MSLA-Overview for MSP Success
(How MSPs want to buy)
IDEAS Session 3/1/2022

Jan Engelbrecht – Director Product

Strategy	Tactics

Introduction & Target Market	Program Overview & Roadmap	Enrollment & Pricing	Ordering & Consumption Reporting	Billing & Invoice Substantiation	Summary & Resources
1	2	3	4	5	6

Strategy

Target Market

Program Overview

Offering Roadmap

Target Market: Any MSP offering Managed Services to 3rd Party Customers

Resellers

MSPs

RESELLER ATTRIBUTES
Product Expertise
MFG Relationships
Client Relationships
Transaction Centric
Margin Driven
Program Heavy

MSP ATTRIBUTES
Solution Expertise
Vendor Relationships
Client Relationships
Recurring Value Centric
Profit Driven
Service Delivery

$

MSPs Demand Utility Licensing

- Quicker to market

- Pay only for what is consumed

- No up-front gamble

- Complete portability & flexibility

- $0 software & support costs until service is producing revenue

- $0 shelfware, stranded software or cost of capital

MSLA Offer Roadmap

Available Offers	Offers To Be Launched	Requested Offers

Available Offers

- Cloud Services Router 1000v (CSR1Kv)
- Integrated Services Virtual Router (ISRv)
- SD-WAN Committed
- SD-WAN Uncommitted
- SD-WAN 4-Tier
- Adaptive Security Virtual Appliance (ASAv)
- Secure Endpoint (formerly AMP4E)
- Secure Firewall (formerly NGFWv)
- Cisco Secure Cloud Analytics (formerly Stealthwatch)
- Umbrella Easy Protect
- Umbrella MSSP- Insights, DNS-E, DNS-A , SIG Essentials
- Umbrella Mobile Protect
- Umbrella Managed Service Provider (MSP)
- IoT Field Network Director (FND)
- eSim Flex
- Cyber Vision
- Cisco IoT Control Center
- MSLA FTDv

Offers To Be Launched

- SD-WAN – FED Ramp

Requested Offers

- Anyconnect
- Meraki
- Umbrella Committed
- DUO
- CES (Cloud Email Security)
- Thousand Eyes
- CMD (Cloud Mailbox Defense)

Traditional Options vs MSLA

Buy

Partners can resell perpetual or term licenses in a one-time CAPEX model

Lease

Partners can provide financing for perpetual or term licenses through Cisco Capital

Month-to-Month MSLA

SCALE

MSPs can offer as a managed service in a monthly OPEX model

MSLA in a Nutshell

SW UTILITY SUBSCRIPTION

- Foundation of Cloud offerings
- Utility consumption
- Addresses shift from capital to opex
- HW sold separately

MSLA

✓ ***Built to Improve Profitability & competitiveness of partner and MSP ecosystem***
- No up-front commitment.
- Monthly reporting and billing

✓ ***Post-deployment, Utility Based Licenses***
- Use only what you need when you need it.
- Pay for use; after you use it.
- Uncommitted:flex up or down month to month
- Committed:3-5 year subscription end date per MSP customer. (Cannot "flex down"; upgrades available)

✓ ***Designed for Service Providers***
- Low cost service creation.
- Internal use allowed.

Software Buying Then and Now with MSLA

Then

- High-Watermark Acquisition

- Perpetual licensing
  - You shoulder all the risk -- buy up front and then monetize over time
  - Lack of portability

- Term licensing
  - Term starts before you can monetize – "lost" revenue
  - Must track multiple license termination periods across customers

