



Microsoft Partner Incentives Program

Lync Incentive
Program Guide

3/12/2012

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1 Overview

The Microsoft Solution Incentives Program (the “Program”) is a channel investment to drive incremental demand and sales for specific products and workloads that represent key growth opportunities for the company. Solution Incentives reward partners that invest in selling Microsoft solutions to customers, resulting in a sales transaction.

The Incentive Program Guide (“Program Guide”) describes requirements and policies for the Incentive that is offered under the “Program”. The Program is described in the Solution Incentive Program Addendum (the “Addendum”) to the Microsoft Partner Network (MPN) Agreement.

The Incentive described in this Program Guide is only available for sales related to the Participating Products, which are set forth in Appendix A attached hereto.

All capitalized terms used in this Program Guide will, unless defined herein or in Appendix B, have the respective meanings set forth in the Addendum. In the event of a conflict between this Program Guide and the Addendum, the terms and conditions of this Program Guide will control.

2 Incentive Eligibility, Requirements and Process

2.1 Incentive Eligibility Requirements

Company must meet all of the following requirements to be eligible to earn Incentives as described in this Program Guide (the “Incentive Eligibility Requirements”):

- Maintain an active MPN membership and an active MPN ID for each location
- Achieve Active Earned Gold status in one of the following Gold or Silver* Competencies for each Microsoft subsidiary in which you wish to register:
 - Unified Communications
 - Communications

** MPN Gold Competency will be a requirement for Lync after July 1, 2012*

2.2 Incentive Enrollment Process

Once Microsoft determines that Company has met the Incentive Eligibility Requirements set forth in Section 2.1, Microsoft will invite Company to participate in the Incentive. If Company accepts Microsoft’s invitation to participate in the Incentive the, Company must enroll online using Channel Incentive Platform (“CHIP”) where Company will sign (electronically) the Solution Incentive Addendum and provide banking details to be used to process Incentive payment(s).

2.3 Incentive Registration Requirements

Company must actively request that an Opportunity be considered for an Incentive in Partner Sales Exchange (“PSX”). Company may register any new or existing Opportunity that meets the criteria in this Section 2.3 (each such Opportunity, a “Registered Opportunity”). Information collected on a Registered Opportunity may be accessed and utilized by Microsoft sales and support staff at any stage during the sales cycle.

In order to be deemed a Registered Opportunity and be eligible for an Incentive the opportunity must first meet the following requirements:

- The opportunity must be one of the eligible Volume License Programs which include Enterprise Agreement (EA), Enterprise Agreement Subscription (EAS), Select, Select Plus, Open, Open Value, Open Value Subscription (OVS) and Academic (Academic must follow rules prescribed for Government Customers in this Section 2.3).
- The Opportunity must be a New, Add-On/True-ups or Standard Purchase Type. Add-On licenses for Purchase Types Renewals or Recurring will be eligible when purchased with License and Software Assurance (L&SA)).
- The Opportunity must be created in Partner Sales Exchange (“PSX”)
- The Customer Name entered by Company in the Opportunity must be located in the subsidiary where Company is eligible for SIP participation.
- The Opportunity, within PSX, must include a Participating Product. Participating Products can be found in Appendix A.
- The Opportunity must reach the Solution (40%) Sales Cycle Stage. This means that Company has a preliminary solution that includes a Participating Product, as identified and agreed upon by the Customer.
- The Opportunity Revenue must meet or exceed a minimum of \$5,000 of first year revenue on participating products and eligible licenses before Incentive can be earned. (See Appendix A)

Company is eligible for Incentive payments to Government Customers, provided that Company confirms in writing for the Opportunity in PSX (in the “Description” field), that it has advised the Government Customer it may receive Incentive payments for Advisory Services performed under this program and confirms to Microsoft that it owes no fiduciary relationship with the customer nor otherwise has a conflict of interest in accepting fees under the Solution Incentive Program. The following is the required text to include:

I certify my understanding of Incentive Program policies regarding incentive payments for Government and Public Sector customers as described in the relevant Incentive Program Guide. I have communicated to the customer that I may receive an incentive payment and will provide documentation to support as required.

The list of countries in which Incentives may be received for Government Customers may be confirmed through contacting your Partner Account Manager or on the MPN site:

<https://partner.microsoft.com/40155490>.

Incentives related to eligible Opportunities prior to June 30, 2011 will continue to be valid and will be paid upon Sales Order Transaction Date provided that Company meets the current eligibility requirements. If company is not eligible at time of Sales Order Transaction Date, Company will have until June 30, 2012 to achieve eligibility. Incentive payment will be accrued until Company achieves eligibility.

