



FY26 CSP Incentive Overview

Winning together with Q1 quick start



Identify high growth potential customer scenarios



Accelerate project velocity to close deals and drive adoption in Q1



Reinvest earnings to maximize quality sales execution

Strengthen CSP with increased investment

Focus on partner profitability and customer value

Reward renewal growth and customer acquisition



Activating partner growth through CSP incentives in FY26

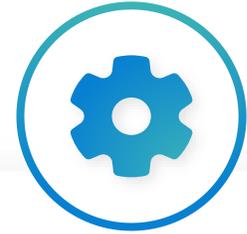
Evolving CSP to win through growth in FY26



**Updated authorization
requirements**



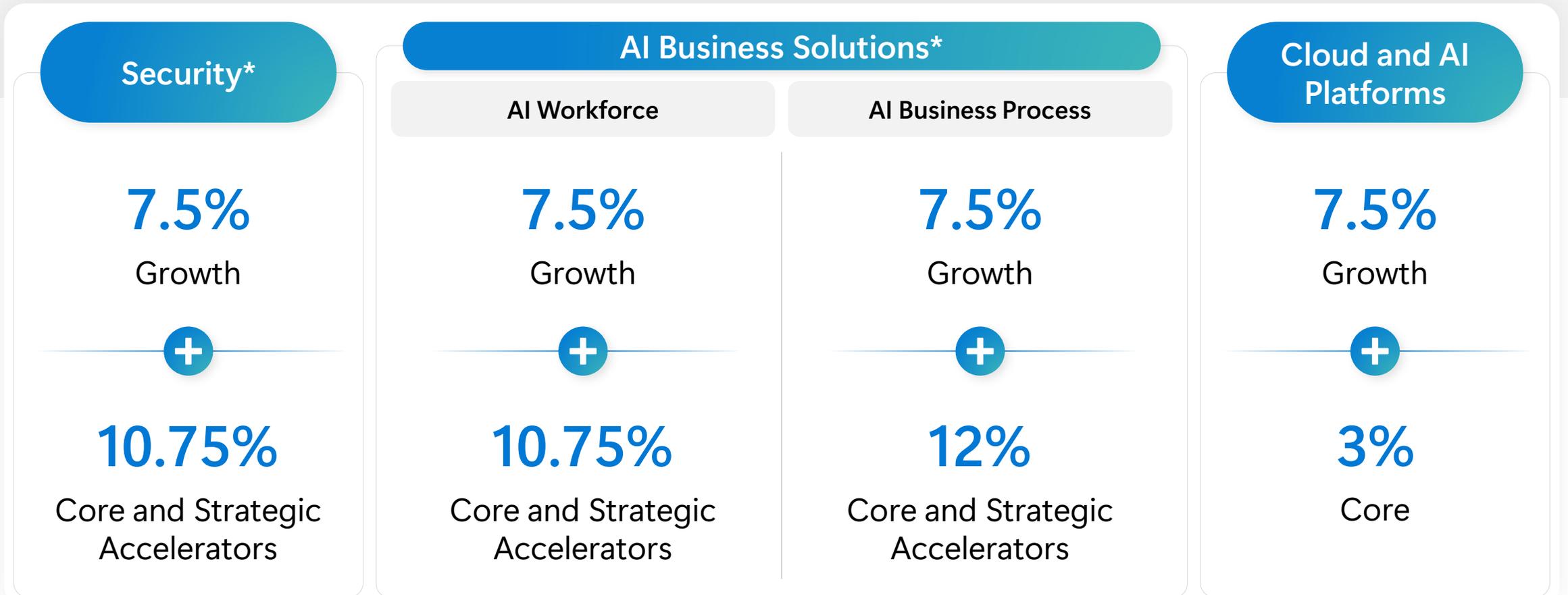
**Restructured CSP
incentives**



**Incentives eligibility
changes**

CSP lever construct effective July 1, 2025