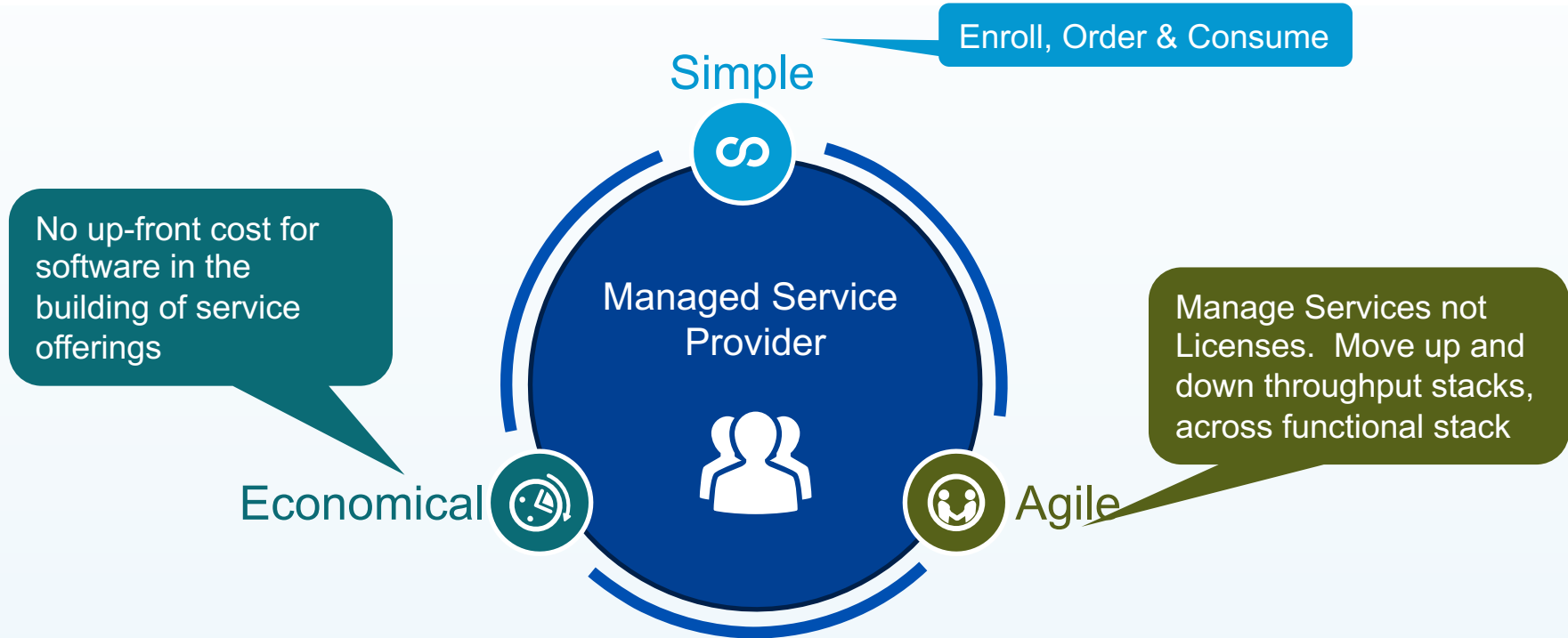- POs issued for every customer opportunity

Customer Scenario
MSP wants to launch managed virtual routing and managed virtual security to its customer base

Now

- ONE: Contract & Order
- FIXED: Term & Net Price
- MATCH: Revenue & Cost
- MORE: Portability & Flexibility
- PAY: Monthly & After Use

MSLA: Simple, Agile and Economical

Enroll, Order & Consume

Simple

No up-front cost for software in the building of service offerings

Managed Service Provider

Manage Services not Licenses. Move up and down throughput stacks, across functional stack

Economical

Agile

Simplify the Complex with Agility

- ~~Buy term or perpetual licenses~~ ~~Buy some or py what you need~~ ~~to the high water mark of~~ ~~and pay after you unlock it~~ ~~throughput and functionality~~

- Move freely up and down the throughput stack.

- Move freely amongst the functionality alternatives

- Or better yet… BOTH

CSR1Kv

Throughput	Functionality			
	IP Base	SEC	APP	AX
10G	$1,374			
5G	$1,099	$1,649	$1,374	
2.5G	$879	$1,264	$1,008	$1,386
1G	$586	$756	$702	$894
500M	$451	$6	$564	$714
250M	$250	$223	$304	$370
100M	$ 68	$252	$210	$294
50M	$101	$152	$134	$179
10M	$43	$78	$70	$107

