

Sage Partner Cloud Program

Overview

This messaging guide provides an overview of the Sage Partner Cloud Program and the Sage Provisioning Portal. This messaging guide is intended for Sage internal teams, and Sage Partners.

Created for: Sage Internal Teams and Partners

DO NOT Share with Customers

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Table of Contents

1.0	Overview	4
1.1	What is happening?	4
1.2	Why are we doing this?	4
1.3	What are we selling?	4
1.4	What do I call this new product?	4
1.5	What is the Sage Provisioning Portal?	4
1.6	Are we selling the Sage Provisioning Portal?	5
1.7	How is this different from what we already offer with Sage 100cloud or Sage 300cloud?	5
1.8	Who do I reach out to if I have questions?	5
2.0	The Product Offering	6
2.1	Is the Sage Partner Cloud Program a new Sage product for customers?	6
2.2	Who is the Sage 100 or Sage 300 Partner Cloud solution for?	6
2.3	Do customers on Sage Partner Cloud have a perpetual license or a subscription license?	6
2.4	Will customers who purchase Sage 100 or Sage 300 using this new SKU get perpetual licenses or subscription licenses to the product?	6
2.5	If this is not a new product, why is there a new SKU?	7
2.6	What are the differences between 100cloud, 300cloud, and this offering with the Sage Partner Cloud Program?	7
2.7	Is the Sage Partner Cloud Program a “Native Cloud” or “Cloud Native” offering?	7
2.8	What else should I know before speaking to customers about this solution?	8
2.9	Who are we targeting this solution for?	9
3.0	Microsoft Azure	10
3.1	Why does the Sage Partner Cloud Program only work with Microsoft Azure?	10
3.2	Do customers have to deploy their Sage 100 or Sage 300 products on Microsoft Azure?	10
3.3	Can customers who have Sage 100cloud or Sage 300cloud switch to Microsoft Azure hosting?	10

3.4	Does deploying Sage 100 or Sage 300 on Azure change our overall product value props?	11
3.5	Could customers not deploy their Sage 100 or Sage 300 solutions on Microsoft Azure in the past?	11

1.0 Overview

1.1 What is happening?

Sage has partnered with a Microsoft reseller called Insight to procure Azure cloud hosting services. Additionally, Sage has developed a new provisioning portal to help our Sage 100 and Sage 300 partners easily install and manage their customer's solutions on Microsoft Azure.

1.2 Why are we doing this?

This project is part of Sage's "Protect the Base" strategic pillar for FY21. Sage aims to retain customers who want to move to the cloud, but aren't ready (or aren't a good fit) for a move to Sage Intacct.

1.3 What are we selling?

We're selling new bundles for subscription licenses to Sage 100 and Sage 300. These bundles will host our customers' BMS solutions on the Microsoft Azure cloud.

We created new SKUs to help differentiate these bundles from existing Sage 100 and Sage 300 bundles. These SKUs provide customers with subscription licenses, similar to Sage 100cloud and Sage 300cloud with some differences in how the modules are packaged, priced, and supported via the business care offerings available.

1.4 What do I call this new product?

We're calling this new bundle Sage 100 Partner Cloud and Sage 300 Partner Cloud. This is not a new product line, just a new bundle of existing the Sage 100cloud and Sage 300cloud product.

More details about naming can be found in [this document](#).

1.5 What is the Sage Provisioning Portal?

The Sage Provisioning Portal is the internal name for our cloud provisioning project to help our medium segment business partners provision cloud hosting for our Sage 100 and Sage 300 customers faster and much more easily than ever before with Microsoft Azure.

Before the Sage Provisioning Portal, partners would have to create their own relationships and work with various hosting companies to set up their accounts and go through their provisioning and installation processes. Thanks to Sage's investment in creating the Provisioning Portal, we're able to cut down on the time it takes to bring an on-premise customer to the cloud from 1.5 days in billable hours to as quick as 60 minutes. This helps

customers get started faster and this shorter implementation time means they'll likely save some money on professional services.

