

MICROSOFT LICENSING COMPARISON GUIDE:

Helping You Navigate to the Right Model

Navigating Microsoft's labyrinthine licensing models, not to mention their ever-changing platform offerings and prices, makes regularly assessing your licensing mix a strategic priority.

Microsoft has notified many organizations with fewer than 2,400 users that their Enterprise Agreements (EA) will not renew. If you are in this group, you face a critical decision that will impact your technology strategy for years to come.

This guide offers a clear path to selecting your optimal Microsoft licensing model through our side-by-side comparison and personalized assessment tool.

- **Review the chart to understand the key differences between the most common licensing options.**
- **Then, complete the self-assessment for tailored recommendations based on your company's specific needs and priorities.**

Microsoft Licensing Models: At-a-Glance Comparison Chart

LICENSING TYPES	Direct Cloud Solution Provider (CSP) Strategic Partnership Our recommended path	Microsoft Customer Agreement (MCA-E) Direct from Microsoft	Enterprise Agreement (EA) Being phased out for orgs <2,400 users
Term Length	Flexible: monthly, annual, or multiyear options	Monthly or annual fixed terms	3-year fixed commitment
User Minimum	No minimum	No minimum	500 - 2,399 users
Payment Schedule	Monthly or annual	Monthly or annual	Annual or upfront for 3 years
License Flexibility	High: scale up anytime, scale down at subscription renewal or mix monthly and annual subscriptions	Medium: adjustments at subscription renewal	Limited: adjustments only 3-year term anniversary
On-Premises Software	Available	Not available currently	Optional
License Management	Managed through partner with guidance and portal options	Self-managed via Microsoft portals	Via License Service Provider (LSP)
Pricing Stability	Protected during the subscription term	Protected during the subscription term	Fixed for agreement term
Strategic Advisory	Included with CSP partnership	Not included	Not included
Tech Support	Included with CSP partnership	Not included	Not included
License Optimization	Included with CSP partnership	Not included	Not included
Cloud Transition Guidance	Included with CSP partnership	Not included	Not included
Admin Overhead	Low: partner managed	High	High

Key Takeaways



CSP Model

(Strategic Partnership)

- Offers complete flexibility with no minimum commitment
- Includes strategic advisory and technical support
- Provides ongoing license optimization and cost management



MCA-E Model

(Direct from Microsoft)

- Offers self-service model with basic flexibility
- Excludes strategic guidance or included support
- Places all management responsibility on your team
- Excludes on-premises licensing—must use CSP, Open Value, or a Microsoft Products and Services Agreement (MPSA)



EA Model

(Being Phased Out for Orgs <2,400 Users)

- Requires long-term commitment with limited flexibility
- Requires a minimum of 500 users for EA renewals, 2,400 for new EAs
- Operates as a self-managed model with separate support costs

READY TO DETERMINE WHICH MODEL
IS RIGHT FOR YOUR ORGANIZATION?

Microsoft Licensing Path Finder: Self-Assessment and Decision- Making Guide

This self-assessment will help you evaluate which of the most common licensing paths best suits your company's needs, priorities, and resources.



Instructions: For each question, select the answer that best represents your organization's current situation and priorities. Keep track of your answers to calculate your results.

SECTION 1:

Understanding Your Company's Needs

1. How would you describe your IT team's capacity to manage Microsoft licensing?

- A) We have dedicated specialists who can navigate Microsoft's complex licensing options.
- B) Our IT team is stretched thin and lacks specialized licensing expertise.
- C) We have some knowledge but would benefit from external guidance on optimization.

2. How important is having predictable IT costs for your organization?

- A) Nice to have, but we're comfortable with some fluctuation if it means greater flexibility.
- B) Very important — we need stable, predictable costs for budgeting purposes.
- C) Critical — unexpected cost variations create significant challenges for our financial planning.



3. How would you characterize your organization's need for technical support?

- A) Minimal — we have strong internal expertise and rarely need external support.
- B) Moderate — we occasionally need help with complex issues.
- C) Significant — we rely heavily on vendor or partner support for technical issues.

4. How often do your licensing needs change due to staffing fluctuations or project requirements?

- A) Rarely — our licensing needs are relatively stable year-to-year.
- B) Occasionally — we have seasonal or project-based fluctuations.
- C) Frequently — our headcount and project needs change regularly throughout the year.