MSLA Uncommitted
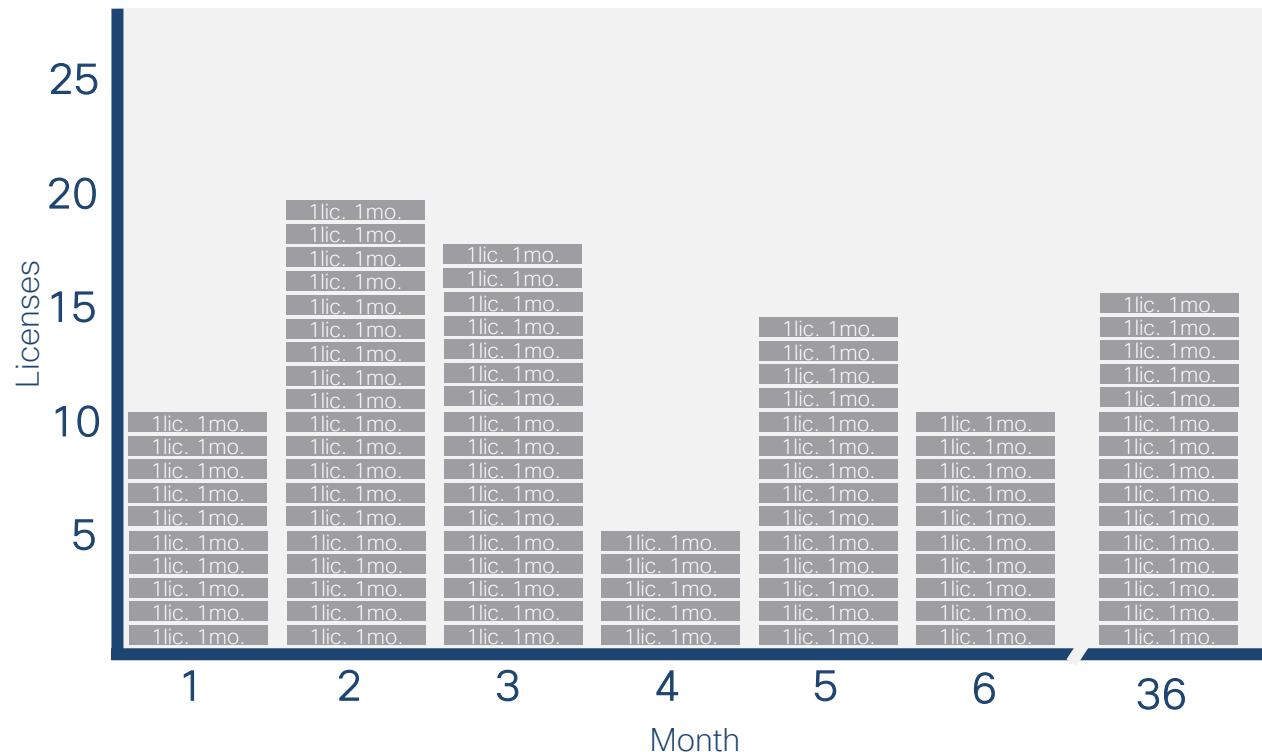
- No up-front commitment
- Pay for use, after you use it
- Scale up and down, activate/ deactivate licenses
- Monthly reporting, invoicing, and payment
- Price predictability
- Generally, one subscription for the MSP covering all end customers.

MSLA Committed (SDWAN Only)

Managed Service License Agreement (MSLA)

Committed

Scenario: MSP has 36-mo. agreement with customer for 25 site deployment

Licenses

25 — +5 lics act. 32 mo..

