



Licensing guide:

Should you transition your Microsoft Enterprise Agreement (EA) to a Cloud Solution Provider (CSP) agreement?

A comprehensive look at the pros and cons of Microsoft's most popular licensing models



Introduction

Microsoft's most popular purchasing models are the Enterprise Agreement (EA) and Cloud Solution Provider (CSP) programs. Both options have their merits, and the choice between them depends on the specific needs of your organization.

But most organizations don't realize how much the licensing landscape has evolved. CSP isn't just "EA without the commitment" anymore — it's become a fundamentally different way to consume Microsoft services.

And we regularly hear from IT leaders who are struggling with this significant decision.

"My enterprise agreement is up for renewal in three months, and I'm stressed about rising costs and inflexible terms. The traditional EA model feels rigid for where we're heading, but changing to a CSP model feels complex and risky."

If that sounds familiar, you're not alone. The end of a three-year Microsoft EA contract is a natural inflection point, especially with the constant drive toward cloud-first strategies. It's the perfect time to ask if your licensing model is still working for you.

This guide is based on our experience helping hundreds of organizations explore the strategic advantages of transitioning from a traditional EA to the more agile CSP model. And if you decide CSP is the right move for your organization, we'll provide you with a clear blueprint to make the shift with confidence.

Microsoft's licensing models:

What are the differences between EA and CSP?

Microsoft Enterprise Agreement

A Microsoft Enterprise Agreement is a licensing contract designed for large organizations. It provides volume discounts on Microsoft software and services and typically requires a three-year commitment. This agreement allows organizations to standardize their IT environment with Microsoft products and manage licenses more efficiently.

Pros	Cons
Predictable financial planning: EAs offer fixed pricing throughout the agreement term, allowing organizations to budget more effectively.	Long-term commitment: EAs require a three-year commitment, which may not be suitable for organizations with rapidly changing needs.
Volume discounts: EAs provide volume discounts, making it cost-effective for organizations with many users or devices.	Upfront costs: EAs often involve significant upfront costs, which can be a barrier for smaller organizations.
Annual true-up: The annual true-up process allows organizations to adjust their licensing needs once a year.	Over-licensing risk: There is a risk of over-licensing with EAs, leading to unnecessary expenses.

Microsoft Cloud Solution Provider

A Microsoft Cloud Solution Provider agreement is a flexible licensing contract that allows organizations to purchase Microsoft cloud services on a monthly basis. It enables organizations to scale their subscriptions up or down as needed, providing greater financial flexibility and access to the latest Microsoft products and services.

Pros	Cons
Flexibility and scalability: CSPs offer flexibility, allowing organizations to scale their subscriptions up or down monthly.	Less predictable costs: The monthly billing model can result in less predictable costs compared to an EA's fixed pricing.
Cost-effectiveness: CSPs can be more cost-effective for many organizations, with no upfront costs or minimum purchase requirements.	Limited discounts: CSPs may not offer the same volume discounts as an EA.
Monthly billing: CSPs provide greater financial flexibility and easier cash flow management through monthly billing.	

What are the benefits of moving from an EA to CSP?



Flexibility

Monthly and annual CSP agreements both offer versatility that enterprise agreements simply can't match. The former are designed to offer high flexibility, allowing licenses to be added or removed monthly. This elasticity is ideal for organizations with fluctuating staff, seasonal needs, or short-term projects. An annual CSP commitment is slightly more rigid since changes can only be made every twelve months, but it still offers greater flexibility than the standard three-year EA commitment. Additionally, both options allow monthly billing, which provides welcome financial flexibility for your organization.



Improved cash flow

Since CSP agreements don't require initial downpayments and offer monthly billing plans, choosing this licensing is a win for cash flow. This allows organizations to move their Microsoft licensing from capex to opex, opening the door to easier budgeting and forecasting.



Monthly billing

Many organizations prefer the financial flexibility and cash flow management perks of monthly billing. This shift from capex to opex has been a game-changer for CFOs who need more predictable cash flow and budget flexibility. Plus, it's much easier to justify a \$50K monthly Microsoft bill to the board than a \$2M annual commitment.



