

## **Memo: Important Changes coming to your Microsoft 365 Billing**

Teknologize Clients,

I have some critical information to share with you regarding the changes that are coming to how you buy your Microsoft licensing moving forward, with significant implications for you as a client.

You have important decisions to make right now, and our team is here to guide you through them and answer any questions you may have.

### **Microsoft's 'New Commerce Experience' (NCE)**

Today, your Microsoft 365 licenses are purchased under what is called "Legacy CSP". This program has great flexibility allowing you to cancel M365 licenses at any time, and have your usage prorated.

Microsoft is launching the "New Commerce Experience" or NCE, a program that is designed to provide a consistent and standardized purchasing experience. But it does mean some big changes from what you are used to.

- Under Microsoft NCE, the flexibility of a monthly subscription will come with a 20% premium price. In addition, licenses canceled mid-month will be billed for the full month.
- A 12-month term option is available, avoiding the monthly premium. This can be paid upfront or monthly.
  - After a 72-hour cancellation period, the client is committed to the full term of the agreement with no early cancellation.
  - Clients cannot move subscriptions to a different provider while committed to the term.

#### **Important Dates:**

1. March 2022 – All new Microsoft 365 Subscriptions must be purchased through NCE.
2. January 2023 – All Microsoft 365 licensing must be moved to NCE from CSP.

### **Microsoft Global Price Increase**

In addition to the introduction of Microsoft NCE, there will also be a global price increase on several Microsoft SKUs effective March 1<sup>st</sup>, 2022. While Microsoft 365 Business Basic and Business Premium will see an increase, Business Standard and Non-profit pricing will not be impacted at this time.

**Clients who move to a 12-month term under the new Microsoft NCE prior to March 1, 2022, will be price protected against this increase and have their current pricing locked in for 12 months.**

## Price Changes – Effective March 1<sup>st</sup>, 2022

### Enterprise:

- Office 365 E1: \$10 (from \$8)
- Office 365 E3: \$23 (from \$20)
- Office 365 E5: \$38 (from \$35)
- Microsoft 365 E3: \$36 (from \$32)

### Business:

- Microsoft 365 Business Basic: \$6 (from \$5)
- Microsoft 365 Business Premium: \$23 (from \$20)

### No changes to other licenses:

- Non-Profit/EDU Plans, Business Basic, Business Standard, and F1/F3 Plans

## Teknologize Recommendation:

We are recommending that all clients move their M365 licenses to a 12-month term under NCE effective March 1, 2022. This will ensure that you avoid the global price increase and lock in your existing pricing for the next 12 months.

## Considerations

- Number of seats; additional users and services may be added at any time, but not seat reductions.
- If you have seasonal employees or temporary accounts, you may wish to leave them on monthly to allow for easier cancellation. Companies can have a mix of both annual and monthly subscriptions
- Even on an annual commitment, you can still be billed monthly, as you are today.
- There is no early cancellation on term agreements. After the first 72 hours you are committed for these licenses for the full 12-month term.

## Next Steps

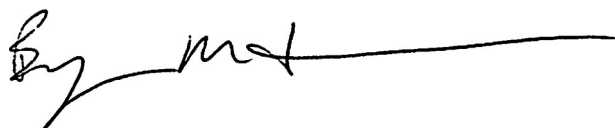
If you're ready to lock in your current Microsoft 365 licensing pricing for a 12-month term on NCE beginning March 1, 2022, go here:

[Microsoft 365 Term Acknowledgement](#)

If you want to discuss this further, please schedule time with me/Byron to go over the changes and determine a plan for your organization.

[Book a Microsoft 365 Changes Review Meeting with Byron](#)

Thank you for your time and cooperation as we navigate these changes together.

A handwritten signature in black ink, appearing to read "Byron Martin", followed by a long horizontal line extending to the right.

**Byron Martin**

CEO

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