20 — +5 lics act.: 33 mo. commit

Eg. Total Monthly Commitment Moving Forward: 15 Licenses →

15 — +5 licenses activated: 34 mo. commit

10 — +5 licenses activated: 35 mo. commit

5 — 5 licenses activated: 36 mo. commit

1   2   3   4   5   6   36

Month

End of MSP agreement with Customer
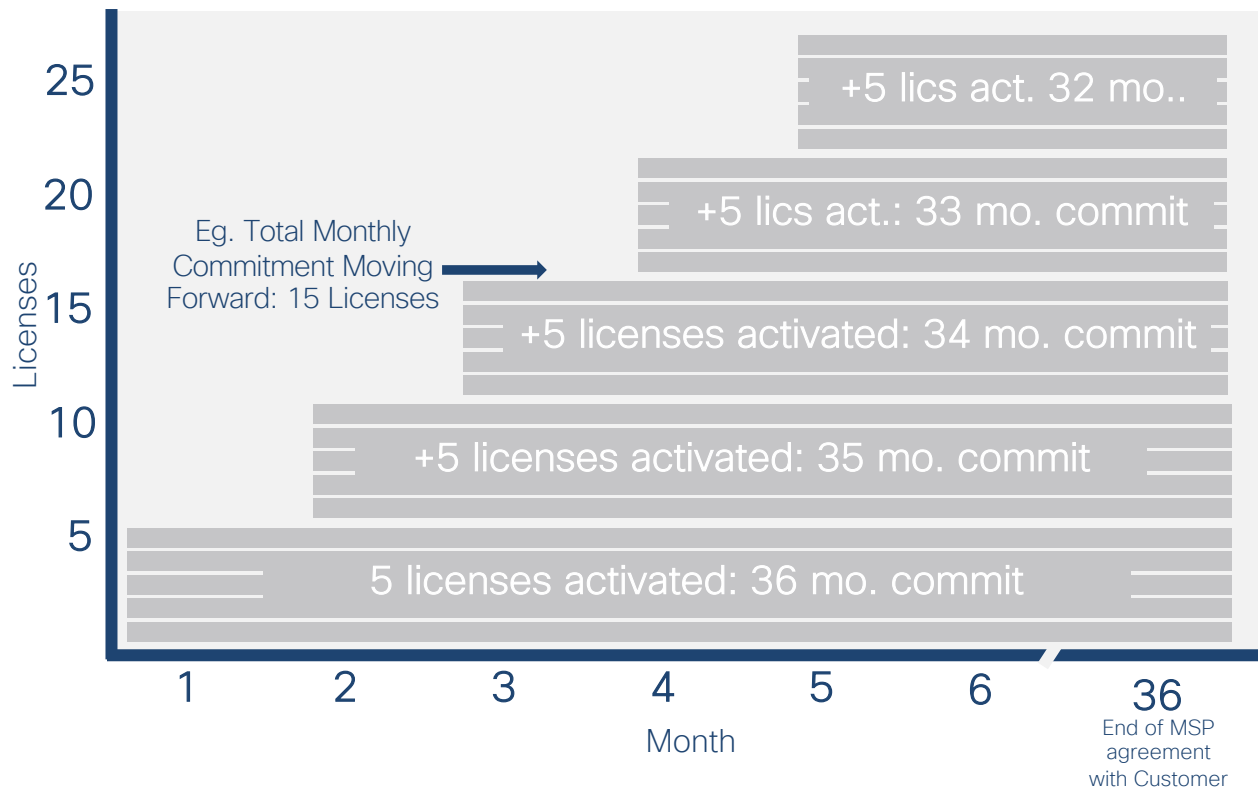
- Monthly reporting with invoicing, and payment options.
- Flexible term: 36 – 60 months selected at subscription setup.
- Subscription required for each end customer.
- Licenses may not be moved between end customers.
- Post-order incremental licenses co-termed per end customer.
- Accommodates upgrades to higher feature or bandwidth tiers
- Lower pricing when compared with uncommitted licenses (parity with a la carte)

Flexibility through use of both Committed and Uncommitted licenses

Managed Service License Agreement (MSLA)

Committed
Uncommitted

Scenario: MSP has 36-mo. agreement with customer for 25 site deployment

Licenses (y-axis): 25, 20, 15, 10, 5

Month Total 15
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.

Month Total 13
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.

Month Total 20
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.
- 1lic. 1mo.

Month Total 16
- 1lic. 1mo.

Month Total 20
+5 lics: 31mo.

+5 lics: 32 mo.

+5 licenses: 33 mo. commit

+5 licenses: 35 mo. commit

5 licenses activated: 36 mo. commit

Month (x-axis): 1, 2, 3, 4, 5, 6, 36

End of MSP agreement with Customer

- Combine license types for optimal results.
- Monthly reporting, invoicing, and payment.
- MSLA Uncommitted licenses provide for short term flexible needs like trials, pilots, etc.
- When needs are clear Committed licenses can be utilized to reduce costs.