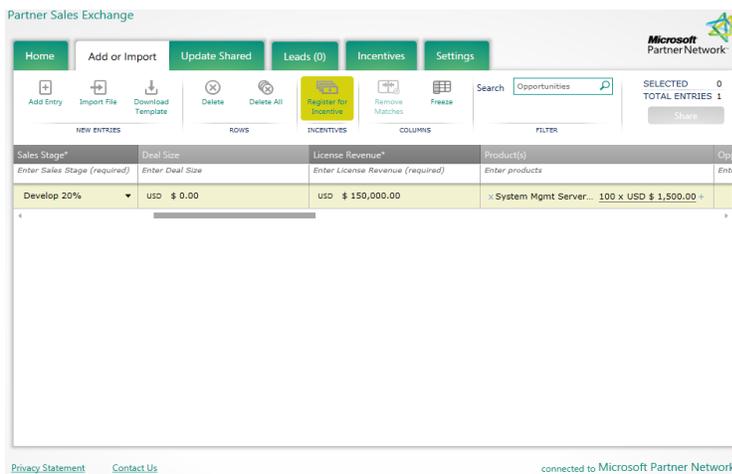
Incentive will be calculated based on Participating Products and Incentive rate at the time of Sales Order Transaction Date.

2.4 Incentive Registration Process

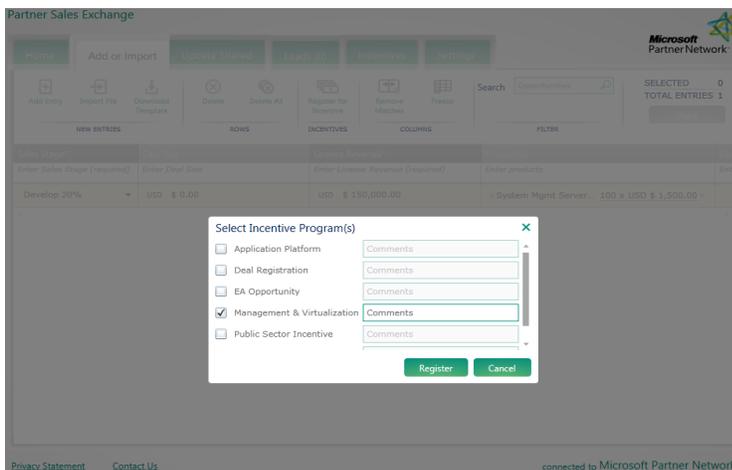
In registering for the Incentive, Company must complete the mandatory fields in PSX to provide basic information pertaining to the Opportunity including, but not limited to, the following:

PSX Opportunity Field	Description
Customer	Name of Customer to which Opportunity applies.
Opportunity Name	Free-form name to refer to the Opportunity
Expected Close	Expected date for customer order. Defaults to 90 days but may be adjusted as needed.
Sales Stage	The current Sales Cycle Stage at the Opportunity is currently
Product(s), Quantity and Estimated Price	Quantity and Estimated Retail Price (ERP) for Participating Products included in the Opportunity
Select Incentive Program	Click option corresponding to the Incentive Program for which you are registering.

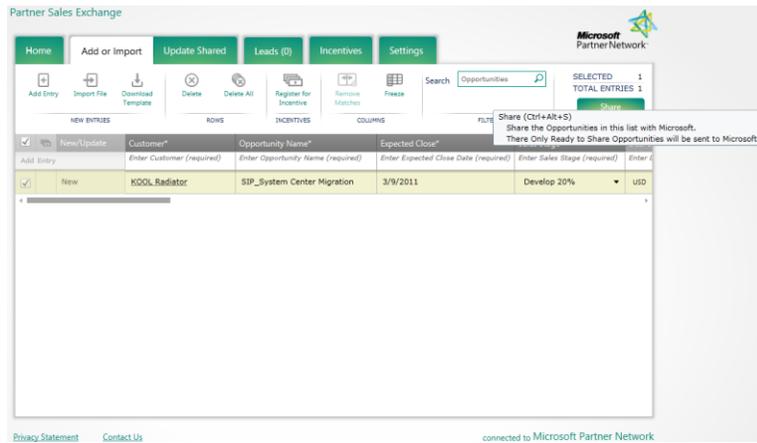
The process of registering the Incentive begins with Company adding or importing an existing Opportunity in PSX and providing the relevant information on Customer, Opportunity and Participating Products. Company selects the “Register for Incentive” option from the top navigation ribbon



Company then selects the appropriate Incentive and provides comments (optional) then selects “Register”



Company selects “Share”



Once Partner selects “Share” in the opportunity record in PSX, the opportunity becomes visible to Microsoft in GSX, and potentially to partner and sales management roles.

2.5 Opportunity Validation Process

After Company registers a Registered Opportunity, Microsoft then undertakes the Opportunity Validation Process.