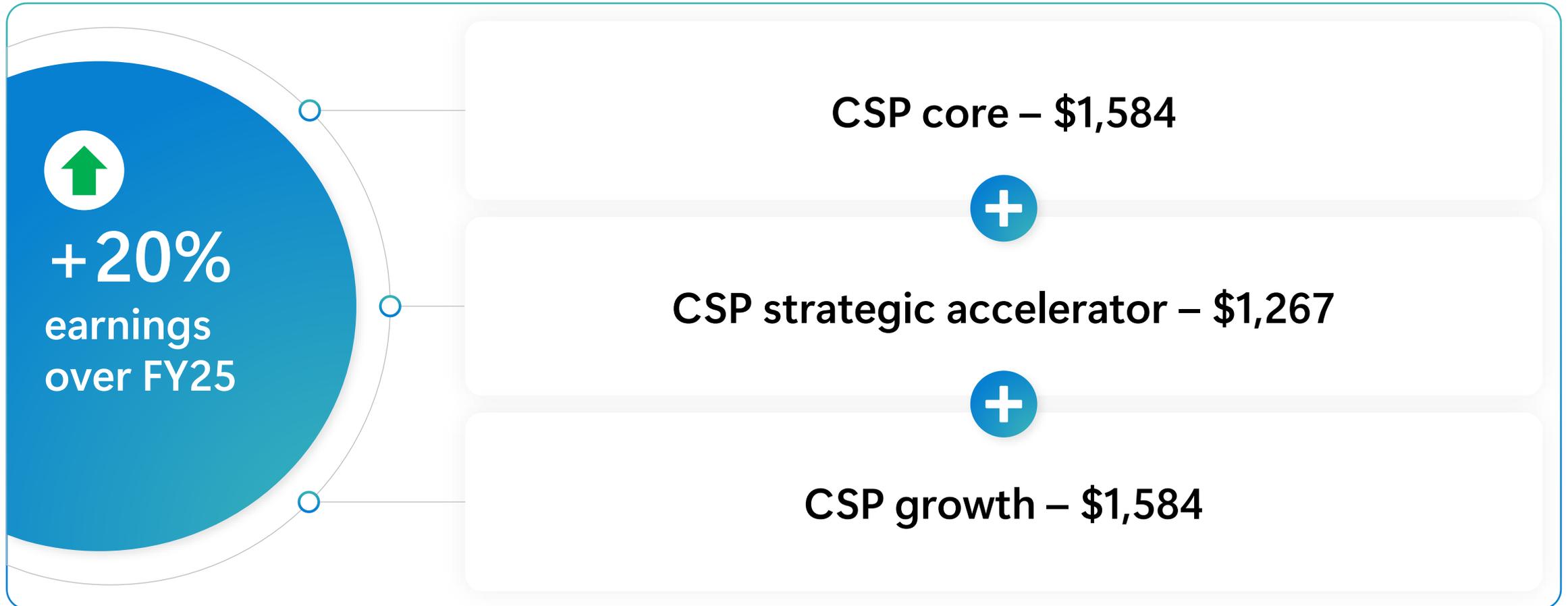
Rewarding growth through expanding existing relationships and new customer acquisition



*Security & AI Business Solutions rates reflect FY26 CSP incentives for strategic accelerators on hero products (ex. ME5, Copilot, Business Central) in Innovate/Balance Markets

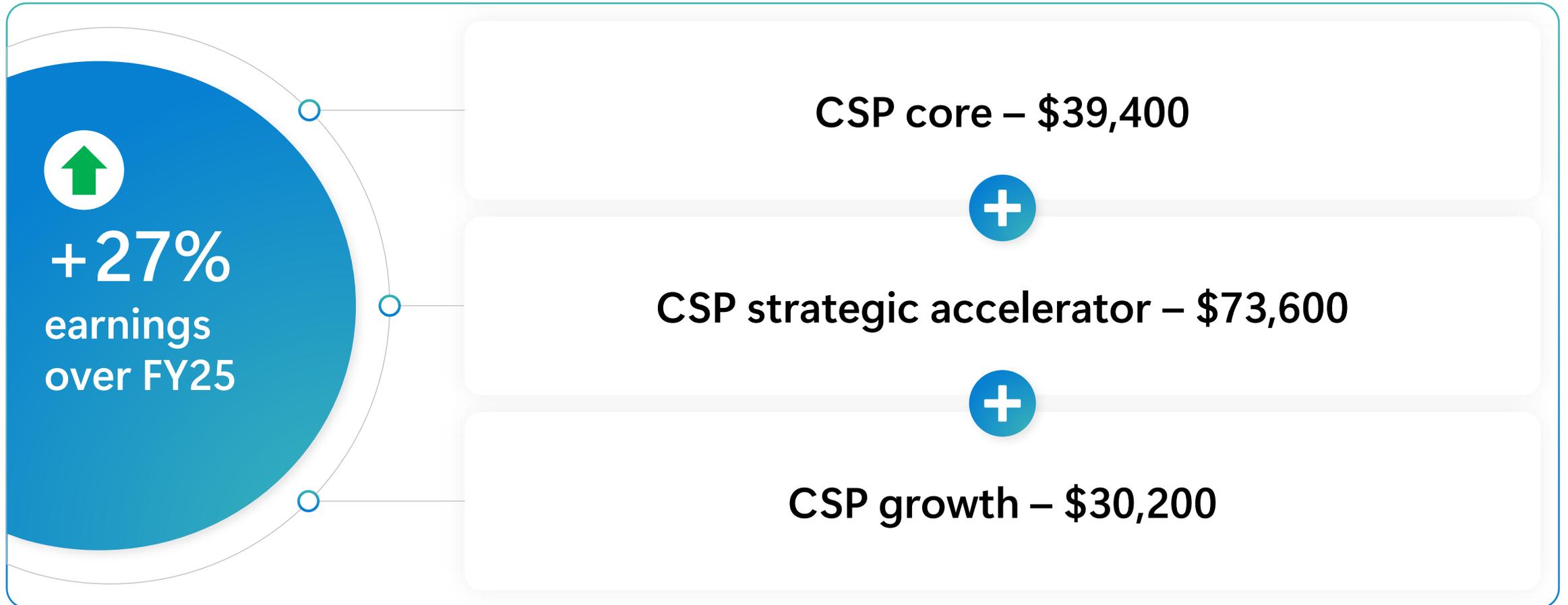
Making it real – CSP incentives

\$4.4K Incentives earned when expanding from 100 seats to 200 seats of Business Premium through CSP



Making it real – CSP incentives

\$143K Incentives earned when upselling 2,000 seats from ME3 to ME5 through CSP



FY26 CSP Incentive – Partner Eligibility

FY26 incentives eligibility changes



New incentive requirements, effective October 2025.