Using automation, the Sage Provisioning Portal (formerly referred to as SEOS or Sage ERP Online Services) also ensures all the correct steps are taken and in the right order to deploy Sage 100 and Sage 300 on Azure.

1.6 Are we selling the Sage Provisioning Portal?

No. The Sage Provisioning Portal is a service we're providing to partners free of charge. We are not selling access to the Sage Provisioning Portal, nor do we charge customers for their use of the Sage Provisioning Portal through some new fee. Customers who migrate to Sage 100 Partner Cloud or Sage 300 Partner Cloud will pay a license fee to Sage based on the market rate for our new bundles and for their business care if they choose to purchase Business Care Plus.

1.7 How is this different from what we already offer with Sage 100cloud or Sage 300cloud?

Sage 100cloud and Sage 300cloud customers can technically use their license to deploy the solution in any way they choose, whether it is hosted on a cloud provider or hosted on-premise. With the new Sage Partner Cloud offering, all customers deployments of Sage 100 or Sage 300 solutions will be in Microsoft's Azure cloud infrastructure using the Sage Provisioning Portal, managed by the Sage business partner.

Commercially, this means they will pay a subscription fee to Sage for their Sage 100 or Sage 300 licenses, ISV-related fees when applicable, and a cloud hosting fee to their partner for procuring the cloud hosting services.

1.8 Who do I reach out to if I have questions?

GTM Project Management	Teri Leitzke
Sage Provisioning Portal	James Westlake
Sage 100 Product	Kevin Kawado
Sage 300 Product	Andrea Ainslie
Product Marketing	Mike Edgett (NA) Eric Moeller (Global)
Sage 300 Support	Rachel Jansen
Sage 100 Support	Kathleen Fortner

2.0 The Product Offering

2.1 Is the Sage Partner Cloud Program a new Sage product for customers?

No. This is not a net new product for customers. The Sage Partner Cloud Program enables our Sage business partners to deploy Sage 100 or Sage 300 on Microsoft's Azure cloud.

This program gives partners access to the Sage Provisioning Portal, enablement training and certification, as well as an introduction to Insight (a Microsoft Certified Solution Provider). Partners who have existing relationships to other Microsoft Solution Providers (CSPs) may work with their preferred provider to procure Azure virtual machines for their customers.

While this isn't a new product for customers, there are new SKUs partners should use to order Sage 100 or Sage 300 if those subscriptions will be deployed on Azure using our Sage Provisioning Portal.

2.2 Who is the Sage 100 or Sage 300 Partner Cloud solution for?

This solution is ideal for our existing perpetual license holders on Sage 100 and Sage 300 product lines. The target customer base for this product includes:

- Approximately 8,000 North American Sage 300 customers who are off plan and using the on-premise version of Sage 300.
- Approximately 9,000 US Sage 100 customers who are off plan and using the on-premise version of Sage 100.

2.3 Do customers on Sage Partner Cloud have a perpetual license or a subscription license?

Customers on this SKU will have a subscription license similar to Sage 100cloud and Sage 300cloud.

2.4 Will customers who purchase Sage 100 or Sage 300 using this new SKU get perpetual licenses or subscription licenses to the product?

Customers who purchase this new offering will get subscription licenses to Sage 100 and Sage 300 and will get the new features available for all subscription customers in these product lines.

Please note, throughout this document, when we say Sage 100 or Sage 300, we mean the subscription version of these products, not the perpetual offerings.

2.5 If this is not a new product, why is there a new SKU?

There is a new SKU because this is a new Sage 100 and new Sage 300 product bundle with different pricing, different modules for customer entitlement and different services under our Business Care program. Aside from the operations and entitlement purposes, Finance and Product Marketing also needed a new SKU for easy tracking and reporting.

Please note, customers who purchase this offering will be getting subscription licenses to our product with terms and conditions similar to Sage 100cloud and Sage 300cloud.