MSLA Overview

One Agreement

One $0 Order

Revenue and Cost aligned

Portable & Flexible

Pricing Predictability

OPEX/Utility Billing

Tactics

- Enrollment & Pricing
- Ordering & Consumption Reporting
- Billing & Invoicing Substantiation
- Summary & Resources

MSLA Simplicity

Enroll in PPE	Place $0 Order & Get Entitlements	Build and Sell Managed Service Offering	Usage Reported Monthly	Pay for usage after consumption

Enroll & Pricing

Billing & Invoice Substantiation

Ordering & Consumption Reporting

Cisco Smart Software Manager

Virtual CPE as a Service

Cisco Smart Software Manager

Cisco Smart Software Manager		
License	Quantity	In Use
ISRv	2000	0
ASAv	2000	0

ASAv
SWSS

ISRv (VNF)
IP_Base
SWSS

Cisco Smart Software Manager		
License	Quantity	In Use
ISRv	1950	50
ASAv	1980	20

[Your Company Name]
[Your Company Slogan]

INVOICE

INVOICE No [100]
DATE: 9 October, 2011

Enroll in MSLA via PPE

- User must have access to Program Management and Applications (PMA) to enroll via PPE

- Any VAR is eligible to enroll in MSLA

- Select Managed Service License Agreement in Eligible Programs

- It can take 24 hours for updates to reflect in the system and Partner Locator in Partner

MSLA Pricing

- Standard Partner pricing applies to MSLA

- Additional pricing benefits available via Cisco's Provider Program.

- Enroll in the Provider Program (Select, Premier or Gold)

- Provider published price is Manufacturers Suggested Retail Discount except for SDWAN bandwidth products

- Disti pricing is MSRD +x% (13% GM) except for SDWAN bandwidth *(See Table)*

Provider Pricing Base Discounts
EMEAR

Pricing deals and will populate automatically

All discounts are for partners buying direct from Cisco. Partners buying through distribution must request a quote from Disti

| | GOLD/PREMIER | | | | | | SELECT | |
| | CORE | | | | | | CORE | |
Countries	*Cisco Powered Meraki	Meraki	Core (Others)	COMPUTE	MARKET	Select CISCO SERVICES	Meraki	EN (Routing, Switching, Wireless)
Europe	Up to 55%	Up to 50%	Up to 56%	Up to 65%	Up to 30%	Up to 45%	Up to + 8%	Up to + 8%
Emerging, Russia	Not Available						Not Available	

*Partners must meet additional requirements for Meraki Products. Please see slide X for more information

| Base MSLA – GOLD/PREMIER/SELECT | | | | GOLD/PREMIER | SELECT | ***VOLUME ACCELERATOR |
Countries	**CORE	**MARKET	**NET	SD-WAN MSLA Products		
Europe, Emerging, Russia	Up to 56%	Up to 30%	Up to 12%	DNA Advantage	68%	66%	73%
				DNA Essentials	63%	61%	65%

**Manufacturer Suggested Retail Discount (MSRD) when buying through Disti

***For providers with Cisco Powered Cisco SD-WAN & booked at least $3M in SD-WAN MSLA

	MSLA Core Products	SDWAN (4Tier+5M)	SDWAN (bandwidth)
MSRD	56%	58%-65%	MSRD not published 61%-68%
Disti	+5% (61)	+2% (60%-67%)	
GM	13%	5%-6%	As negotiated

MSLA Order Processing

- MSLA is ordered via CCW

- Offer Summary informs product offering details

- Comprehensive Order Guide

- MSLA BOM estimate is available

- Generally; $0 order establishes pricing for subscribed products waiting for consumption

- DSAs processed as normal

MSLA Offer Summary (1 of 2)

Product	Software Type	Offer Structure	License Management	Usage Reporting	Required Minimums?
Secure Endpoint (formerly AMP4E)	Cloud	Volume & Flat Rate Based	Secure Endpoint MSSP Portal	Smart Metering	No
ASAv	On-Prem	Flat Pricing	Smart Account	Smart Metered (Satellite Server Required)	No
CSR1Kv	On-Prem	Flat Pricing	Smart Account	Smart Metered (Satellite Server Required)	No
IoT FND	On Prem	Volume Based	Smart Account	Smart Metering	No

ESTIMATE NAME MASTER (Clone Me)-MSLA All Products (MB89189432EC)

ESTIMATE ID MB89189432EC

CREATED BY Brian Marks

Consumption Reporting

- Offer Summaries inform wrt Reporting Method

- Smart Metering (Almost all products)
  - MSP does NOT send in monthly reports to Disti
  - Cisco invoices Disti for metered consumption
  - Smart Metering doesn't mean that the product "measures" the charge metrics.

