



*Directions on Microsoft*

## Microsoft Licensing Fundamentals: Group Collaboration Software

INDEPENDENT IT PLANNING INFORMATION & ADVISORY SERVICE



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Welcome to the *Directions on Microsoft* Licensing Fundamentals series.

### ***Introduction***

Like it or not, technology and licensing are intertwined.

If you have limited technical familiarity with Microsoft product areas, these short backgrounders will get you up-to-speed on basic terms and concepts ahead of time, *and allow you to get more out of your upcoming training.*

This backgrounder is on Microsoft's group collaboration software.

### ***New to licensing***

Many organizations are dependent on Microsoft software for sending and receiving emails, scheduling meetings, sharing documents, hosting online meetings, and other forms of group collaboration. Customers generally license this software organization-wide through their Enterprise Agreement.

Until recently, most Microsoft customers used the company's on-premises server products such as Exchange Server and SharePoint Server to fulfill their collaboration needs. But now, Microsoft is directing customers to hosted services such as Exchange Online and SharePoint Online, packaged in suites called Office 365 as well as mega suites called Microsoft 365, which include Office 365 suites as one of several components.

### ***Boot Camp Attendees***

At the boot camp we explain the contents of the various levels of Office 365 suites, so you can understand what you are really buying and match it to your technical requirements.

Among other things, we also explore the perils of segmenting your user base and purchasing different levels of Office 365 for each. Attempts to save money in this way have the potential to cause a cascade of license compliance headaches in the future.

To get the most out of your Directions on Microsoft Licensing Boot Camp, it is helpful to have some basic technical and licensing background ahead of time. So, let's dive in.



## What is Group Collaboration Software?

### » Communications

- » WHO: One-to-one, one-to-many (e-mail), many-to-many (web conference between team members)
- » WHAT: Text, audio, video, application sharing, some combination
- » WHEN: real-time, or not

#### Product Names

- Exchange
- Skype for Business
- Teams

### » Content Sharing

- » Storing, categorizing, and organizing information, mostly in the form of documents, for later retrieval
- » Examples
  - » Document libraries, content management
  - » Corporate portals
  - » Search capabilities

#### Product Names

- SharePoint
- OneDrive
- Teams

### Let's describe what we mean by group collaboration software.

We mean two generic capability areas: Communication and content sharing.

**Communications** capabilities are provided by Microsoft products with the words "Exchange", "Skype for Business", and "Teams" in their names. That's the top three, not a complete list.

There are several major attributes of communication capabilities, and Microsoft products provide all combinations that make technical sense. We call the attributes the Who, the What, and the When.

The first attribute is the **Who**, as in Who participates in the communication. Communication could be one-to-one between two individuals, one-to-many such as an email sent by a manager to his or her subordinates, or many-to-many, such as in a web conference between team members.

The second attribute is the **What**, as in what is the medium of communication. Possibilities include text, audio, video, application sharing, or some combination thereof.

The third attribute is the **When**, as in when the communications arrive, in other words, is the communication real time or not. Examples of real-time include voice and instant messaging,

since data delivery and interaction is almost immediate. Examples of communication that generally does not happen in real time is e-mail. There could be a long delay before you read or respond to an e-mail. Another example is persistent chat, which are topic-based discussion rooms that persist over time for people who share a common area of interest.

If communications is the first leg of collaboration; then **content sharing** is the second.

This is the area of capabilities provided by or exposed through Microsoft products with the words “SharePoint”, “OneDrive”, and “Teams” in their name. No this is not a complete list, but those are the most important. And yes, Teams plays for both the communications and content sharing teams. Pun intended.

What is content sharing? By content sharing we mean storing, categorizing, and organizing information, mostly in the form of documents, for later retrieval. Examples include document libraries, content management systems, and corporate portals, all made discoverable through robust search capabilities.