Requirements

		FY25 *	FY26
Partner Authorization	 Direct bill	<ul style="list-style-type: none"> CSP authorization Business Applications or Modern Work incentives: <u>any</u> Solutions Partner designation or gold/silver competency Azure incentives: Azure Solutions Partner designation or gold/silver competency 	<ul style="list-style-type: none"> CSP authorization Solutions Partner designation specific to the solution area* incentive and \$1 million trailing TTM revenue at the Partner Global Account (PGA) ID level
	 Indirect reseller	<ul style="list-style-type: none"> CSP authorization Business Applications or Modern Work incentives: any Solutions Partner designation or gold/silver competency Azure incentives: one of the three Solutions Partner designations for Azure or gold/silver competency \$25,000 all-up trailing 12 months revenue (<i>Required only to earn Business Applications, Modern Work, and Security incentives. No revenue requirement for Azure.</i>) 	<ul style="list-style-type: none"> CSP authorization Solutions Partner designation or a minimum of 25 capability points, specific to the solution area* incentive and \$25,000 TTM revenue at the Partner Location, required to earn for all SAs

Incentive requirements

*Solution area for incentives eligibility defined as:

- Modern Work incentives:** Solutions Partner designation for Modern Work or Security
- Business Applications incentives:** Solutions Partner designation for Business Applications
- Azure incentives:** Solutions Partner designation for Data & AI (Azure), Digital & App Innovation (Azure), or Infrastructure (Azure)

Partner capability scoring

Each designation has a specific number of possible points that can be earned per category. You have the flexibility to choose which categories to focus on within a solution area to match your business needs.

		Azure CSP incentives			Modern Work and Security CSP incentives		
		Solutions Partner for Business Applications	Solutions Partner for Data & AI (Azure)	Solutions Partner for Digital & App Innovation (Azure)	Solutions Partner for Infrastructure (Azure)	Solutions Partner for Modern Work	Solutions Partner for Security
Category	Performance	15pts	30pts	30pts	30pts	20pts	20pts
	Skilling	35pts	40pts	40pts	40pts	25pts	40pts
	Customer success	50pts	30pts	30pts	30pts	55pts	40pts

Each Solutions Partner designation requires 70+ points, with points in all subcategories. Once designation is achieved, it will be active until the anniversary date. Reseller incentive 25+ capability points can be in any of the three categories. Points are checked monthly, looking at the current month and the previous five months. If the point total does not meet 25 points within the five months + current month eligibility window, eligibility is lost until the 25- points are mark is reached.

FY26 CSP Incentive – Structure

Evolving CSP incentives

CSP incentives reward partners who drive customer adoption of Microsoft products and services through the new commerce experience.

New CSP Incentive Model (July 2025*)

We are introducing a streamlined CSP model designed to reward growth, drive clarity, and support partner profitability.

- **Core Rates:** Foundational incentive
- **Strategic Accelerators:** Higher rewards for Microsoft's more strategic solutions
- **Customer Growth:** Incentives for new customers, workloads & seat expansion

CSP incentives - growth

CSP incentive growth is defined as:

- **Year-over-year (YoY)** increase in **monthly billing** (measured in growth to monthly recurring revenue)
- By individual **customer tenant** and outcome of one customer doesn't impact another customer
- Calculated independently within each **Solution Area** or SA (i.e. separately for Modern Work & Security, Business Applications and Azure)
- **Strategic products** within the **M365 CSP incentives** are eligible for the growth accelerator. **All core products/workloads** under **D365 and Azure CSP incentives** are eligible for growth accelerator.

M365 CSP Incentives – direct bill partner/indirect reseller

Engagement summary

The Microsoft 365 CSP incentive, rewards Cloud Solution Provider partners who drive customer adoption of Modern Work & Security products and services through the new commerce experience.