- Trust Based (For practical purposes SDWAN and NGFWv Only)
  - Disti consolidates reports and sends to Cisco
  - Uncommitted=Usage Report
  - Committed=Activation Report
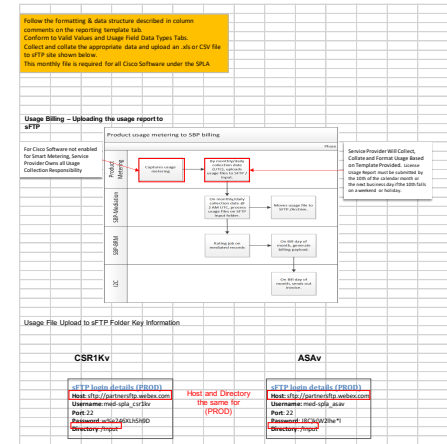
Billing/Invoicing

- Some mundane facts to consider. (MSLA uses standard Cisco operational capabilities for billing/invoicing)

- Example of timeline from order to invoice

- Example of Umbrella MSSP practical experience
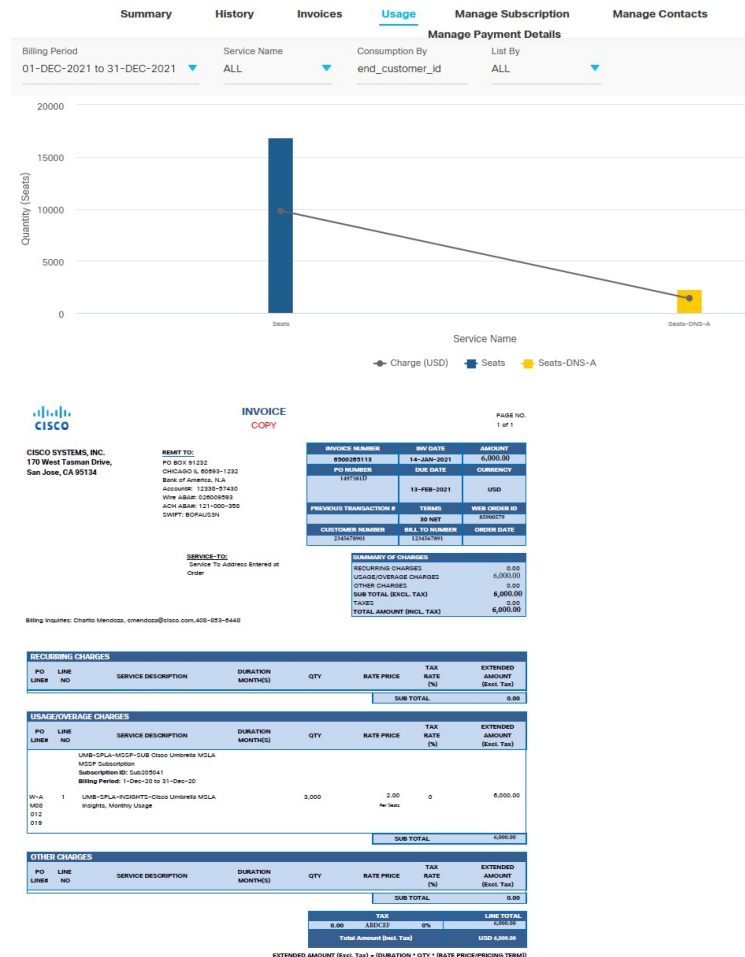
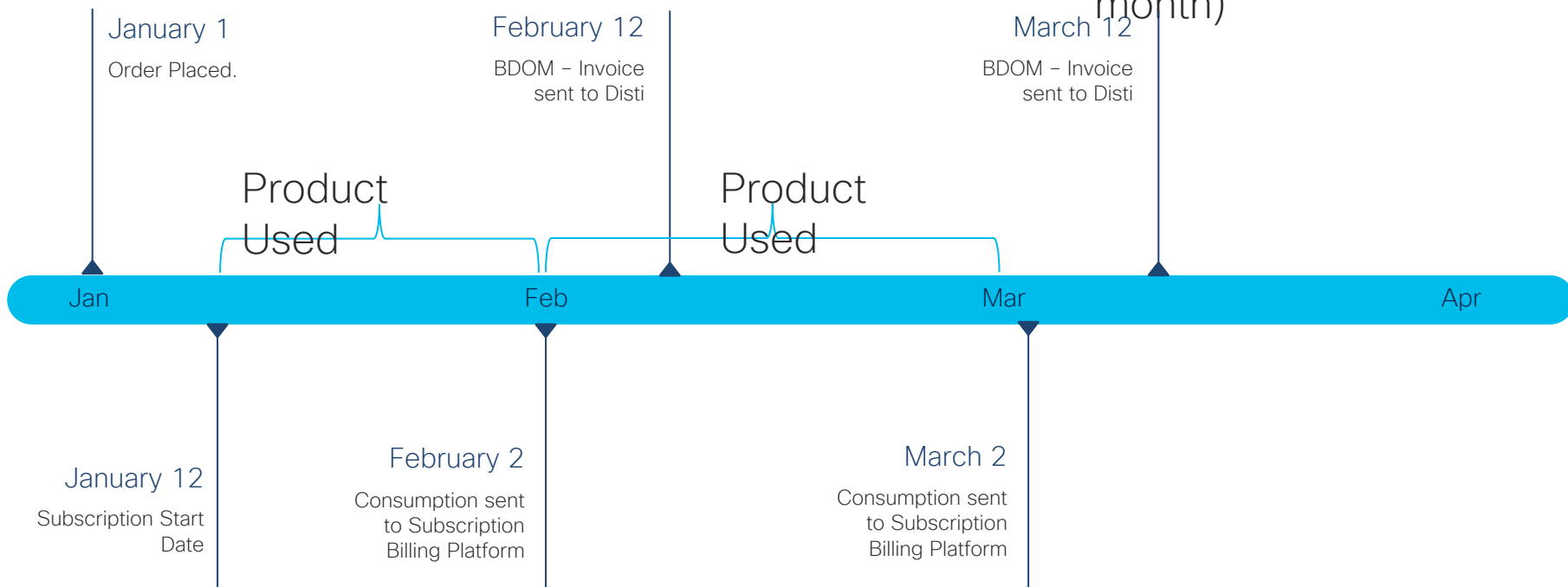# Billing/Invoicing (Baseline Facts-Standard CCW)