## What is Group Collaboration? (continued)

- » **Common features across Communications & Content Sharing**
  - » eDiscovery
    - » The ability to search for documents relevant to a case
  - » Legal Hold
    - » The ability to assure relevant documents are maintained
  - » Retention policies
    - » Automatic archiving or purging of documents as they age, as per organization-defined rules
  - » Data loss prevention
    - » Reminders and enforced rules to make it less likely sensitive information leak out of the organization

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Shared across both the communications and content sharing legs are regulatory and compliance features. Any midsize or large organization that must deal with lawsuits or regulations, in other words, all organizations, require these types of capabilities, whether delivered by Microsoft, third-parties, or some combination. Microsoft learned first hand during its antitrust tribulations 20 years ago how important and relevant such features can be.

Regulatory and compliance capabilities provided as part of Microsoft communications and content sharing offerings include:

eDiscovery – the ability to search for documents relevant to a legal case

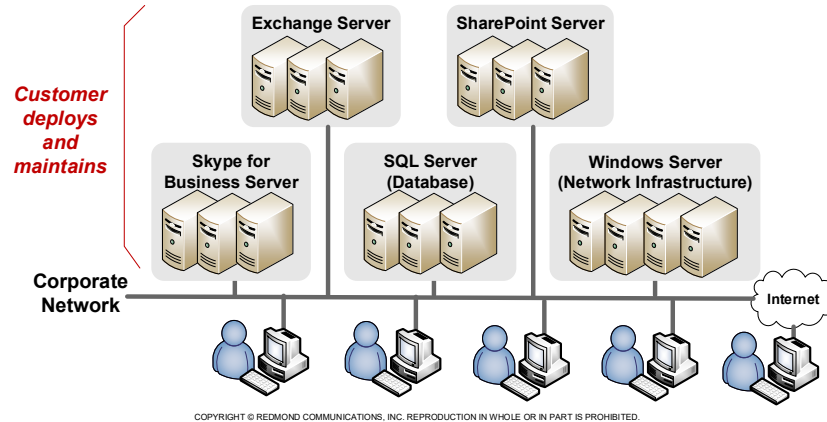
Legal Hold – the ability to assure relevant documents are not destroyed

Retention policies – Programmable routines that automatically archive or purge documents as they age, as per organization-defined rules

And data loss prevention – built-in routines that make it less likely sensitive information such as social security numbers leak out of the organization in an e-mail, for example.

Now that we understand the basic collaboration functions Microsoft products provide, we can take a closer look at the two underlying platforms that support these capabilities. There is Microsoft’s old on-premises server-based platform and Microsoft’s new online services platform. First we’ll look briefly at the technology differences and then the licensing differences, and why these differences are relevant.

## Collaboration Implemented On-Premises



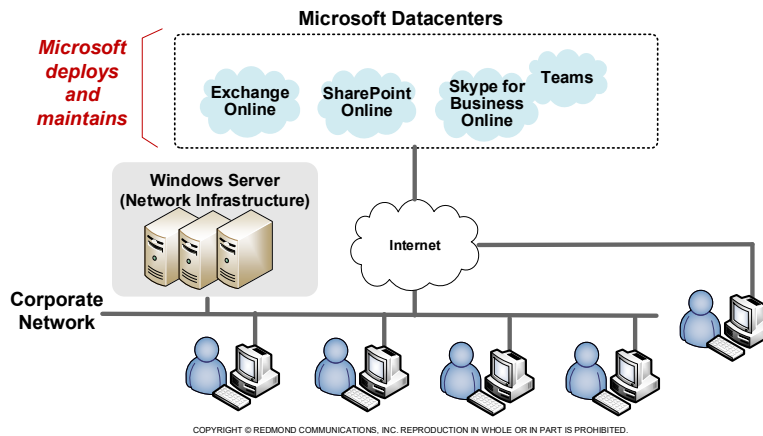
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Here you see a picture of an on-premises deployment. At the top, you see a variety of types of Microsoft servers connected to your corporate network, the dark horizontal line. Below the network line are users who are tapped into your network, either directly or via the Internet.

Pictured you'll see Exchange Servers, Skype for Business Servers, SharePoint Servers, and SQL Servers. SQL Server is included here because SharePoint Server stores documents in SQL Server. At the right you see Windows Servers, which power various aspects of your network, such as Active Directory.

