

WHITEPAPER

Hybrid Cloud & Relicensed Software

Modern IT Strategy





CONTENT

A licensing model to fit real needs	p. 2
Significant cost savings	p. 3
Scenarios and their costs	p. 4
Broad applicability	p. 5
A hybrid model with great benefits	p. 6
About Capefoxx	p. 7
Contact us	p. 8

Delivering a broad range of their ubiquitous office solutions out of the cloud, Microsoft enjoys lasting success in catering to the needs of organisations around the world. Still, many companies of all sizes prefer not to put all their eggs in one basket and use the vendor's online and desktop solutions side by side. Moreover, recent studies show that less than 30% of organisations working with Mi-

crosoft Office applications actually use their latest, most advanced features, so licensing this latest functionality to users might be money not well spent. Capefoxx has developed a hybrid cloud and relicensed software licensing model that is tailored to fit such cases and can help organisations reduce their Microsoft software licensing costs by up to nearly 50 percent.

Many can qualify

It is by no means unusual for organisations to continue to rely on desktop Microsoft Office software while taking advantage of the specific benefits Microsoft offers users of their cloud service, Office 365. The Capefoxx hybrid licensing model is well suited for these types of enterprises. Companies would also benefit from allowing their IT teams to manage and support the corporate Microsoft Office desktop software instead of leaving such chores to the users themselves. Specifically, organisations might use Office 365 as an

IT-as-a-service solution for their collaboration needs to keep this mission-critical application up to date at all times and minimize the risk of system downtime that disrupts business operations. At the same time, these organisations might have legacy perpetual Microsoft Office licences they can continue to use without the need to keep up with newer releases of Microsoft Office applications. In addition, organisations have more time and budget to develop IT for the core business, rather than worry about managing it.

Capefoxx's hybrid licensing model fits perfectly into this dual scenario. It offers organisations the opportunity to significantly reduce costs for Microsoft's time-tested desktop software, while taking advantage of the vendor's online services, which are always up-to date and also possibly more innovative.

In addition, this concept helps reflect how many users within the organisation actually need the latest edition plus all the services of Microsoft Office 365 including Yammer, Exchange Online, SharePoint Online, Teams, OneDrive, and Skype for Business Online. Microsoft even offers subscriptions for these services alone (Office 365 Enterprise E1) so companies can choose to subscribe only to these services and use the Microsoft Office desktop software in parallel. This offers the option, for example, to provide a relicensed Microsoft Office Professional Plus 2016 edition for all users' devices and subscribe to Office 365 Enterprise E1 for as many users as needed. This approach comes with significant cost savings.

The table and the graph on the next page show the difference in costs between a full Microsoft

Office 365 Enterprise E3 (office applications plus online services) subscription and two different hybrid licensing scenario examples for an organisation with 1,000 users over a three-year period. Licensing all employees' devices with relicensed Microsoft Office Professional Plus 2016 licences and subscribing to Microsoft Office 365 Enterprise E1 (online services only) for all users results in a 51% cost reduction when compared to subscribing to Microsoft Office 365 Enterprise E3 for all users.

If the organisation opts for a licensing mix, where 20% of the users use a Microsoft Office 365 Enterprise E3 subscription and the devices for the remaining 800 users are furnished with a pre-owned Office Professional Plus 2016 licence and a Microsoft Office 365 Enterprise E1 subscription, a 41% cost reduction can be achieved.

GRAPH 1: SCENARIO COSTS
3 y 1000 users hybrid licensing vs. full O365

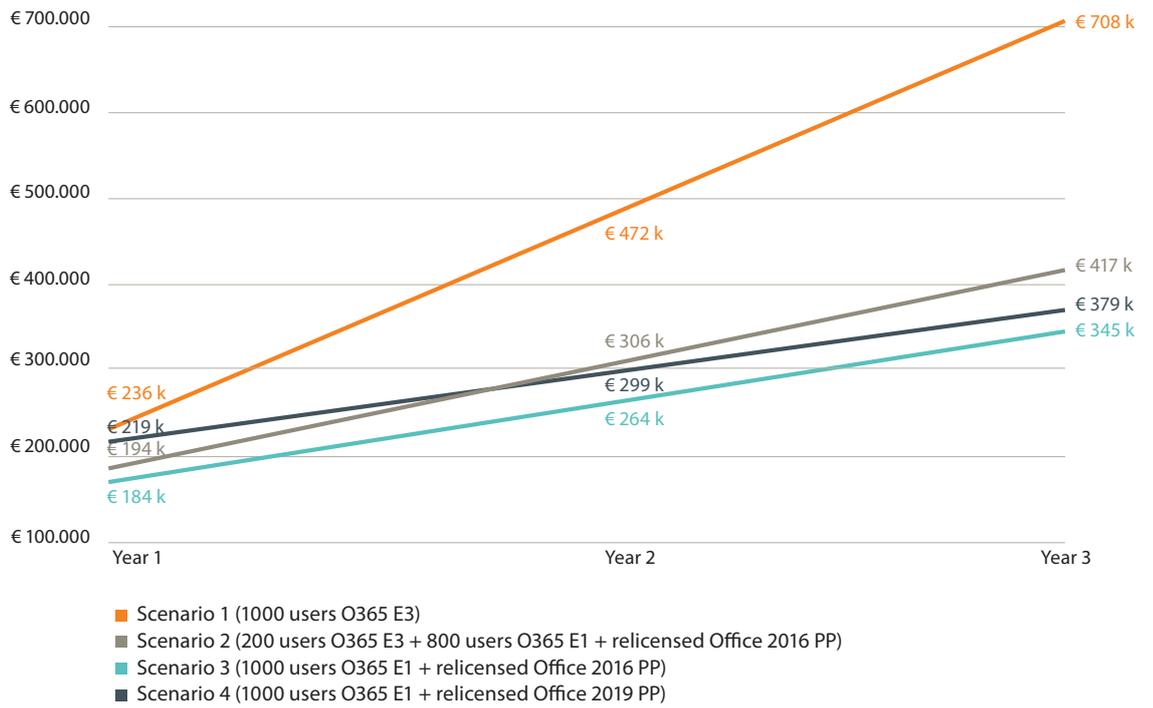
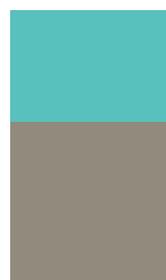