- Billing period is normally a calendar month (CDBP). (January, February, etc)
  - Non-Smart Licensed/Smart Metered products (Umbrella, AMP, SWC)
  - Trust Based products. (SDWAN, FTDv)

- Billing period can be subscription start date to following month subscription start date minus one day (SSDBP). (2/17/2022 through 3/16/2022) Smart Licensed/Smart Metered

- Billing Date of Month (BDOM) is established at time of order, determined by Billing ID Setup.
  - Either subscription start date or declared day of month

- Consumption from a billing period waits for next BDOM to invoice
  - CMBP is processed by 2nd day of following month and waits for next BDOM
  - SSDBP is processed and billed on the BDOM

Billing/Invoice Timeline Example

- Smart Metered Product
- Subscription start date BDOM (12th of the month)

January 1

Order Placed.

February 12

BDOM – Invoice sent to Disti

March 12

BDOM – Invoice sent to Disti

Product Used

Product Used

Jan   Feb   Mar   Apr

January 12

Subscription Start Date

February 2

Consumption sent to Subscription Billing Platform

March 2

Consumption sent to Subscription Billing Platform

Umbrella MSSP Practical Example

- MSP completes Umbrella MSSP training requirements

- MSP places $0 order with Disti for UMB-SPLA-MSSP-SUB

- Establishes BDOM, 4 functional product options and prices for future consumption
  - Insights, DNS E/A and SigE

- MSP is sent a provisioning email welcoming them to the Umbrella Portal

MSP Uses Umbrella

- MSP uses the Umbrella portal to add and manage customers

- Can add MSLA (MSSP owned licenses) or a la carte term customer owned term licenses in the same portal.

MSP Adds Customers

- Customer setup and addresses is collected as "POS" and used to compensation Cisco sales teams as appropriate.

