
MPN requirements	8
Microsoft Partner Network (MPN) Agreement	8
Competency requirements.....	8
Eligibility monitoring and management.....	9
Loss of eligibility.....	9
Enrollment.....	10
Invitation period.....	10
Onboarding process	10
Program structure and rates	10
Global incentives.....	11
Global accelerators.....	12
Local accelerators	13
Earnings and calculation.....	14
Eligible revenue rules	14
Payment.....	15
Payment cadence.....	15
Payments details	15
Payment earnings reporting	15
Dispute and resolution	15
Overpayment.....	16

Support and resources	16
Support channels	16
Useful links	17
Partner resources.....	17

Updates to Incentive Guide

This is a list of all changes within this document, since the first published date.

Description of Change	Section
Updated to reflect clarity competency requirements as part of overall eligibility.	Partner Eligibility
Updated to reflect launch of software in CSP via Partner Center.	Global Incentives

Overview

Purpose

This guide summarizes the requirements to participate in the Fiscal Year 2019 (FY19) Microsoft CSP Indirect Reseller Incentive. It replaces and supersedes all prior Microsoft CSP Indirect Reseller Incentive Guides and any related communications.

How to use this guide

This guide provides a step-by-step view on how to participate, earn and maximize recognition of the partner's efforts. This guide includes details on:

- Partner eligibility requirements
- Partner onboarding and enrollment
- Understanding the CSP Indirect Reseller rebate and accelerator incentives
- Support, escalation, and resolution process

All materials and information presented should be treated as Microsoft Confidential Information and are subject to the terms of your NDA with Microsoft through your Channel Partner Agreement or Microsoft Partner Network Agreement in its current form. The information contained within this guide is intended to be used for business planning purposes and may be subject to change.

Executive summary

The Microsoft Cloud Solution Provider (CSP) program is a sales model that allows partners to resell or bundle their own services in addition to Microsoft Cloud Services as a complete solution and gives customers the payment flexibility with pay-as-you-go billing.

The Microsoft CSP Indirect Reseller Incentive program rewards reseller partners, who purchase from a CSP Indirect Provider, for driving the activation and enablement of customers with Microsoft based online services.

This guide is not applicable for the People's Republic of China.

Incentives summary

FY19 H1 (July 1 – December 31, 2018)

For FY19 H1, CSP Indirect Resellers are eligible for an incentive of 8% of billed revenue from sales of online services such as Microsoft Office 365, EMS, Windows Intune, CRM Online, Dynamics Cloud offerings, and Azure. Partners may also earn incremental incentives via applicable Global Accelerators and area-specific Local Accelerators.

FY19 H2 (January 1 – June 30, 2019)

For FY19 H2, CSP Indirect Resellers are eligible for an incentive of 6% of billed revenue from sales of Office 365. CSP Indirect Resellers are eligible for an incentive of 8% of billed revenue from the sales of all other CSP products (such as EMS, Windows Intune, CRM Online, Dynamics Cloud offerings, and Azure).

All links referenced throughout the guide will be available in the [Support and Partner Resources section of this document](#).

Partner eligibility

To be eligible to participate in the FY19 CSP Indirect Reseller incentive program, a partner must have performed qualifying activities and complete all registration requirements under the Microsoft Cloud Solution Provider program. If any registration requirement is incomplete, a partner cannot earn a payout in the program. By participating in the CSP Indirect Reseller incentive, the partner affirms that it has agreed to all rules, terms, and policies contained within the Microsoft Partner Network (“MPN”) Agreement which incorporates general terms applicable to all partner incentives (which may be referred to as the Microsoft Channel Incentive Agreement or “MCIA”), and the CSP Indirect Reseller Incentive Guide. The terms within these documents will apply to all incentive payments paid to partner.

Partners meeting the below eligibility criteria are deemed eligible for the FY19 CSP Indirect Reseller incentive, provided they remain in compliance with all rules, terms, and policies contained within this document.