The Opportunity Validation Process is the process used to determine whether a Registered Opportunity qualifies for an Incentive, based on meeting pre-defined requirements set forth in this Program Guide as well as the terms and conditions of Microsoft Solution Selling Process.

Microsoft will validate that the Company meets the Incentive Eligibility Requirements and determine whether the Opportunity meets the Incentive Registration Requirements.

Should an Opportunity fail to comply with any of the Incentive Registration Requirements (or if Company is no longer eligible for the Program), the Incentive request will be declined.

Microsoft will strive to provide Company with the results of the Opportunity Validation review as early as possible. Once the Opportunity Validation Process is complete, the Incentive status within the Opportunity record in PSX is set to “Approved,” as shown below.

Partner Sales Exchange

Home Add or Import Update Shared Leads (3) Incentives Settings

Microsoft PartnerNetwork

Requested Incentives

Loading

Request Date ▼	Type	Customer	Opportunity Name	Comment	Status	Oppty Close Date
7/6/2010	Advisor Registration	MORITA BEVERAGE	Sys_Center Opportunity	Edit	Approved	

If an Opportunity fails to meet the Incentive Registration Requirements, Microsoft will determine the Opportunity ineligible for the Incentive, and Microsoft will provide notification to Company. In this instance, the Incentive status within the registered Opportunity record in PSX will be set to “Declined,” as shown below.

Partner Sales Exchange

Home Add or Import Update Shared Leads (3) Incentives Settings

Microsoft PartnerNetwork

Requested Incentives

Request Date ▼	Type	Customer	Opportunity Name	Comment	Status	Oppty Close Date
7/6/2010	Advisor Registration	MORITA BEVERAGE	Sys_Center Opportunity	Edit	Declined	

Microsoft reserves the right to request Customer input to help complete the Opportunity Validation Process. Before contacting the Customer, Microsoft will request Company’s consent to do so.

Microsoft may also, at any point of the sales cycle, revoke or suspend a previously approved Incentive request if Company cannot provide proof of having performed the Advisory Services with the Customer in connection with the sale of the Participating Products.

2.6 Opportunity Status Updates

Company must continue to report sales engagement activities through PSX during the Registered Opportunity sales cycle until the Opportunity Sales Cycle Stage has been advanced to Close (80%) and the Sales Order is transacted. Microsoft reserves the right to revoke Incentive registration approval when Company fails to provide an update on the status of Opportunity within sixty (60) days through PSX.

Microsoft will verify that the Sales Order transaction meets the requirements in Section 2.3 and then advance Opportunity to “MS Win” in GSX (Sales Cycle Stage = MS Win). At this point, Company becomes eligible to receive Incentives on that Registered Opportunity.

Where the Company can provide the End Customer Volume Licensing Agreement ID, the Company needs to enter this information into PSX. Where the Company may not be able to provide the information, Microsoft will provide the associated End Customer Volume Licensing Agreement IDs after opportunity status has been set to MS Win 100%.

2.7 Sales Transaction Process and Incentive Payment Requirements

Once a Sales Order has been submitted to Microsoft by a Licensing Partner and Microsoft has advanced the Opportunity to MS Win 100%, the Channel Incentives Platform (CHIP) will automatically access Company banking details for the account(s) into which the Incentive will be deposited provided during enrollment. Proof of execution may be required to process payment.

Once the above opportunity requirements have been met, Microsoft will attempt to reconcile the Registered Opportunity and Sales Order information provided by Company within Microsoft systems, and according to the policies described below.

Before paying any Incentives on a Registered Opportunity, Microsoft will determine whether the Registered Opportunity meets the following requirements:

- For any Opportunity and Agreement ID, partners have up to one year (12 months) to earn incentives for incented products from the Incentive Registration Date. Within that year, only eligible Sales Orders that are transacted on the Agreement ID after 30 days of the Incentive Registration Date are eligible for incentives.
- The Registered Opportunity must reach the MS Win Sales Cycle Stage.
- No Identical Opportunity has previously been approved for the Incentive for another Company. Multiple companies may register the same Opportunity in PSX but Microsoft will provide Incentive approval only to the first Company that meets the Incentive Registration Requirements and the Incentive Claim Requirements set forth in this Program Guide.
- Approval for the Incentive does not guarantee that Company will be eligible to collect the corresponding Incentive from Microsoft. A Sales Order must have been submitted by a Licensing Partner and Microsoft must have verified existence of an Opportunity that has been approved for the Incentive in PSX that corresponds to such Sales Order as a condition to release Incentives.