2.6 What are the differences between 100cloud, 300cloud, and this offering with the Sage Partner Cloud Program?

The primary differences are:

1. Pricing – The Sage Partner Cloud Program has flat rate pricing while Sage 100cloud and Sage 300cloud have tiered pricing.
2. Bundle offerings – The Sage Partner Cloud Program will have its own bundling options to help customers build out the Sage 100 or Sage 300 solution that fits their needs.

In the BMS space, a bundle is a grouping of modules which makes up the core solution that customers purchase. For example, our 100cloud product is bundles into Essentials, Advanced and Complete bundles, each with its own set of module entitlement offerings.

3. Hosting options – Sage 100cloud and Sage 300cloud can be hosted on any provider. Sage Partner Cloud customers will only be hosted on Microsoft Azure.

2.7 Is the Sage Partner Cloud Program a “Native Cloud” or “Cloud Native” offering?

No. You may have heard internally that Sage can recognize Partner Cloud revenue as native cloud revenue. While this is true, and good for Sage, it does not mean that Sage Partner Cloud bundles are a native cloud solution.

Likewise, Sage 100 and Sage 300 are not native cloud solutions even if the customer hosts their Sage product on Microsoft Azure. This determination is based industry definitions of native cloud. As such, Sage 100 and Sage 300 Partner Cloud Bundles should not be referred to as native cloud solutions in any external messaging, either to Partners or to Customers.

There are many resources to help understand the difference between native cloud and traditional web applications. A good article can be found on VMware’s site here: <https://tanzu.vmware.com/cloud-native>. A few key points:

- “Cloud native is about how applications are created and deployed, not where.”

- Cloud native applications are typically characterized by container-based deployment to cloud services, abstracted from a traditional Operating System (OS). There is no Microsoft Windows, or Linux involved in the deployment.
- By comparison, Sage 100 Partner Cloud and Sage 300 Partner Cloud are deployed with a virtual Windows OS on top of Azure with the Sage application installed on this OS. The desktop interface is then streamed to the end-user's browser, rather than using some form of web screen interface.

2.8 What else should I know before speaking to customers about this solution?

- We're working on creating a single bill for customers.
 - Many customers prefer to have a single bill from their partner to include Sage license fees, ISV costs, hosting costs, and business care costs, on a single, itemized invoice. This new bundle will not have a single billing point upon beta or upon launch. We are actively working with partners to solve this unresolved pain point.
- Customers still have to upgrade their Sage 100 or Sage 300 every year.
 - Hosting Sage 100 or Sage 300 in the cloud does not mean customers can now skip the upgrade process each year. The overall process for upgrades will be different from how Sage 100cloud and Sage 300cloud as it will rely on the Sage Provisioning Portal to enable the upgrade process. Customers will still need to work with their partners to upgrade to the latest version of Sage 100 or Sage 300 and to upgrade ISV versions.
- Sage does not own the Microsoft relationship
 - Issues relating to hosting Sage 100 or Sage 300 needs to be brought to the partner's attention, as they are the ones who manage the Microsoft relationship.
- Sage does not own the implementation.
 - Sage does not own the hosting environment to make any changes to a customer's Sage 100 or Sage 300 products once it's implemented. Our customer service reps are not authorized to go into a customer's VM to implement IT support.
- Business support will be done primarily through the partners.
 - Due to the customizations most of our Sage 100 and Sage 300 customers have in their product stacks, our customer support team members will need to triage a customer's issue and likely refer them to their partners for any in-depth issues relating to how their Sage 100 or Sage 300 products are deployed, configured, or licensed.

- There may be an initial upfront fee due to a variety of factors:
 - Partners will likely charge customers for migrating their data, standing up the new Azure data bases, and other professional services fees related to migrating their instance of Sage 100 or Sage 300. Customers can expect migration costs from Partners to be similar to product upgrade costs (eg. to the latest 100cloud or 300cloud version). Customers will also see an increase in costs from Sage since the Partner Cloud SKU includes a price increase over Sage 100cloud or Sage 300cloud bundles.