5. How would you rate the strategic importance of Microsoft technologies to your business operations?

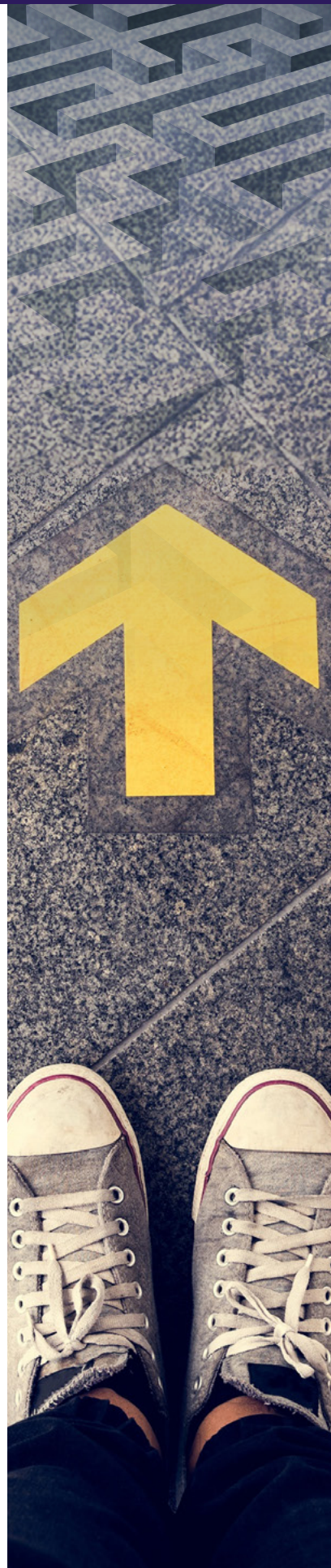
- A) Necessary but not critical — we use Microsoft products but could function with alternatives.
- B) Important — Microsoft technologies support many key business functions.
- C) Critical — Microsoft technologies are essential to our core business operations.

SECTION 2:

Resource Allocation and Management

6. How much time does your IT team currently spend on license management and optimization?

- A) Minimal — we review licenses annually during renewal.
- B) Moderate — we conduct quarterly reviews of our licensing position.
- C) Significant — license management is an ongoing activity requiring dedicated resources.



7. How confident are you that your current Microsoft licensing is optimized for your actual usage?

- A) Very confident — we have tools and processes to ensure we're rightsized.
- B) Somewhat confident — we believe we're close to optimal but aren't certain.
- C) Not confident — we suspect we're either over-licensed or using the wrong license types.

8. How important is having flexibility to scale licenses up or down as needed?

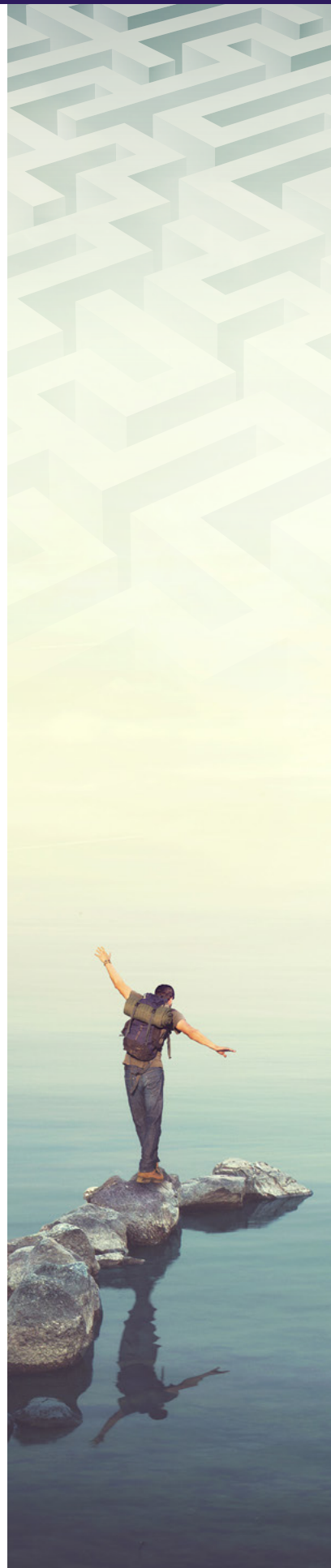
- A) Not very important — our needs are stable and predictable.
- B) Somewhat important — we occasionally need to adjust our licensing.
- C) Very important — our business requires frequent adjustments to licensing quantities.

9. How much visibility do you currently have into your Microsoft license use?

- A) Complete visibility — we have robust tools that provide detailed usage analytics.
- B) Partial visibility — we have basic reporting but gaps in our understanding.
- C) Limited visibility — we have minimal insight into how licenses are used and which users are taking advantage of their full licensing bundle.

10. How important is having strategic guidance on Microsoft's new features?

- A) Not important — we prefer to research and make decisions independently.
- B) Somewhat important — occasional guidance would be helpful.
- C) Very important — we need expert guidance to maximize our Microsoft investments.



SECTION 3:

Financial Considerations

11. How would you characterize your company's approach to IT investments?

- A) Cost-focused — minimizing direct costs is our primary concern.
- B) Value-focused — we balance costs against benefits and services provided.
- C) Strategic-focused — we prioritize solutions that advance business objectives.