Eligibility type	Eligibility requirement	Examples of program specific criteria
MPN enrollment	Enrollment status	Active MPN membership
Partner status and performance	MPN competency attainment	Attain one of the defined MPN competencies at the V-org level

Table 1: Eligibility requirements overview

Microsoft’s CSP Indirect Reseller incentive program requires two elements for eligibility: (1) business elements and (2) operational elements. Partners must meet both business and operational requirements to receive incentive earnings.

An active MPN membership along with having attained one of the required competencies triggers new partner onboarding. The multi-step onboarding process begins with (1) receiving an invitation from Microsoft Operations, (2) onboarding to the partner incentive tool, *Partner Incentive Experience (PIExp)*, and (3) completing onboarding steps which include the completion of partner bank and tax profile information.

Business eligibility requirements

Business eligibility elements required to participate in Indirect Reseller incentives remain unchanged: An active MPN membership coupled with an active competency at silver or gold level from defined list of competency options.

Operational eligibility requirements

Upon completing business eligibility requirements, those partners new to CSP incentives, or existing CSP partners who may have lost eligibility, must complete a series of operational eligibility requirements. Having an active MPN membership and one of the required competencies triggers the eligibility and onboarding process. Partners can expect to receive their onboarding invitations to the partner incentive tool within 30 days of completing all business eligibility requirements.

For existing partners who lose active MPN membership during the course of a semester, this eligibility requirement must be resolved otherwise earned incentives will be lost for the period(s) of ineligibility.

Operational eligibility requirements are as follows:

1. Complete onboarding to the PExp incentive tool. (PExp is the primary tool used to calculate and report all CSP incentive earnings).
2. Complete bank and tax information within PExp. Partner financial information is required for Microsoft to send payments, and for partners to receive earned incentives.

Eligibility and Incentive Calculation Timeline

A partner's incentive earnings start date will commence the first of the month in which they complete all eligibility requirements including onboarding with completed bank and tax details.

MPN requirements

Eligible partner organizations must hold an active MPN membership.

Microsoft Partner Network (MPN) Agreement

Partners must hold an active MPN Agreement, which incorporates terms applicable to all incentives that were previously set forth in the Microsoft Channel Incentive Agreement (MCIA).

Competency requirements

CSP Indirect Resellers must attain one of several named MPN competencies at the Silver or Gold level. Competency assessment will occur at the V-org level.

Competency status must be Active Earned, Active Pre-Approved, Active Non-Compliant or Active Inherited. Review the specific requirements to attain Silver or Gold level MPN competency here: <https://partner.microsoft.com/en-US/membership/competencies>

Competency	Level
Cloud Business Applications (new for FY19)	Silver or Gold
Cloud Customer Relationship Management	Silver or Gold
Cloud Platform	Silver or Gold
Cloud Productivity	Silver or Gold
Data Analytics	Silver or Gold
Data Platform	Silver or Gold
Enterprise Mobility Management	Silver or Gold
ISV (new for FY19)	Silver or Gold
Small and Midmarket Cloud Solutions	Silver or Gold
Windows and Devices	Silver or Gold

Table 2: Competency requirements

Eligibility monitoring and management

Partner eligibility requirements for this Microsoft CSP Indirect Reseller incentive must be met in addition to the Indirect Reseller having transacted¹ \$200 USD in CSP revenue before partners are invited to the incentive platform. Partners must meet these criteria, onboard to the partner incentive tool, and complete bank and tax profile before Microsoft can approve and release incentive payments. The Payment section of this guide includes a comprehensive set of conditions required for payment approval and release.

Loss of eligibility

Partners should maintain active MPN status and current bank and tax profiles to be able to earn throughout the fiscal year.

Partners who lose eligibility risk losing incentives for the periods during which eligibility is lost.

Microsoft will endeavor to notify partners if they lose eligibility however partners are responsible for monitoring their eligibility status. Loss of earnings is not dependent on notifications from Microsoft.

