Microsoft Industry Clouds Update

Industry Cloud Partner Alert

December 1, 2023

Microsoft Highly Confidential

Evolving the Microsoft Cloud for Nonprofit subscription and packaging model

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UNDER EMBARGO UNTIL JANUARY 2, 2024

Summary

Thank you for your continued partnership with Microsoft. We would like to share an update with some of our key partners regarding Microsoft Cloud for Nonprofit.

Our current Microsoft Cloud for Nonprofit intellectual property (IP) has been packaged in two incremental per-tenant subscription options: Microsoft Cloud for Nonprofit Basic Add-On (limited IP inclusions, at no additional cost) and Microsoft Cloud for Nonprofit Standard (incremental IP inclusions and Microsoft Technical Support). To remove the friction of the subscription and accelerate time to value for customers and partners, we are evolving the packaging model for Microsoft Cloud for Nonprofit to be aligned to the overall Microsoft Industry Cloud packaging shifts that occurred earlier this year at Inspire (July 2023).

Background

For the last three years, Microsoft industry clouds were developed as a composable set of industry-relevant Microsoft Cloud technologies enhanced by our partner ecosystem. With Microsoft industry clouds, organizations can leverage the trusted and comprehensive capabilities of Microsoft Cloud, with verticalization applied across each of the cloud services to accelerate time to value.

In January 2023, Microsoft leadership aligned our strategy for industry cloud investments based on three growth pillars:

1. Accelerate revenue growth and share by solution area within each industry.
2. Drive strong execution and revenue with industry priority ISVs enabled through our marketplace.
3. Build and sell focused on repeatable industry solutions where we have differentiating product truths.

At Microsoft Inspire 2023 (July 18-21, 2023), Microsoft announced a subscription change to enable greater accessibility to Microsoft industry clouds. This change applied to Microsoft Cloud for Healthcare, Microsoft Cloud for Retail, and Microsoft Cloud for Financial Services, and launched publicly on August 1, 2023. The Industry Cloud packaging model change was created to align to the following packaging principles:

- The existing industry solution templates included in the retail, healthcare, and financial services industry cloud subscriptions became available at no additional cost (for example, Store Operations Assist in retail). The shift was to enable a broader reach of Customers and Partners to take advantage of these vertical solutions and add incremental value to their existing Microsoft Cloud investments.
- Industry Teams should continue to enable ISVs to leverage existing IP for their unique and relevant industry solutions.
- Several standalone industry solutions would retain their existing packaging models (such as those for Energy, Microsoft Sustainability Manager, EHR Connector, Compliance Program, and Nuance products).

Announcement

On January 1, 2024, the current Microsoft Cloud for Nonprofit plans will be simplified to a single plan and renamed Fundraising and Engagement. It will be made available at no additional cost to nonprofits, educational organizations, and commercial customers. These customers will be able to take advantage of the existing vertical solutions (for example, Fundraising and Engagement, Volunteer Management and Engagement, Constituent Marketing Journeys, and Program Impact Dashboard) to add incremental value to their existing Microsoft Cloud investments**. Note:** Standard P1 and P2 prices for Government will remain unchanged.

With the above alignment and subscription model changes, we believe the industry cloud solutions will continue to help increase adoption of our horizontal commercial solution areas (CSAs). These changes will provide customers with simplicity and predictability when engaging

with Microsoft and expand industry clouds to represent the totality of the Microsoft Cloud (across CSAs, partners, and industry-specific IP). We will continue to invest, build, and expand industry-specific solution templates that accelerate time-to-value for our customers and partners.

Call to action

- Review the **MC4N SKU Change Partner FAQ** to understand how to handle transitions.