Partner eligibility

CSP direct bill partner authorization:

- Solutions Partner designation for one of the following: Solutions partner for Modern Work OR Solution partner for Security
- \$1M USD 12-month revenue threshold at Partner Global Account (PGA) ID

OR

CSP indirect reseller authorization:

- Solutions Partner designation OR 25-point minimum capability score for one of the following: Solutions partner for Modern Work OR Solution partner for Security
- \$25K USD 12-month revenue threshold at Partner Location Account (PLA) ID

Earning opportunities

M365 CSP levers	Rate	Maximum incentive earning opportunity
M365 CSP Core	3.75%	\$93,750
M365 CSP Global Strategic Product Accelerator – Tier 1 (Business Premium, M365 E3)	<i>Innovate and Balance countries: 3.00%</i>	\$75,000
	<i>Scale countries: 4.00%</i>	\$100,000
M365 CSP Global Strategic Product Accelerator – Tier 2 (M365 E5, Copilot)	7.00%	\$175,000
M365 CSP Global Calling and Conference PSTN Accelerator	20.00%	Not applicable
M365 CSP Growth Accelerator*	7.50%	\$187,500

Additional scenarios for Illustration (M365)

Scenario	Year 1	Year 2	Core Lever	Strategic Lever	Growth	Comment
CSP - new workloads	1K ME5 Seats	1K ME5 Seats + 300 Copilot Seats	✓	✓	✓	YoY customer tenant revenue growth from Copilot
CSP - new workloads	1K ME5 Seats	500 ME5 Seats + 100 Copilot Seats	✓	✓		No YoY customer tenant revenue growth as reduction in revenue
CSP - seat expansion (nonstrategic product)	1K OE3 Seats	1.5K OE3 Seats	✓			YoY customer tenant revenue growth must be on strategic products for Modern Work
CSP - flat	1K ME5 Seats	1K ME5 Seats	✓	✓		No YoY customer tenant revenue growth
EA to CSP - upsell	1K ME3 Seats	1K ME5 Seats	✓	✓	✓	YoY customer tenant revenue growth from E3 to M5 upsell
EA to CSP - flat	1K ME3 Seats	1K ME3 Seats	✓	✓		No YoY customer tenant revenue growth (however, if revenue is higher due to CSP price being higher, then growth will be paid)
COCP - Partner A to Partner B	1K ME5 Seats	1K ME5 Seats	✓	✓		No YoY customer tenant revenue growth for Partner B
COCP - Partner A to Partner B - upsell	1K OE3 Seats	1K ME5 Seats	✓	✓	✓	YoY customer tenant revenue growth from Partner B upsell
CSP - new customer	N/A	1K ME5 Seats	✓	✓	✓	YoY customer tenant revenue growth

D365 CSP Incentives – direct bill partner/indirect reseller

Engagement summary

The Microsoft 365 CSP incentive, rewards Cloud Solution Provider partners who drive customer adoption of Business Applications products and services through the new commerce experience.

Partner eligibility

CSP direct bill partner authorization:

- Solutions Partner designation for one of the following:
Solutions partner for Business Applications
- \$1M USD 12-month revenue threshold at Partner Global Account (PGA) ID

OR

CSP indirect reseller authorization:

- Solutions Partner designation OR 25-point minimum capability score for one of the following: Solutions partner for Business Applications
- \$25K USD 12-month revenue threshold at Partner Location Account (PLA) ID

Earning opportunities

D365 CSP levers	Rate	Maximum incentive earning opportunity
D365 CSP Core	4.00%	Not applicable
D365 CSP Global Strategic Product Accelerator – Tier 1 (Finance & Supply Chain)	7.00%	Not applicable
D365 CSP Global Strategic Product Accelerator – Tier 2 (Business Central)	8.00%	Not applicable
D365 CSP Growth Accelerator	7.50%	Not applicable

Additional scenarios for Illustration (D365)

Scenario	Year 1	Year 2	Core Lever	Strategic Lever	Growth	Comment
CSP - new workloads	1K BizCentral Seats	1K BizCentral Seats + 300 Copilot Studio Seats	✓	✓	✓	YoY customer tenant revenue growth from Copilot Studio
CSP - new workloads	1K BizCentral Seats	500 BizCentral Seats + 100 Copilot Studio Seats	✓	✓		No YoY customer tenant revenue growth as reduction in revenue
CSP - seat expansion	1K BizCentral Seats	1.5K BizCentral Seats	✓		✓	YoY customer tenant revenue growth
CSP - flat	1K BizCentral Seats	1K BizCentral Seats	✓	✓		No YoY customer tenant revenue growth
EA to CSP – seat expansion	1K BizCentral Seats	1.5K BizCentral Seats	✓	✓	✓	YoY customer tenant revenue growth from additional seats
EA to CSP - flat	1K BizCentral Seats	1K BizCentral Seats	✓	✓		No YoY customer tenant revenue growth (however, if revenue is higher due to CSP price being higher, then growth will be paid)
COCP - Partner A to Partner B	1K BizCentral Seats	1K BizCentral Seats	✓	✓		No YoY customer tenant revenue growth for Partner B
COCP - Partner A to Partner B - upsell	1K BizCentral Seats	1.5K BizCentral Seats	✓	✓	✓	YoY customer tenant revenue growth from Partner B additional seats
CSP - new customer	N/A	1K BizCentral Seats	✓	✓	✓	YoY customer tenant revenue growth

Azure CSP Incentives – direct bill partner/indirect reseller

Engagement summary

The Azure CSP incentive rewards Cloud Solution Providers (CSP) providing billing and support as part of a partner-managed Azure experience for customers who purchase Azure services under a new Azure offer (offer plan).