- MSP chooses which product is being deployed for the customer.

- MSP declares the number of employees of the customer.

- Umbrella does not count the number of employees of the customer using the service.

MSP Runs Reports for Invoice Reconciliation

- Seats entered per customer are captured on the last day of the billing month by Cisco (Smart Metered)

- Counts are sent to billing, prorating any customer with a create date in the current billing month.

- MSP should download the report on the last day of the month for invoice substantiation

Cisco Invoices Disti

- MSP customer seat counts are prorated, aggregated and billed per product billing item to Disti.

- Invoice shows aggregate totals by product billing item

USAGE/OVERAGE CHARGES							
PO LINE#	**LINE NO**	**SERVICE DESCRIPTION**	**DURATION MONTH(S)**	**QTY**	**RATE PRICE**	**TAX RATE (%)**	**EXTENDED AMOUNT (Excl. Tax)**
		UMB-SPLA-MSSP-SUB Cisco Umbrella MSLA MSSP Subscription **Subscription ID:** Sub205041 **Billing Period:** 1-Dec-20 to 31-Dec-20					
W-A M08 012 019	1	UMB-SPLA-INSIGHTS-Cisco Umbrella MSLA Insights, Monthly Usage		3,000	2.00 Per Seats	0	6,000.00
						SUB TOTAL	6,000.00

Disti and MSP can see billing detail

- Using the Subscription Usage UI, Disti and MSP can download consumption billing detail. (MSPs can not see Disti pricing)

- Proration is based on "createdAt" date in current billing month.

← My Subscription Details

Cisco Umbrella MSLA MSSP Subscription (UMB-SPLA-MSSP-SUB)

Subscription ID	Effective For	Automatically Renews For	End Customer ⓘ
Sub	12.00 Months from 14-Jan-2022 to 13-Jan-2023	12.00 Months On 14-Jan-2023	

Status	Monthly Cost	Billing Amount (Monthly Billing)	Billing Frequency
ACTIVE	USD 0.00	USD 0.00	Monthly Billing

Summary	History	Invoices	Usage	Manage Subscription	Manage Contacts	Quotes In Progress

Manage Payment Details

Billing Period	Service Name	Consumption By	List By		Export
01-OCT-2021 to 31-OCT-2021 ▼	Seats	end_customer_id	2536390		Monthly ⚪ Dail

	A	B	C	D	E	F	G	H	I	J	K
1	organizationName	organizati	users	packageName	createdAt	Billed Quantity	organizati	streetAdd	streetAdd	city	state
2	Acme Tool	2	433	Umbrella Insights	11/20/2020	433.00	2651854	444 Elm Street		Sacramen	CA
3	Stark Enterprises	2	2350	Umbrella Insights	12/20/2020	909.68	2651856	555 Lombard		San Franci	CA
4	Wonka Chocolate	2	1000	Umbrella Insights	12/1/2020	1,000.00	2651862	90210 Sunset Blvd		Hollywoo	CA
5	Gekko Inc	2	1200	Umbrella Insights	12/15/2020	658.06	2651868	123 Big Sur Way		Big Sur	CA
6				Round Down Billed Quantity		3,000.00					
7											

Summary

- MSLA is built exclusively for MSPs

- Its Simple, Agile and Economical

- Pay only for what you use

- Focus on service management vs license management

- Utility licensing is how MSPs want to buy

MSLA: Simple, Agile and Economical

One Agreement

One $0 Order

Revenue and Cost aligned

Portable & Flexible

Pricing Predictability

OPEX/Utility Billing

Resources & Best Practices

- Know the offers [Offer Summaries](#)

- Collateral & details [Sales Connect for MSLA](#)

- Standard CCW with some subtle nuances [Partner Order Guide](#)

- Provisioning Nuances (RTU, SaaS, CSSM)
  - Best Practices
    - Order Umbrella products on their own orders
  - Training requirements for AMP/Umb MSSP
  - PMA Requirements for Umb MSSP

- [Welcome Guide](#)

Managed Service License

Click for Welcome Guide

Q&A

- Panel summary of common questions and answers during session.

- Panel discussion of questions not addressed during session.

- Invitation to address questions via Ask_MSLA@Cisco.com

Thank You