TABLE 1: SCENARIO COSTS

SCENARIO DESCRIPTION	COSTS YEAR 1	COSTS YEAR 2	COSTS YEAR 3
Scenario 1 (1000 users O365 E3)	€ 235.973	€ 235.973	€ 235.973
Scenario 2 (200 users O365 E3 + 800 users O365 E1 + relicensed Office 2016 PP)	€ 194.467	€ 111.515	€ 111.515
Scenario 3 (1000 users O365 E1 + relicensed Office 2016 PP)	€ 184.090	€ 80.400	€ 80.400
Scenario 4 (1000 users O365 E1 + relicensed Office 2019 PP)	€ 218.650	€ 80.400	€ 80.400

SAVINGS OF
41%



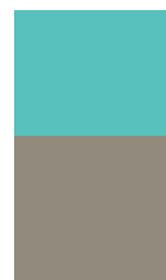
Scenario 2 vs. 1

SAVINGS OF
51%



Scenario 3 vs. 1

SAVINGS OF
46%



Scenario 4 vs. 1

The hybrid model works for all organisations that are already using or planning to migrate to Microsoft cloud solutions and do not need the latest Microsoft Office release for any of their users.

A licensing scenario of this kind might also be applicable for organisations that are already licensing Microsoft Office 365 Enterprise E3 to some or all of their users. However, as licensing terms for the desktop and Office 365 versions of

Microsoft Office differ from each other in various respects, scenarios need to be worked out in detail for each case to ensure maximum benefits while complying with Microsoft's licensing terms.

TABLE 2: PACKAGE COMPARISON

OFFICE LICENCE:	OFFICE 365 E3	OFFICE 2016/2019 + OFFICE 365 E1
Licence Type:	Monthly subscription	Relicensed perpetual licence with monthly subscription
Cost for 36 Months:	€ 707,76	€ 345,00/ € 379,00
Licensed per:	User	Device (Office) + user (O365 E1)
Installation Type:	On premises	On premises
Office Applications:	Word, Excel, PowerPoint, Outlook, Access, Publisher	Word, Excel, PowerPoint, Outlook, Access, Publisher
Office Online:	Yes	Yes
Teams:	Yes	Yes
OneDrive for Business space:	Unlimited	1 TB
Exchange Online:	Yes	Yes
Mailbox size:	100 GB	50 GB
SharePoint Online:	Yes	Yes
Yammer:	Yes	Yes
Stream:	Yes	Yes

Capefoxx's hybrid licensing model offers the best of both worlds in a mixed Microsoft cloud and desktop environment. It allows organisations to take advantage of Microsoft's cloud-based collaboration services and optimize licence costs for Microsoft Office desktop applications. The hybrid model also reduces the organisation's dependency on Microsoft's product and pricing strategy. While providing users with Microsoft Office software functionality tailored to their actual needs, organisations stay up to date on Microsoft Office update cycles and possible pricing changes for the vendor's online services. This has less of an impact on the IT budget because costs for online services subscription are lower.

KEY ADVANTAGES:

- › Reduce licensing costs for Microsoft's Office software by up to 50%.
- › Retain access to Microsoft's cloud services including Yammer, Exchange Online, SharePoint Online, Skype for Business Online, OneDrive and Teams.
- › Reduce dependency on Microsoft's pricing policies.
- › Stay up to date on Microsoft Office update cycles.





Capefoxx partners with KPMG & Deloitte, two renowned software auditors, to ensure the highest quality levels of our software licences.



Capefoxx was founded in 2020 with the mission to optimise the way companies buy, use and sell software in Europe. The name “Capefoxx” was conceived during the 2020 lockdown in South Africa, inspired by the native cape fox – an agile and independent animal that uses its cleverness and quiet observation to persist in a challenging and ever changing environment. The cape fox has large, pointed ears, so it can listen well. Much like the cape fox, we listen to our client’s needs, act independent from the large software companies, and solve challenges in an agile and unique way. As an important milestone in its evolution, Capefoxx acquired Relicense in 2021, one of Europe’s leading providers of relicensed software. As of mid 2022 the entire Group is operating under the Capefoxx brand.

We believe our customers should have flexibility when it comes to licensing software. As an independent supplier, we help our clients select the best software and licensing models for their needs and lead with transparency in all that we do. As one of Europe’s most trusted sources for relicensed software, it goes without saying that we observe all legal and manufacturer requirements. By shedding light on what’s possible in software licensing, we help clients save money, achieve more, and thrive. With Capefoxx, everyone wins.

OUR OBJECTIVES ARE:

1. We act in the interest of our clients, and offer them a smarter, more flexible, and more cost-effective way to licence the software they need.
Smart – Safe – Legal
2. We challenge the status quo!
3. Much like the real cape fox we have to survive amongst big software predators like Microsoft, Adobe, Oracle, VMware and many others. Therefore, we have to be agile and tough, but most of all listen to our clients’ needs.

* Regarding the purchase and sale of licences, Capefoxx verifies that all requirements are met in order for licences to be transferred in line with the law and approved in audits.

INTERESTED IN LEARNING MORE?
SEND US AN E-MAIL!

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