2.8 Incentive Payment

Upon successful completion of the process described in Section 2.7, Microsoft will calculate and release an Incentive according to the following policies:

- (a) Incentive will be calculated only for Participating Products sold and for the actual quantities transacted in the Sales Order within the MS Sales System. If the pricing involves Software Assurance (SA), then it can also be included in the Opportunity Revenue.
- (b) Incentive will be calculated on first year billed revenue
- (c) Incentive will be calculated by multiplying the quantity of Participating Products sold, as defined below, by its ERP, and by the applicable Incentive rate indicated in Appendix A.
- (d) Incentives will be calculated and paid at the rate valid as of the Sales Order Transaction Date.
- (e) Incentives are capped at \$50,000 USD per eligible Registered Opportunity.
- (f) Incentives will be paid out 45 days after end of month in which Sale Transaction occurred by means of electronic funds transfers (EFT) to financial institution designated by Company through CHIP.
- (g) If Microsoft declines payment of Incentives because payment has been already made to another Company, Microsoft will not be under any obligation to communicate the name(s) of the other Company.
- (h) Depending on country regulations, Microsoft may ask Company to submit an invoice for services provided as a condition to release Incentives. Companies should contact their corresponding Regional Service Center, as set forth below in Section 3 below for more details on this requirement.
- (i) Microsoft reserves the right to change Incentive rates after 1/1/2012.
- (j) Products licensed as part of the Core CAL and or Enterprise CAL suite will not qualify for the incentive and therefore will not be included in its calculation.

3 Questions and Support

Area	Resources
General questions	Self service reference information may be found at the Program Website at https://partner.microsoft.com/global/40142578
PSX Tool Support	All PSX system technical support questions should be directed to the Company's specific Regional Service Center: RSC
CHIP Tool Support	All CHIP system technical support questions should be directed to the Company's specific Regional Service Center: RSC
Payment Status	All Claim and Payment questions should be directed to the Company's specific Regional Service Center: RSC

4 Appendix A: Participating Products, PSX Mapping & Incentive Percentage

Participating Products	PSX Mapping (corresponding product title within PSX tool)	Incentive (%)
Lync Enterprise & Plus	<ul style="list-style-type: none"> • Office LCS Enterprise • Lync Server Ent • Lync Server Plus CAL • Lync Server Ent CAL (Standalone)* • Speech Server Ent Ed 	20%
Lync Standard	<ul style="list-style-type: none"> • Lync Server Std • Office LCS Standard • Office Live Comm Svr • Lync Server Std CAL (Standalone)* • Speech Server Std Ed 	10%

*Excludes CAL Suite (ECAL and Core CAL Suite allocations)

5 Appendix B: Definitions

- “Active Earned” refers to MPN competency requirements that must be earned in each participating subsidiary in contrast to those that can be inherited from other locations.
- “Agreement ID” refers to unique ID number which identifies a licensing agreement between Microsoft and Customer.
- “Competency” refers to an MPN recognition given to Company for specific areas of expertise. A complete list of Competencies and the requirements to achieve such Competencies is available on the Microsoft Partner Portal.
- “Customer Order” refers to the document by which the Customer (or its designee) requests Licensed Software and/or services.
- “ERP” refers to the Estimated Retail Price of a Participating Product.
- “Identical Opportunity” refers to an Opportunity submitted by more than one Company that contains an identical Customer name with identical Participating Products.
- “Incentive Request Date” refers to the date when Company registers the an Opportunity for Incentive in PSX.
- “Incentive Registration Process” refers to the process set forth in Section 2.2 of this Program Guide.
- “Licensed Software” refers to the software and technology that Microsoft, or one of its affiliates, may designate for delivery through or with the assistance of Company.
- “Licensing Partner” refers to the Microsoft authorized distributor who submits a Sales Order to Microsoft for the Participating Products recommended and sold to a Customer by the Company.
- “Microsoft Solution Selling Process” refers to a sales methodology within the opportunity management framework that is divided into Sales Cycle Stages.
- “MS Win” refers to the verifiable sales transaction of Participating Products as determined by PSX.
- “Opportunity Revenue” refers to the revenue flowing to Microsoft as a result of a Sales Order.
- “Opportunity Validation Process” refers to the process set forth in Section 2.3 of this Program Guide.
- “PAM” refers to the Partner Account Manager that is responsible for business development and collaboration between Company and Microsoft.
- “Partner Solution Plan” or “PSP” refers to a document that sets out objectives for collaboration between Microsoft and Company.
- “Sales Order” refers to the order that is submitted by a Licensing Partner to Microsoft for the Participating Products.
- “Sales Order Transaction Date” refers to the date when Microsoft confirms the Sales Order.
- “Sales Cycle Stages” refers to stages of the Microsoft Solution Selling Process which is a sales methodology that is divided into seven sales stages, namely: Prospect (0%), Qualify (10%), Develop (20%), Solution (40%), Proof (60%), Close (80%) and MS Win (100%) where each stage is defined by sales probability, a set of objectives and required deliverables.