2.9 Who are we targeting this solution for?

Sage Partner Cloud is a great option for new Sage 100 and Sage 300 customers, and for existing customers who want to move their deployment to the cloud.

Sage 100cloud and Sage 300cloud customers who are still hosting their solutions on premise are the top candidates for this solution. A second group to target would be Sage 100 and Sage 300 perpetual customers who have been holding out for a more seamless transition to the cloud.

Moving customers from other cloud solutions to Azure isn't a primary focus of this initiative. This is primarily about moving customers who are currently on-premise to an Azure cloud deployment. If partners want to move their existing web-hosted customers to Azure, that is their choice. Sage is not outwardly promoting this option to partners however, as it could be negatively perceived by those partners who offer their own webhosting services (e.g. Net@Work, SWK, Computata, etc.).

3.0 Microsoft Azure

3.1 Why does the Sage Partner Cloud Program only work with Microsoft Azure?

Microsoft Azure is a leading global cloud platform with unparalleled levels of security, uptime, and scalability. Many of our partners are already in the Microsoft Partner Network, so it made sense to host our Provisioning Portal on Azure and require partners to use Azure as well.

3.2 Do customers have to deploy their Sage 100 or Sage 300 products on Microsoft Azure?

No, customers have the option to deploy their Sage 100 or Sage 300 products in any - environment of their choice, including on premise or via 3rd party hosting services. This flexibility in deployment options is a key strength of the Sage 100 and Sage 300 product lines.

Customers who do not want to deploy their solution on Microsoft Azure should purchase our existing Sage 100cloud or Sage 300cloud subscription products. Customers who do wish to deploy their solution on Microsoft Azure should purchase Sage 100 Partner Cloud or Sage 300 Partner Cloud.

3.3 Can customers who have Sage 100cloud or Sage 300cloud switch to Microsoft Azure hosting?

Yes, customers who currently use Sage 100cloud or Sage 300cloud may choose to switch their hosting from their current provider or on-premise solution to Microsoft Azure.

There are two options the customer can take based on their partner's capabilities.

1. Work with their partner to add Microsoft Azure - Customers can change their hosting solution to Microsoft Azure and use their existing Sage 100cloud and Sage 300cloud licenses if their partner is certified by Microsoft and able to complete this project on their own without using the Sage Provisioning Portal.
2. Work with their partner to migrate to Sage Partner Cloud - Customers who are aligned with partners who prefer to use the Sage Provisioning Portal to manage their company's Azure hosting will need to switch their product licenses to Sage Partner Cloud. Please note, partners who use the Sage Provisioning Portal to deploy on Azure will need to be certified for the Sage Partner Cloud program.

3.4 Does deploying Sage 100 or Sage 300 on Azure change our overall product value props?

No. Our messaging for Sage 100 and Sage 300 stays the same whether it's deployed on Azure or on another cloud service.

The only difference in our marketing will be how we message the different deployment options available to customers. Sage 100 and Sage 300 customers can now deploy their solutions on premise or with the cloud provider of their choice, which now includes Microsoft Azure.

3.5 Could customers not deploy their Sage 100 or Sage 300 solutions on Microsoft Azure in the past?

Microsoft Azure was always possible but not always available depending on which partner the customer worked with. Customers typically deployed their solution however their Business Partner recommended.

Without Sage's help, Partners would have to research and create their own relationships with Microsoft distributors, become certified to provision on the Azure cloud, and manage these relationships. This could take a lot of effort and time. Depending on the partner's size they may not be able to negotiate rates that would be worth it. Sage has arranged set pricing with Insight, a certified Microsoft CSP, for partners offering Sage Partner Cloud, which may result in commercial terms that are more favorable than what they may have been able to negotiate on their own.