Partner eligibility

CSP direct bill partner authorization:

- Solutions Partner designation for one of the following: Solutions partner for Infrastructure (Azure) OR Data & AI (Azure) OR Digital & App Innovation (Azure)
- \$1M USD 12-month revenue threshold at Partner Global Account (PGA) ID

OR

CSP indirect reseller authorization:

- Solutions Partner designation OR 25-point minimum capability score for one of the following: Solutions partner Infrastructure (Azure) OR Data & AI (Azure) OR Digital & App Innovation (Azure)
- \$25K USD 12-month revenue threshold at Partner Location Account (PLA) ID

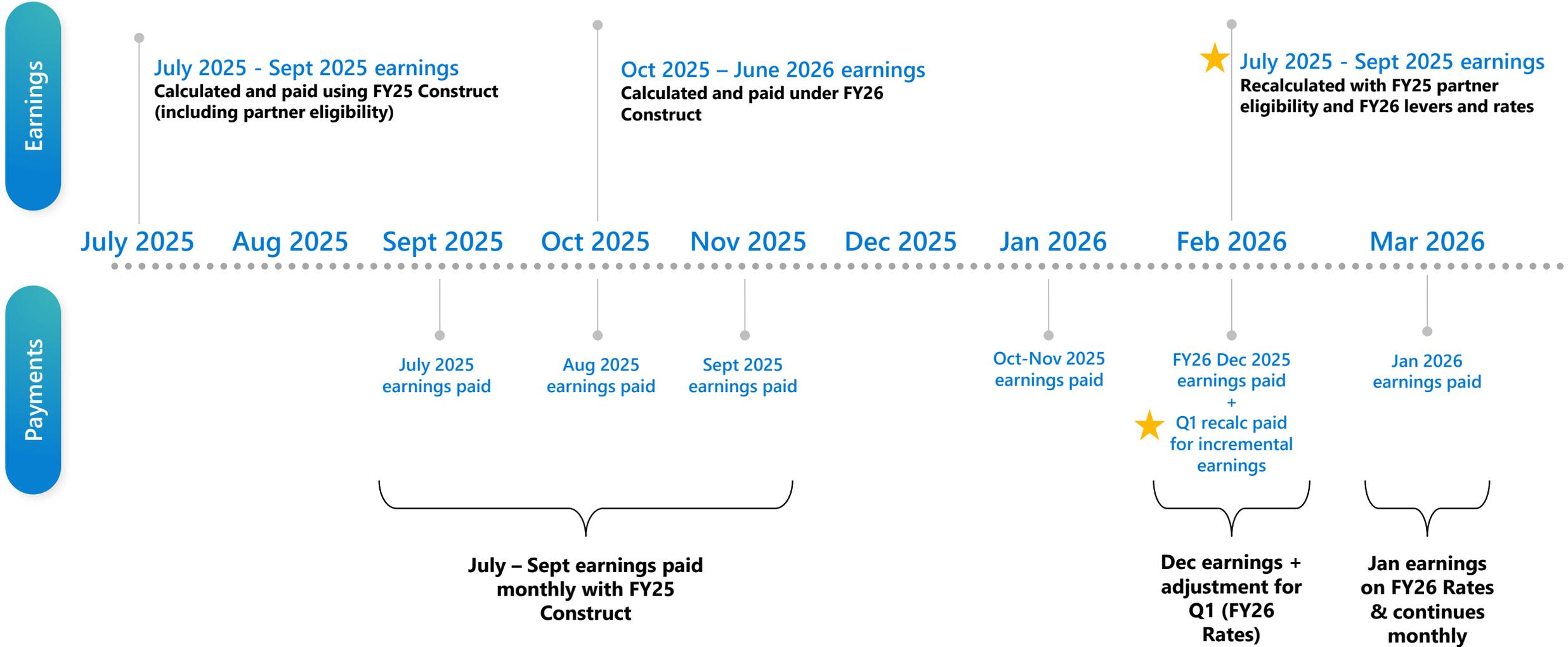
Earning opportunities

Azure CSP levers	Rate	Maximum incentive earning opportunity
Azure CSP Consumption (Pay-as-you-go)	3.00%	\$150,000
Azure CSP Reservation and Savings Plan (Includes PTUs, ACR from Reserved Instance, and Azure Savings Plan consumption)	3.00%	
Azure CSP Growth Accelerator (Incl. Pay-as-you-go, RI/SP)	7.50%	\$250,000

Additional scenarios for Illustration (Azure)

Scenario	Year 1	Year 2	Core Lever	Growth	Comment
Consumption – No change	200K ACR	200K ACR	✓		No YoY customer tenant ACR growth
Consumption – Increase	200K ACR	250K ACR	✓	✓	YoY customer tenant ACR growth
Consumption – Decrease	200K ACR	100K ACR	✓		No YoY customer tenant ACR growth as consumption decreased
Consumption – New Azure customer	- ACR	200K ACR	✓	✓	YoY customer tenant ACR growth

FY26 CSP incentives timeline



Investment and Incentive Resources

Incentive resources available aka.ms/partnerincentives

FY26 Microsoft Commerce Incentives (MCI) Guide available at <https://aka.ms/incentivesguide>

Register for **MCI Office Hours** at [MCILandingPage Listing Page](https://aka.ms/MCILandingPage) (eventbuilder.com)

Detailed examples and FAQ

FAQ – incentive term and eligibility

1 When do the FY26 CSP incentives go into effect?

FY26 CSP incentives refresh on October 1, 2025. However, to align our investments with our FY26 growth ambitions, we're pulling forward the effective date of these incentives to July 1, 2025. From July to September 2025, incentives will be paid under FY25 rules. This approach rewards partners who are already driving growth and gives them a head start on FY26 goals.