Deploying these on-premises server products requires significant up-front and ongoing effort. You, the customer are responsible for assembly and ongoing maintenance of the infrastructure.

## Collaboration Implemented “in-the-cloud”



- » “The-cloud” takes some tasks off your plate; adds others
- » Migration from on-premises to “the-cloud” is expensive<sub>5</sub>

With a cloud-based system, pictured here, Microsoft sets up and maintains the underlying infrastructure within its datacenters. It buys and maintains the hardware. It updates the software. It figures out how to fix it when it breaks.

Oh, and by the way, the cloud is where most all new feature innovations are implemented. In many ways, on-premises products are becoming the neglected step children in the Microsoft family.

Back to the cloud, unicorns, and candy canes.

The story as it is told is that customers plug in to the cloud and collaboration magically flows like a mighty stream. Yes, a bit of a stretch. But, there are technical benefits to a cloud approach. Microsoft is happy to bend your ear about those. But in our time here it is more important to highlight what Microsoft may not be so eager to bring to your attention for fear it may delay your purchase and migration plans. We’ll stick to just the top three for the sake of time.

First, a cloud-based collaboration solution takes only certain responsibilities off your plate. For example, it does not get you out of the business of user management, in other words provisioning and deprovisioning users as they are hired or leave the organization. And by the way, end user management in the cloud generally requires new tools and thus a re-architecture of existing management procedures as well as a new set of management skills.

Second, cloud-based systems put new tasks onto your plate. For example, Microsoft has a habit

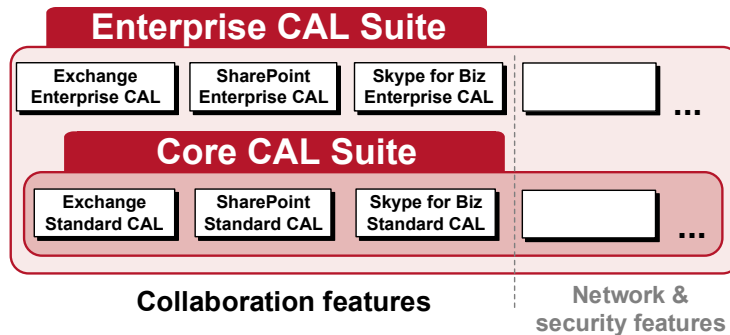
of adding new capabilities to its online collaboration offerings, and sometimes these are automatically enabled without your approval. The light just goes on, on its own. Maybe you don't want your organization's users to develop a reliance on some new shiny light whose implications have not yet been evaluated. So add monitoring for, and possibly shutting down rogue services, to your to-do list.

Third, migration from on-premises to cloud based systems can be very expensive. Customers must switch over service by service. Switchovers vary in difficulty, depending on service type and the complexity of the existing on-premises deployment. A full migration can take years. So, the reality is that many organizations end up straddling the two worlds, on-premises and cloud, for a long time.



## Licensing On-Premises Collaboration Servers

- » On-premises servers required for collaboration are licensed primarily via Client Access Licenses (CALs)
  - » Available Per User or Per Device
- » Typically purchased as a bundle of perpetual licenses



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Up until now we focused on answering the question “What is collaboration software?” from the features and technology platforms perspectives.

Now we move on to licensing, and I know you’ll be shocked, shocked I tell you that the old and new platforms sport dramatically different licensing models and rules that you’ll need to navigate.

The old on-premises server platform is licensed primarily via CALs—client access licenses, which can be purchased Per User or Per Device.

Most customers purchase these CALs as bundles known as the Core CAL Suite and the Enterprise CAL Suite. You’ll notice “Russian Doll” type packaging here. The Enterprise CAL Suite contains all the rights that are in the Core CAL Suite, plus certain advanced collaboration capabilities. You’ll notice a bunch of licenses marked “Enterprise CAL” as unique to the Enterprise CAL Suite. You will also notice at the right that the CAL Suites also license some features that are not collaboration-related, more specifically, network- and security- related features, but that is outside of the context of this presentation.