Enrollment

Invitation period

New partners will receive an invitation to log into the partner incentive tool platform. Invitations are non-transferrable, and the Partner Administrator is defined as the primary contact provided in MPN.

Onboarding process

Other partner eligibility requirements for this FY19 CSP Indirect Reseller incentive must be met before partners are invited to the incentive platform. However, partners must meet these criteria and onboard to the Microsoft PExp platform before becoming eligible for incentive earnings and payments. If a partner becomes eligible during the earning period, eligible incentive earnings will be included from the date of eligibility (including completion of onboarding) as indicated in the Microsoft system. The Payment section of this guide includes a comprehensive set of conditions required for payment approval and release.

Partners must meet all eligibility criteria, complete the enrollment process including completing a bank and tax profile -by program- (even if active in PExp for another incentive) to become active in the partner incentive tool platform for the Indirect Reseller incentive program. This is a critical step for partners to gain visibility to incentive calculations and receive payment information.

Microsoft will invite partners per eligible MPN HQ or Location ID to participate in the CSP Indirect Reseller incentive by means of an email with a company domain (for example, @microsoft.com). Onboarding must be completed for each invitation.

Partners who onboarded onto the partner incentive tool platform in a previous fiscal year do not need to re-onboard but must continue to meet eligibility requirements to earn and be paid incentives for the current fiscal year.

Program structure and rates

This incentive includes global and local components.

Global incentives

Global Rates	Pays on	FY19 H1	FY19 H2
Core - O365	billed revenue	8%	6%
Core - All other CSP products*	billed revenue	8%	8%
Azure Reserved VM Instances (RIs)	consumption	10%	10%
Software in CSP – Subscription	billed revenue	Core – 1.25% Strategic – 6%	Core – 1.25% Strategic – 6%

* Such as EMS, Windows Intune, CRM Online, Dynamics Cloud offerings, and Azure
Table 3: Global incentives

Azure Reserved VM Instances (RI) incentive

Azure Reserved VM Instances (RI) allow customers to pre-purchase Azure VM instances at significantly reduced costs—up to 72% compared to pay-as-you-go prices—with one-year or three-year terms on Windows and Linux VMs.

We know our customers value savings and flexibility when making cloud decisions, and Azure RI delivers both significant cost savings *and* differentiated pre- and post-purchase flexibility. This allows customers to free up resources to pursue other projects and make the most of their investments. Partners can leverage RIs to gain longer term commitments and enhance their relationships with customers.

Within the Cloud Solution Provider incentive program, partners may earn, and Microsoft will pay incentives, on the value of the RI that is *consumed* each program period. The incentive rate for consumed Azure RI revenue for FY19 is 10%. The incentive payment will follow standard program rules.

Azure Reserved VM Instances will not launch in all countries. In these countries, the Azure RI incentive will commence as soon as it is available in these locations. Please reference the [Azure RI](#) site to check country availability.

For more information about Azure Reserved VM Instances, please refer to the [Azure Reserved VM Instances website](#).

Software in CSP – Subscription

From July 2018, Microsoft is enabling customers to conveniently procure software and services on a single platform. This new capability for subscription software

licenses allows partners to sell, and customers to buy, in an integrated way making it easier to do business with Microsoft.

The Modern offer, available on Partner Center via CSP, gives partners a strong anchor point to grow revenue and enhance profitability through the sales of server subscriptions. These subscription licenses may be used for virtual machines running in Azure or to license an on-premises deployment (Azure Hybrid Benefit). Customers may purchase subscriptions for Windows Server and SQL Server via Partner Center on CSP. Eligible partners will earn the above displayed incentives on billed revenue for these sales. Windows Server is classified as a core product and SQL Server is classified as a strategic product. For more information about Software on Partner Center via CSP, please visit

- [Azure RI and Server Subscriptions landing page](#)
- [Operations Guide](#)