2 How will this work for July – December 2025 CSP earnings:

- July 2025 to September 2025 incentives will continue to be calculated and paid under FY25 rules and timelines.
- In Jan 2026, we will calculate earnings for October 2025 and November 2025 under FY26 rates and levers, with new eligibility requirements that were announced on May 1st. Earnings will be paid by Jan 15th. This is as per our SLA for any new incentive launch (75 days from Oct 1).
- In Feb 2026, we will re-calculate earnings for the period of July to September using FY26 rates and levers, using the FY25 eligibility requirements. Earnings will be trued up or trued down. If earnings are higher with new rates, partners will be paid by Feb 15th along with payment for December earnings per SLA.
- Partner reporting for reconciliation of earning will be available in Partner Center covering all details of adjustments by February 15th.
- For January 2026 earnings onward, payments will be made monthly as per standard 45-day SLA from March 2026 onward.

3 When will the new CSP partner eligibility requirements go into effect?

Beginning in the FY26 incentive term (October 1, 2025 – September 30, 2026), there will be new partner eligibility requirements for indirect reseller and direct bill partners to earn CSP incentives. CSP distributors will not see changes to partner incentive eligibility. However, we do check authorization status monthly and if a distributor is deauthorized based on the new authorization rules, those distributors will not earn incentives after their deauthorization.

4 Why are we making changes to CSP partner incentive eligibility?

In FY26, we will implement new eligibility requirements for CSP incentives in alignment with the CSP authorization changes and requiring CSP direct bill partners and indirect resellers to have streamlined and relevant expertise by solution area.

5 Which CSP incentives are impacted?

CSP incentives for Modern Work, Security, Business Applications, and Azure will have eligibility changes in FY26. In FY25, these earning opportunities are known as:

- Microsoft 365 new commerce CSP incentive
- Dynamics 365 new commerce CSP incentive
- Azure CSP motion incentive

6 How are the Solution Partner designations (SPDs) aligned to the CSP incentives?

Solutions Partner designation and the partner incentive capability score are specific to the solution area incentive.

- Microsoft 365 new commerce CSP incentive: Solutions Partner designation for Modern Work or Solutions Partner designation for Security
- Dynamics 365 new commerce CSP incentive: Solutions Partner designation for Business Applications
- Azure CSP motion incentive: Solutions Partner designation for Data & AI (Azure), Solutions Partner designation for Digital & App Innovation (Azure), or Solutions Partner designation for Infrastructure (Azure)

Partner capability scoring examples

1 Scenario 1: Partner has 25 incentive capability points

October 2025 earning period for CSP incentives checks capability points for October (M0) and prior five months May – September (M1-M5). As the partner has 25 or more capability points within eligibility window, the partner is considered eligible for associated solution area incentive.

Solution Area	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Modern Work	M5 25 pts	M4 25 pts	M3 25 pts	M2 25 pts	M1 25 pts	M0 25 pts										

2 Scenario 2: Partner's incentive capability points drop below 25

October 2025 earning period for CSP incentives checks capability points for October (M0) and prior five months May – September (M1-M5). Partner's capability points drop below 25 points for two months. As the partner has 25 or more capability points within eligibility window, the partner is considered eligible for associated solution area incentive.

Solution Area	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Modern Work	M5 25 pts	M4 25 pts	M3 25 pts	M2 25 pts	M1 5 pts	M0 5 pts										

3 Scenario 3: Partner's incentive capability points over multiple earning periods

The partner meets the 25-point minimum for October – January and considered eligible for M365 CSP incentives. In February, 25 points are no longer reached within the eligibility window (February M0 – September M5) and the partner becomes ineligible for February – March. In April, 25 points are reached, making the partner eligible again for M365 CSP incentives.

Solution Area	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Modern Work	M5 25 pts	M4 25 pts	M3 25 pts	M2 25 pts	M1 5 pts	M0 5 pts										
		M5 25 pts	M4 25 pts	M3 25 pts	M2 5 pts	M1 5 pts	M0 5 pts									
			M5 25 pts	M4 25 pts	M3 5 pts	M2 5 pts	M1 5 pts	M0 5 pts								
				M5 25 pts	M4 5 pts	M3 5 pts	M2 5 pts	M1 5 pts	M0 5 pts							
					M5 5 pts	M4 5 pts	M3 5 pts	M2 5 pts	M1 5 pts	M0 5 pts						
						M5 5 pts	M4 5 pts	M3 5 pts	M2 5 pts	M1 5 pts	M0 25 pts					

FAQ – growth accelerator

1 How is the last year's baseline defined to determine if there's YoY revenue growth?

CSP incentive growth is defined as any year-over-year (YoY) increase in monthly billing at the individual customer tenant, calculated independently within each Solution Area or SA (i.e. separately for Modern Work & Security, Business Applications and Azure). For example, for Azure baseline for March 2025 would be the Tenant ACR in March 2024.

