

# MICROSOFT 365 PRICE INCREASES: YOUR FREQUENTLY ASKED QUESTIONS

If you haven't already heard, Office 365 and Microsoft 365 prices are going up for the first time ever. That means your customers will soon be paying a few quid more for each of their packages. They're also launching a new commerce experience

We want to be clear that we're as thrilled about this announcement as you probably are. And we know you likely have a ton of questions for us. So after taking a moment to calm down and compose himself, Tom Marwood has had a go at answering the most common queries we've been getting about this historic price hike.

<b>When will the new prices go into effect?</b>	1 March 2022.
<b>Which packages are affected?</b>	Microsoft 365 Business Basic Microsoft 365 Business Premium Office 365 E1 Office 365 E3 Office 365 E5 Microsoft 365 E3
<b>Will these new prices apply to education customers or consumers?</b>	No.
<b>Why have Microsoft made this decision?</b>	Microsoft say the new prices reflect the huge rise in remote working, which these products are helping to facilitate. It's true that they have added several new features over the last 12-18 months. But we don't think this justifies a price rise, at a time when Microsoft are also posting record profits.
<b>Did you share your concerns with Microsoft?</b>	Yes, but they didn't share our concerns. They did two years ago when they tried to take away your internal use rights. But not this time. We hope they listen to you. Please get in touch either with us or Microsoft directly if you have any (constructive!) feedback about these price rises.
<b>Is this new commerce experience essentially going to kill CSPs?</b>	It sometimes feels like it! But I think rather than killing CSPs, this just changes how cloud products need to be sold and advertised.
<b>Do you think Microsoft can be persuaded to change their minds?</b>	We don't think so. But if enough people voice their concerns, we think they can be convinced to make changes.
<b>Will we be able to reduce the number of licenses we have?</b>	No. You can cancel outright at the end of the month. But if you buy 10 licences, after 72 hours, you can only ever go as low as 10 during the month.
<b>What if a customer wants to downgrade their package?</b>	If a customer purchases an E3 package, for example, they have to stick with that package for the entire term of the agreement, whether that's a month or a year. That means every package has to be sold in the right way to customers and planned properly. We can help you with that.
<b>How will this work for multi-year agreements for clients who regularly need to make a lot of changes?</b>	Microsoft recommends in this case to go monthly. But monthly is more expensive. Multi-year will only work for customers who know their start point, and know they'll never go under that point.
<b>Can clients change partners mid-term?</b>	No, you can not change partners mid-term.
<b>How will the change affect long-term plans?</b>	For multi-year and annual plans, you can still monthly bill, you can't daily bill. And, if you want to make changes, you will only be able to do that once a month in the specific window you have been given.
<b>Can I still mix and match licences?</b>	Yes. This hasn't changed. You can still have some E3, some standard, some premium – in short, whatever combination that works for you
<b>Will we still be able to integrate with Connect Wise and Autotask?</b>	We are quite confident that this will stay the same. However, we're still waiting for confirmation from Microsoft, but as soon as we know, you'll know.
<b>Are there any good things we can look forward to?</b>	Yes. It's not all bad news! Multi-Geo is good, communication credit is good, the ability to have better billing and API quality is good, and the transition of subscriptions is good.
<b>How exactly will the pricing work?</b>	Microsoft have said that any Office 365 order placed before March 2022 will be honoured at the purchase price, and that figure will be fixed for a year.
<b>Will there be an update to the Terms and conditions?</b>	There will be an update if you purchase via the NCE – we haven't seen this yet though.
<b>The price is currently in dollars – do we know the figure for UK market yet?</b>	No. We think that the price in Sterling will be available around October, but until Microsoft confirm a specific figure, we don't know exactly what it will be. The minute we have it, you'll have it.
<b>Are you going to put all partners onto the new platform?</b>	We are not going to force partners onto the platform until we see that it's better than what you have now. Obviously, if you want to be migrated over, we can do that for you. At your end, you won't see a difference. The marketplace will work the same, look the same, and feel the same. All the changes are made at our back end.
<b>If a customer leaves a business, meaning a E3 is no longer required, is that classed as a downgrade?</b>	If you buy 20 E3s, and then no longer need all of them, you'll still be charged for them all. Whatever is in place after those first 72 hours is what they will bill, going forward.
<b>Will Exchange Online be affected?</b>	Currently, Microsoft have not confirmed this. We expect everything to go up as it would be strange if only Business Basic went up but apps such as Exchange and Sharepoint stayed the same. But as yet, we don't know.
<b>After October, will new customers get the chance to go onto the old platform?</b>	Yes. Currently they will have the choice to join either platform until March 2022. After that, the new one will be their only option.
<b>Can I still invoice monthly?</b>	Yes, you can. The only thing changing is that the new commit is either monthly, year or multi-year. At WCC we prefer to do things monthly as it makes for a better revenue stream.
<b>Can I add new customers on the old platform after March 2022?</b>	No. The number of customers you have on the old platform as of March 2022 will be the maximum you can hold on the platform in the future. You cannot flex those numbers up. Any new customers will have to be added to the new platform.
<b>Can you change provider of licence at any point during the commit, or only at the anniversary?</b>	No, you won't be able to move as you have signed a binding agreement with that single provider.
<b>Is the only benefit in committing to the long-term plan the reduction in price?</b>	Yes. That is the only benefit. (Which, you'll probably agree is not the point of a CSP).
<b>Can you sell out of regions?</b>	No. But, as long as the customer's tenant is based in the UK, we can sell to it. If the customer has arms based globally – such as in the US or China – you can have multiple data centre locations for each one of those areas. It doesn't increase the number of customers you can sell to, but it does increase the flexibility of where the data can be set. Which is undeniably a benefit.
<b>When is the monthly commit?</b>	Your commit is a full thirty days from the day your licence was purchased.
<b>Is it going to affect the European market?</b>	Yes – Microsoft's plans are the same for both the UK and the European markets.
<b>Will monthly still exist?</b>	Yes, but in a different way. Rather than being able to flex up one day and take down on another, now you will only be able to make changes once a month. You can bill monthly, you can cancel monthly, but this will be on a monthly rolling contract, rather than the old-style day rate.
<b>Can I still quote monthly?</b>	Yes, but the huge difference between the annual and monthly rate Microsoft will be charging will make that very difficult.
<b>Will you only offer monthly billing for the customers on a monthly subscription, or for everyone?</b>	Everyone. Obviously, if you're on a monthly commit, we will bill you monthly, but we will also offer a monthly billing option for customers on annual or multi-year packages.

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THIS ANNOUNCEMENT HAS CERTAINLY GOT EVERYONE ASKING QUESTIONS.

HOPEFULLY YOU CAN FIND WHAT YOU NEED TO KNOW IN OUR LONG LIST OF FAQs BUT IF NOT, REACH OUT TO ME AND I'LL TRY MY BEST TO GET YOU THE INFORMATION YOU NEED.

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