Global accelerators

Product specific global accelerators

A global accelerator rate specified in the below table will be available for the following Microsoft solutions for Indirect Resellers:

Global Accelerators (incremental earning opportunity)	Rate
CSP Customer Adds (new for FY19)	2%
Global PSTN Calling and Conferencing	20%
Global Strategic Product Accelerator	2%

Table 4: Global accelerators

CSP Customer Adds

A new customer is defined as a Microsoft CSP tenant ID with no invoiced revenue applied in the previous 12-month period. Indirect Resellers will earn this incremental accelerator on the revenue associated to the first invoice generated on the new CSP tenant. This accelerator amount will then be paid for the first 12 months of the subscription provided the subscription remains active.

For seat-based sales, any new CSP customer tenants containing between 50 and 999 seats are eligible for this accelerator. Any new tenant with a seat count outside of this designated range is ineligible for this accelerator. When the new

CSP customer add is from an Azure transaction, any initial sale equal to or greater than \$4,000 USD will not be eligible for this accelerator.

Global PSTN Calling and Conferencing

Calling Plans are an add-on telephone service that, when combined with Office 365, can become the phone system for a customer's entire organization. Microsoft Global PSTN Calling and Conference offer two types of plans: Domestic Calling Plan and a Domestic and International Calling Plan. CSP Indirect Resellers may earn an incremental incentive on select PSTN Calling and Conferencing products.

A list of eligible products can be referenced using the link shared in the Useful Links section of this guide.

Global Strategic Product accelerator

In addition to the global program rates for CSP billed revenue, partners may earn a Global Strategic Product Accelerator on the billed revenue they deliver for sales of specific strategic products. A list of eligible products is included in the CSP Product Addendum available on MPN.

The incentive rate for this accelerator is 2%, paid monthly on billed revenue.

Local accelerators

In addition to the global incentive outlined above, Microsoft subsidiaries have the option to offer additional local accelerators. These local accelerators may augment levers within the global incentive or may reward partner engagement toward the specific local market need. Not all local accelerators are available in each subsidiary. Participation in a local accelerator is subject to the terms and conditions set forth by the local subsidiary and provided to partners.

Local accelerator terms will be sent to partners by the Regional Operations Centers (ROCs) in each subsidiary for accelerators available in that subsidiary.

Incentives from local accelerators will be paid as 100% rebate. See the following local accelerator option(s):

Cloud Revenue accelerator

This accelerator rewards partners with an incremental incentive of billed revenue from sales of eligible online services. This accelerator is paid in addition to the incentive earnings for qualified sales and will be paid out as rebate.

Product Specific accelerators

These accelerators reward partners with an incremental incentive based on billed revenue from the sale of specific products. The applicable products included will be communicated from Microsoft Operations at the beginning of the program period, and can include the following:

Accelerators
Azure Local Accelerator
Dynamics Local Accelerator
EMS or Power BI Local Accelerator
M365 Local Accelerator
O365 or Business Premium Local Accelerator
Windows Local Accelerator

Table 5: Product specific accelerators

*A list of eligible products can be referenced using the link shared in the Useful Links section of this guide.

Earnings and calculation

Eligible revenue rules

Eligible revenue is determined by Microsoft's internal sales tools as invoiced sales to the Indirect Provider of qualifying products during the earning period.

- The following restrictions apply:
- Revenue from subscriptions of Exchange Lite and other adjustments such as Internal Use Rights or trial seats are excluded.
- Revenue from Azure subscriptions using Azure Partner Shared Services is excluded.
- Not all Microsoft online services are available in all markets. New services and offers may be rolled out in new markets and current services and offers may be discontinued. As these service changes occur, customer consumption of Microsoft online services will also change, resulting in different incentive earnings for partners.
- Microsoft online services purchased by the partner and partner affiliate, or services belonging to Microsoft or Microsoft's affiliates, are not eligible for the CSP Incentive.
- These incentives are not offered in the People's Republic of China.