2 What products are eligible for the growth accelerator?

Only strategic products within the M365 CSP incentives are eligible for the growth accelerator. All core products/workloads under D365 and Azure CSP incentives are eligible for growth accelerator. Eligible products can be found in the CSP product addendum published in the MCI Collection.

3 If the customer had prior EA revenue, will that be included in the growth calculation?

Yes, as growth is assessed at the customer tenant, all revenue for that specific solution area will be considered in the YoY calculation. (See growth example E)

4 As M365 growth accelerator is based on strategic products, does that mean the baseline is also based on strategic products?

Growth is based first and foremost on all-up revenue growth, for Modern Work & Security only the contribution of strategic products to that increase in tenant revenue are considered. (See growth example D).

5 How is growth determined when there are multiple partners associated to subscriptions within the customer tenant?

All customer tenant revenue will be considered for prior year's baseline regardless of partner associated. The incremental growth earnings will be allocated based on partner association to subscriptions and total revenue growth. If revenue for subscriptions associated to another partner decreases, that will impact the YoY incremental revenue and hence growth accelerator earnings. (See growth example G).

6 What if the revenue is billed annually or prepaid on 3-year SKUs?

For per-seat licensing, each billing transaction is converted into an equivalent monthly billing amount if billing is pre-paid. For example, a \$120 pre-paid 1-year subscription, billed up front in February, will be considered as \$10 of monthly billing (or MRR) for 12 months, starting from February. This ensures that YOY growth is accurately measured and accounts for customer changes in billing frequency or multiple billing frequencies within the Tenant. For partial monthly billing, MRR is calculated on a basis of 30.42 days per month. Similarly, incremental prorated seat purchases will increase the MRR for the duration of the subscription terms. (See growth example H).

7 If the customer tenant has both an active EA and CSP subscriptions, how does this impact growth?

We will calculate overall tenant growth (inclusive of EA and CSP billings), so in case of EA declining at the same time as CSP is growing, that decline will offset CSP growth. (See Example X).

8 If there was a different partner associated last year, will we still earn on the growth?

If the customer tenant has incremental YoY revenue, the new partner can earn on the incremental revenue through the growth accelerator.

9 If my customer has Modern Work (AI Workforce) and adding Business Applications (AI Business Process), with the Modern Work revenue be considered in the growth calculation?

As the YoY billed revenue is based on Solution Area, the Modern Work revenue will not impact the Business Applications growth assessment.

Growth accelerator examples

A Modern Work and Security incremental YoY revenue of strategic products within an existing CSP tenant

Customer increases YoY CSP M365 E5 billed revenue. Partner earns the core and strategic accelerator based on the monthly \$2,000 M365 E5 billed revenue and the growth accelerator based on the \$1,000 YoY incremental billed revenue.

Year	Motion	Customer Tenant	Product	Month 1	Month 13
Year 1	CSP	123	M365 E5	\$1,000	
Year 2	CSP	123	M365 E5		\$2,000
Customer tenant billed revenue for growth accelerator					\$1,000

B Modern Work and Security flat YoY revenue of strategic products within an existing CSP tenant

Customer YoY CSP E5 billed revenue remains flat. Partner earns the core and strategic accelerator based on the monthly \$1,000 M365 E5 billed revenue and no growth accelerator as no YoY incremental billed revenue.

Year	Motion	Customer Tenant	Product	Month 1	Month 13
Year 1	CSP	123	M365 E5	\$1,000	
Year 2	CSP	123	M365 E5		\$1,000
Customer tenant billed revenue for growth accelerator					\$-

C Modern Work and Security incremental YoY revenue of nonstrategic products within an existing CSP tenant

Customer increases YoY CSP O365 billed revenue. Partner earns the core based on the monthly \$2,000 O365 billed revenue. There's no strategic or growth accelerator earnings as billed revenue is not from a strategic product.

Year	Motion	Customer Tenant	Product	Month 1	Month 13
Year 1	CSP	123	O365	\$1,000	
Year 2	CSP	123	O365		\$2,000
Customer tenant billed revenue for growth accelerator					\$-

Growth accelerator examples

D Modern Work and Security incremental YoY revenue of an existing tenant that starts billing in CSP where tenant was purchasing in EA.

Customer transitions M365 E5 from EA to CSP and increases billed revenue. Partner earns the core and strategic accelerator based on the monthly \$2,000 E5 billed revenue and the growth accelerator based on the \$1,000 YoY incremental E5 billed revenue. All Modern Work and Security products in the tenant are considered for baseline and will be considered in the YoY calculation.