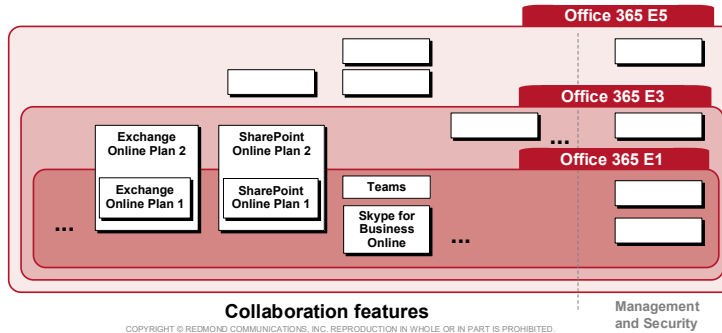
Most customers purchase these CAL Suites as perpetual licenses within their Enterprise Agreement, meaning they could choose not to renew Software Assurance coverage for CAL suites in their next contract and just park on versions of the licenses they already own. Not that

many customers do this, but at least they could threaten to do so as part of their contract negotiation strategy.



## Licensing Online Services for Collaboration

- » **Online Services are licensed as User Subscription Licenses (“User SLs”)**
  - » Subscription model prevents you from shutting your wallet and “coasting” on old perpetual licenses
- » **User SLs almost always purchased as a bundle**



In the new world of online services, the collaboration platform is licensed via User Subscription licenses, or “User SLs”.

As the name implies, a Per-User model is the only game in town, no Per Device licensing allowed. That’s one big difference that can make certain customer scenarios—such as retail, health care, and manufacturing—prohibitively expensive, unless you negotiate some special accommodation.

Also, as the word “subscription” in the license name implies, the licenses are non-perpetual. Ceasing payments to Microsoft and coasting on old licenses is not an option. That’s another big difference compared to on-premises. Welcome to the Hotel California. As the lyrics go, you can check out but you can never leave.

It is also worth noting that the way the CAL model counts users and the way the online services model counts users is not exactly the same. In almost all cases your online services user license count will be higher, meaning you need more User SLs for online services than you did User CALs for on-premises servers. But how much higher, well, it depends. Come to the boot camp and learn more.

Another big area of difference is packaging. As we mentioned earlier, User SLs for individual collaboration services are usually acquired as a suite called Office 365, and there are multiple levels E1, E3, and E5, with each level including a superset of collaboration features. There is also an even more limited F1 level, not pictured here.

You will also notice the label at the lower right indicating that the Office 365 Suites also license some features that are not collaboration-related, more specifically, management- and security- related features, but that is outside of the context of this presentation.

One more difference between on-premises licenses and online service licenses. On-premises licenses cover use of on-premises products only. However, Office 365 User SLs include rights for online services as well as comparable on-premises server functionality. Why? Because Microsoft knows that you'll likely be straddling both worlds for some time and it would be embarrassing to ask you to maintain two separate sets of licenses.

However, this attempted simplification on Microsoft's part ironically leads to different forms of complexity, including the need for and existence of special licenses with the text "From-SA" and "Add-on" in their name. This is particularly relevant to Enterprise Agreement customers, for reasons we explore in detail at the boot camp



## Microsoft Licensing Fundamentals Presentations

- » **Make your time at the Licensing Boot Camp as productive as possible by getting up-to-speed ahead of time**
- » **Available presentations**
  - » Product Use Rights and Rules
  - » Windows client operating system (OS)
  - » Office suites (client applications)
  - » Group collaboration software (Exchange Server, Exchange Online, Office 365 suites, etc.)

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So now you have a high-level understanding of the types of features Microsoft's collaboration platforms provide, and the major technological differences between the old on-premises server-based platform and the new online services platform. You also have some appreciation for how the old and new platforms differ with respect to licensing models and rules.

At the boot camp, we'll go into a lot more detail, including options for Enterprise Agreement customers with on-premises licenses to transition to online service licensing. Office 365 is an area of training we continue to expand because it is so important.

If you found this presentation helpful, be sure to check out our other Microsoft Licensing Fundamentals presentations listed here.

See you at a Directions on Microsoft Licensing Boot Camp.