Payment

Partners can only receive payments after completing enrollment to the partner incentive tool.

Payment cadence

Payment will be disbursed to the partner using the following schedule:

Incentive type	How often	Expected payment within
Rebate	Monthly	<ul style="list-style-type: none">45 days after the end of the earning monthPayment will be in the form of a wire transfer

Table 6: Payment cadence

Minimum payment threshold

- If the incentive earnings are below the minimum threshold of \$200 USD, those earnings will be carried over to the following month and the partner will not receive payment.
- Incentive earnings under \$200 USD at the end of the program year (July 1, 2018 – June 30, 2019) will be forfeited.

Payments details

For a detailed summary of payment details visit the partner incentive tool Guide at aka.ms/partnerincentives.

Payment earnings reporting

Partners can view their earnings and payment activities via the partner incentive tool platform. Data is updated daily. Please note: Estimated incentive earnings data in PIExp should not be used for partner reconciliation. Earnings report data is subject to minor deviations and therefore may differ from official payment reports.”

Click [here](#) to view payment information on PIExp for Indirect Resellers.

Click [here](#) to view earnings information on PIExp for Indirect Resellers.

Dispute and resolution

Partners should follow the process outlined below when disputing incentive earnings and payout discrepancies.

- Payments can be disputed for up to 90 days after the end of the payment.

All disputes must be submitted in writing to Microsoft within the above time frames by following the support paths outlined to the respective alias in the Support and Resource section of this guide.

Overpayment

In the event of an overpayment, Microsoft will proceed with the recovery of an overpayment in accordance with the Microsoft Channel Incentive Agreement (MCIA).

Microsoft will generally attempt to recover overpayment by offsetting against future incentive payments earned. If for any reason such approach cannot be executed (for example, the partner is no longer participating in an incentive), Microsoft reserves the right to invoice partner for the overpaid amount directly.

Support and resources

Useful resources for all incentives can be found on the Microsoft Partner Network at aka.ms/partnerincentives (partner authentication required).

Support channels

Support for the partner incentive program is available in the support hub of the partner incentive tool by clicking "Support" in the header. The support hub provides a centralized location for all channel incentives and partner incentive tool queries.

Additional incentive program support is available on MPN Support (MPN) when signed in, using the following steps:

1. Go to the MPN website, <https://partner.microsoft.com>.
2. Under the 'Support' tab at the top of the page, select 'Contact Support' from the drop-down menu.
3. When the portal opens, select 'Partner Incentives' as your category.
4. You are then able to choose your topic and issue.

Or, by contacting the appropriate alias below for your region:

- North America: ocina@microsoft.com
- Latin America: ocilatam@microsoft.com
- Asia Pacific including Greater China: ociapgc@microsoft.com
- Japan: ocijp@microsoft.com

- Europe, Middle East, and Africa (EMEA): ociemea@microsoft.com

Useful links

Microsoft Partner Network: <https://mspartner.microsoft.com>

- Program membership, products, licensing, training, and event information

Partner Incentives MPN Portal: aka.ms/partnerincentives

- Includes all Partner-facing incentives materials such as the program guide, addendum(s), FAQs, program summaries, etc.

Partner incentive tool: <https://partnerincentives.microsoft.com>

- A dashboard providing program information, notifications, and support

Partner Center: <https://partnercenter.microsoft.com/partner/home>

- Support, Partner Community, and Partner Services Site

Partner resources

All the resources below are available through the Microsoft Partner Network.

Program assets	Description
Incentive Guide	Guide containing CSP Indirect Reseller incentive overview, including product rate and eligibility guidelines
Partner Incentives Experience Guide	Guide providing instructions on how partners can view incentive earnings, make claims and submit proof, do payment reconciliations and manage users, all from one single secure partner incentive tool portal.
Other Resources	Program overview slide, FAQ list, product list addendum, training videos, etc.

Table 7: Partner resources