Year	Motion	Customer Tenant	Product	M1	M13
Year 1	EA	123	Any MW or SCI	\$1,000	
Year 2	CSP	123	M365 E5		\$2,000
Customer tenant billed revenue for growth accelerator					\$1,000

E Modern Work and Security incremental YoY revenue of a CSP tenant purchasing Modern Work and Security from Microsoft for the first time.

Customer purchases Modern Work and Security product in CSP for the first time, resulting in M365 E5 billed revenue. Partner earns the core and strategic accelerator based on the monthly \$2,000 M365 E5 billed revenue and the growth accelerator based on the \$2,000 YoY incremental M365 E5 billed revenue.

Year	Motion	Customer Tenant	Product	M1	M13
Year 1	N/A	N/A	N/A	\$-	
Year 2	CSP	123	M365 E5		\$2,000
Customer tenant billed revenue for growth accelerator					\$2,000

F Business Applications customer switched all subscriptions from Partner A to Partner B.

Customer increases YoY CSP Business Applications billed revenue when moved to Partner B. Partner B earns the core and strategic accelerator based on the monthly \$2,000 Business Central revenue and the growth accelerator on the \$1,000 YoY incremental Business Central revenue.

Year	Motion	Partner	Customer Tenant	Product	M1	M13
Year 1	CSP	A	123	Business Central	\$1,000	
Year 2	CSP	B	123	Business Central		\$2,000
Customer tenant billed revenue for growth accelerator						\$1,000

Growth accelerator examples

G Business Applications customer increases seats for subscriptions associated to Partner A and decreases seats for subscriptions associated to Partner B.

Customer increases YoY CSP Business Applications billed revenue due to Partner A subscriptions adding Business Central seats. As Business Applications subscriptions associated to Partner B decreased, the all up customer tenant growth is impacted. Year 1 baseline is \$1,500 across the customer tenant for Business Applications. Year 2 increases to \$2,500 in customer billed revenue, resulting in YoY incremental revenue of \$1,000. This \$1,000 will be allocated based on partner driving the growth.

Year	Motion	Partner	Customer Tenant	Product	M1	M13
Year 1	CSP	A	123	Business Central	\$1,000	
	CSP	B	123	PowerBI	\$500	
Year 2	CSP	A	123	Business Central		\$500
	CSP	B	123	PowerBI		\$2,000
Customer tenant billed revenue for growth accelerator, Paid to Partner B						\$1,000

H Business Applications customer increases seats for subscriptions associated to Partner A and subscriptions associated to Partner B.

Customer increases YoY CSP Business Applications billed revenue due to Partner A subscriptions adding Business Central seats and Partner B adding PowerBI seats. As Business Applications all up customer tenant growth is impacted.

Year	Motion	Partner	Customer Tenant	Product	M1	M13
Year 1	CSP	A	123	Business Central	\$1,000	
	CSP	B	123	PowerBI	\$500	
Year 2	CSP	A	123	Business Central		\$1,200
	CSP	B	123	PowerBI		\$1,000
Customer tenant billed revenue for growth accelerator						\$700
Partner A – Allocation						\$200
Partner B – Allocation						\$500

Growth accelerator examples

I Business Applications customer transitions from monthly to pre-paid SKU.

Customer purchases CSP Business Central pre-paid SKU with additional seats where last year it was a monthly SKU. To accurately assess YoY billed revenue, the pre-paid SKU is converted into an equivalent monthly billing amount (MRR) resulting in the \$1,500 pre-paid amount to become \$125 monthly revenue. Partner earns the core and strategic accelerator for billed month based on the original pre-paid \$1,500 revenue. The growth accelerator assesses the new \$125 monthly revenue against prior \$120 monthly revenue and identifies \$5 incremental revenue. The growth accelerator will calculate using the \$5 MRR * 12 months to earn one time on the \$60 YoY incremental revenue.

Year	Motion	Customer Tenant	Product	M1 (Monthly)	M13 (1Y Prepaid)
Year 1	CSP	123	Business Central	\$120	
Year 2	CSP	123	Business Central		\$1,500 (\$125 MRR)
Customer tenant billed revenue for growth accelerator					\$60 (\$5 MRR)

J Business Applications customer transitions from pre-paid to monthly SKU.

Customer purchases CSP Business Central monthly SKU with additional seats where last year it was a 1Y pre-paid SKU. To accurately assess YoY billed revenue, the pre-paid SKU is converted into an equivalent monthly billing amount (MRR) resulting in the \$1,500 pre-paid amount to become \$125 monthly revenue. Partner earns the core and strategic accelerator for monthly billed revenue on the \$125. The growth accelerator assesses the new \$125 monthly revenue against prior \$120 monthly recurring revenue and identifies \$5 incremental revenue. The growth accelerator will calculate monthly using the \$5 YoY incremental revenue.

Year	Motion	Customer Tenant	Product	M1 (1Y Prepaid)	M13 (Monthly)
Year 1	CSP	123	Business Central	\$1,200 (\$120 MRR)	
Year 2	CSP	123	Business Central		\$125
Customer tenant billed revenue for growth accelerator					\$5