12. How does your organization prefer to pay for software licenses?

- A) Upfront — we prefer upfront payments to maximize discounts.
- B) Annually — we prefer annual payments aligned with our budgeting cycle.
- C) Monthly — we like monthly payments to improve cash flow and flexibility.

13. How important is consolidating your Microsoft licensing and support under a single vendor?

- A) Not important — we're comfortable managing multiple vendors.
- B) Somewhat important — fewer vendors would be preferable but not essential.
- C) Very important — we want a single point of accountability for licensing and support.

14. How concerned are you about potential “shelfware” (paying for unused licenses)?

- A) Minimally concerned — we accept some inefficiency for simplicity.
- B) Moderately concerned — we try to minimize waste but accept some.
- C) Highly concerned — optimizing spend and eliminating waste is a top priority.



15. How important is having expert help navigating Microsoft promotions and program benefits?

- A) Not important — we can research these independently.
- B) Somewhat important — we'd benefit from occasional guidance.
- C) Very important — we want to ensure we use all available benefits and programs.

SECTION 4:

Strategic Alignment & Support

16. How would you describe your organization's approach to cloud adoption?

- A) Conservative — we move cautiously and prefer traditional licensing when possible.
- B) Balanced — we're selectively adopting cloud where it makes sense.
- C) Progressive — we're actively moving workloads to the cloud when feasible.

17. How important is having proactive recommendations for your Microsoft environment?

- A) Not important — we prefer to research and make decisions independently.
- B) Somewhat important — occasional recommendations would be helpful.
- C) Very important — we want ongoing optimization recommendations from experts.

18. How complex is your Microsoft environment?

- A) Simple — we primarily use standard productivity applications with minimal customization.
- B) Moderate — we use standard applications plus some specialized Microsoft products.
- C) Complex — we extensively use Microsoft technologies across multiple products and services.



19. How important is having assistance with license compliance and audit preparation?

- A) Minimally important — we're confident in our compliance position.
- B) Moderately important — some guidance would be helpful.
- C) Very important — we need expert help ensuring compliance.

20. How would you rate the importance of having a strategic partner versus a transactional vendor?

- A) Minimally important — we prefer transactional relationships with minimal engagement.
- B) Moderately important — we value strategic input but don't need extensive partnership.
- C) Very important — we seek long-term strategic partners who understand our business.

Scoring Your Assessment



Instructions: Count the number of A, B, and C responses you selected.

Mostly A Responses

Your organization likely has strong internal capabilities and a preference for direct control. The MCA-E model may be sufficient for your needs, though you should consider whether the lack of strategic support will impact your long-term optimization.

Mostly B Responses

Your company has moderate needs for external support and guidance. A CSP relationship would provide valuable benefits, particularly if you select a partner offering the right level of service for your organization.

Mostly C Responses

Your organization would significantly benefit from a strategic CSP partnership. Your needs strongly align with the value-added services, optimization, and strategic guidance that a full-service CSP partner provides.

Mixed Responses

If you have a relatively even distribution, look at which sections had more C responses to identify your priority areas for support.

SECTION 5:

Decision Matrix

Based on your responses, consider the following decision matrix to help guide your final decision:

PRIORITY AREA	If You Answered Mostly A	If You Answered Mostly B	If You Answered Mostly C
IT Resource Capacity	MCA-E may be suitable	Consider basic CSP services	Full-service CSP recommended
Cost Predictability	Either option may work	CSP with annual terms	CSP with fixed-term agreements
Licensing Flexibility	MCA-E may be sufficient	Basic CSP services beneficial	Full-service CSP essential
Strategic Guidance	MCA-E may be adequate	Selective CSP advisory	Comprehensive CSP partnership
Support Requirements	Basic support adequate	Enhanced support package	Premium support through CSP

NEXT STEPS:

Validating Your Decision

After completing this assessment, we recommend you:

- ✓ **Schedule a Consultation**
Discuss your results with our licensing specialists to validate your conclusions and explore options to enhance your licensing strategy.
- ✓ **Request a Current State Analysis**
Get a comprehensive evaluation of your existing licensing mix to identify immediate optimization and cost-saving opportunities.
- ✓ **Develop a Transition Timeline**
If your EA is expiring soon, or if you're simply looking to better optimize your licensing mix, work with our team to create a seamless plan.
- ✓ **Explore Service Options**
If a CSP model seems right for you, [review our Microsoft Licensing Consulting Services](#) to find the right approach for your organization's needs. We offer full-service agreements across:
 - Microsoft / Office 365 licenses
 - Dynamics 365 licenses
 - Azure subscriptions
 - Teams, Power Platform, Copilot, and Defender licenses (and more)
 - Copilot and Agents
 - On-premises licensing such as Windows Server, SQL Server, and Client Access Licenses (CALs)

Ready to discuss your results?

Our Microsoft experts are here for you. Let's talk.

➤ **CONTACT US**