

# Sage subscription offerings for new and off-plan (N-3) customers

## Frequently asked questions



### **Q: What is changing?**

**A:** The new annual subscription offering for new customers and product repurchase for off-plan customers (N-3) for Sage 100 ERP and Sage 300 ERP on-premises subscriptions has been expanded and now includes Sage CRM and Sage ERP X3 as of August 1, 2015.

### **Q: What Sage product lines fall under this offering?**

**A:** Sage 100 ERP and Sage 300 ERP—**effective June 1, 2015**, and Sage CRM and Sage ERP X3\*—**effective August 1, 2015**.

### **Q: What are the options that are available?**

#### **Preferred plans:**

- **One-year subscription plan payable in advance**
  - Pricing will be 12 months of the current monthly fee
  - Partners will be paid 12 months of margin at time of order.
  - Auto-renews annually
- **Three-year subscription plan payable in advance**
  - Incentive to customers—receive a discount equivalent to three months free on the initial subscription
  - Partners will be paid three years of margin (one year at new license margins plus two years at 25% margin).
  - Partners will continue to receive tier credit for two years upfront, based upon the existing Tier Program guidelines.
  - Auto-renews triennially

#### **Optional plan:**

- **One-year subscription plan with monthly payments**
  - Pricing will be approximately 10% higher than the current monthly fee.
  - Customer receives one invoice with 12 collections by direct deposit.
  - Payment by direct debit only (no credit cards with monthly payments)\*\*
  - Partners will be paid 12 months of margin at the time of order.
  - Price protection for one-year term
  - Auto-renews annually

\*Sage ERP X3 is only available as a one-year offering, paid up front.

\*\*Credit cards will be accepted from customers in Canada

### **Q: When do these additions take effect?**

**A:** August 1, 2015.

**Q: What are the business partner margins and tier credit for the new subscription offerings?**

**A:** Partner margins and tier credit follow the current Sage Tier Benefit Program.

**Q. With the annual subscription offering, what are the benefits to partners?**

**A.** Having annual subscription plans of one and three years has been suggested to Sage by a number of our partners who have been selling subscriptions. The annual options lengthen contracts and minimize churn. Partners won't have to secure the renewals because Sage will now auto-renew all the plans. In addition, there will be less chance of credit card default because we will no longer accept credit cards for monthly payments and only accept direct debits\*.

\*We will still accept credit cards for our customers in Canada.

**Q: With the annual subscription offering, what are the benefits to customers?**

**A.** With this offering we are providing choice to our customers with a different price point for pay as you go (monthly), annual, and a three-year commitment. The effective price per month becomes less expensive the longer the period of time the customer commits. In addition, the customers will get price protection for the term of their contract.

**Q: On the new three-year subscription offering what will my tier credit be based on?**

**A:** Tier credit will follow our current calculation. Partners will receive 24 months of tier credit based on the monthly subscription, less the partner's new product margin.

**Example:** Three-year subscription is \$3,600. Partner's new product margin is 45%.  
 $\$3,600 / 36 = \$100 * 55\% = \$55 \times 24 \text{ months} = \$1,320$  in tier credit.

**Q: Does this include online versions of Sage 100 and 300 ERP?**

**A:** Sage 100 Online and Sage 300 Online are not included at this time.

**Q: Who can take advantage of these new offerings?**

**A:** These annual subscription plans are for new customers as well as product repurchase for off-plan customers (N-3).

**Q: Are perpetual license offerings for Sage CRM, Sage 100 ERP, Sage 300 ERP, and Sage ERP X3 still available?**

**A.** These new subscription plans are our preferred option for new customers and product repurchase for off-plan customers (N-3), but yes, the original perpetual license offerings are still available.

**Q: Are the monthly subscription offerings still available?**

**A.** These new subscription plans are our preferred option for new customers and product repurchase for off-plan customers (N-3), and no, the original monthly subscription plans will no longer be available for new customers. Existing month-to-month subscription customers will remain on their current monthly subscription.

**Q: Is there a benefit for a customer to commit for multiple years?**

**A:** Yes, if customers opt for a three-year commitment, they will benefit from price protection for the three-year term. Additionally, customers who select the three-year prepaid subscription will receive a discount equivalent to three months free on their initial subscription.

**Q: What forms of payment can customers use to pay for these subscription plans?**

**A:** For customers who opt for the preferred subscription plans (one-year or three-year subscription payable in advance), they may pay using either credit card or direct debit (funds withdrawn directly from a bank account). For customers opting for the one-year subscription plan with monthly payments, they must pay using direct debit (no credit cards for monthly payments), if they are a customer in Canada we will accept credit card payments.

**Q: What is the cancellation policy for these new plans?**

**A:** For customers who opt for the monthly payment option, they must cancel one month in advance of the end of their one-year commitment. If they choose to cancel earlier than one month in advance of the end of their one-year commitment, they will pay the total amount equal to the term remaining in their commitment.

**Q: For business partner-driven subscription orders, who is billed for the subscription (the business partner or the customer directly)?**

**A:** For all subscription orders, the customer is billed directly. If a business partner is involved, he will receive margin and tier credit.

**Q: How are renewals of these subscription plans handled?**

**A:** These plan offerings automatically renew at the end of their term unless the customer cancels one month in advance. Plans renew for the same duration as the original subscription plan (for example: customers who originally committed to a three-year subscription will be renewed for an additional three years at the end of their first three-year commitment.)

**Q: Will a customer currently on a monthly subscription plan be required to move to these new subscription plans?**

**A:** No, customers currently on a subscription plan will not be required to move. Existing customers on month-to-month subscriptions may purchase additional users or modules at current month-to-month subscription pricing.

**Q: Will the current month-to-month subscription offering also be available?**

**A:** No, the current monthly subscription option will no longer be available for new customers or product repurchase. It is replaced by the three subscription offerings.

**Q: When will new annual subscription offerings be offered for other Sage products?**

**A:** We are always evaluating ways we can provide options to our customers. We will inform you if additional subscription plan offerings become available.

**Q: If I have questions about these new annual subscription offerings, whom should I contact?**

**A:** Contact your regional sales manager if you have questions about these new annual subscription offerings.