Faster innovation

The CSP model offers a modern, cloud-aligned licensing approach that promotes rapid provisioning and seamless updates. This enables you to access new Microsoft capabilities and SKUs faster so you can keep up with game-changers like Copilot without waiting for your contract renewal.



Business drivers

In the last year of an EA agreement, it's important to consider business drivers such as organizational size changes, budgeting preferences (opex or capex?), mergers, acquisitions, or divestitures that may make moving to a CSP agreement logical. We've seen companies avoid major licensing complications during M&A activity simply because they had a CSP agreement and could quickly adjust their licensing footprint.

Why should you work with a true CSP partner?

One of the biggest — and most overlooked — benefits of moving to a CSP agreement is getting direct, meaningful support from a trusted partner.

At SHI, you'll have a dedicated CSP rep who acts as an extension of your organization. Literally — their entire job is to ensure you are getting the most value out of your Microsoft investment.

Want consistent, personalized support and expert guidance on best practices, migration strategies, and optimization techniques? SHI [provides all that and more](#):

- **Dedicated assistance and expert guidance:** Boost your operational efficiency with expert advice on best practices, migration strategies, and optimization techniques.
- **Value-added and advisory services:** This includes migration, billing, engineering, and advisory support from SHI's experts to make your implementation process headache-free.
- **Trusted advisor relationship:** We provide consistent, personalized support and technical assistance directly through SHI. No outsourcing, just decades of expertise.
- **Responsive support:** CSP partners provide premium-level support at no additional cost, including faster response times*, direct escalation pathways to Microsoft, and proactive guidance from certified experts. Conversely, EA customers typically receive baseline Microsoft support unless they invest in costly premium tiers — which still don't offer personalized service.

*SHI offers a one-hour response while Microsoft promises help [in under two hours](#).

Your CSP agreement: A gateway to the entire Microsoft ecosystem

Your Microsoft CSP agreement enables you to purchase flexible licensing for many Microsoft products, including (but not limited to):

Azure: Microsoft cloud platform offering services including virtual machines, databases, AI, and more.

Copilot: An AI-powered productivity tool that enhances creativity, productivity, and skills across Microsoft 365 apps and services

Dynamics 365: A suite of intelligent business applications including CRM and ERP solutions.

Microsoft 365: A comprehensive suite that includes Office 365, Windows 11 Enterprise, and Enterprise Mobility + Security.

Office 365: A suite of productivity tools including Word, Excel, PowerPoint, Outlook, and more.

Windows Enterprise: Windows designed for enterprise use.

Still want to keep some data on-premises? The CSP program allows you to purchase on-premises server licenses, like Windows Server and SQL Server, making it easy to procure, manage, and price on-premises software.



How does the CSP transition work, and how does SHI solve real Microsoft licensing challenges?

Every CSP transition has its complications. The key is working with an experienced Microsoft partner who's seen these challenges before and knows how to navigate them efficiently.

Licensing challenge	How SHI handles this
Licensing complexity	
How can we understand Microsoft's subscription options and bundling?	The subscription maze is real, and Microsoft often tweaks SKUs and updates bundles, making yesterday's expertise null and void. We've built relationships with Microsoft's licensing team that give us advance notice of changes. Plus, we maintain a database of SKU mappings that most consultants don't have access to. So when you ask about your options, we don't just hand you a price list. We show you different approaches based on your specific usage patterns and business objectives.
How do we map EA licenses to their CSP equivalents?	This is where experience really matters. SHI licensing experts have done enough of these transitions to know that the "equivalent" CSP license often has different capabilities than its EA brethren — sometimes better, sometimes different. We do a detailed analysis of not only what licenses you have, but how you actually use them. Often, we find consolidation or upgrade opportunities that weren't obvious from just looking at your EA inventory.
Contractual and operational shifts	
How would switching to a CSP agreement impact our internal procurement and financial teams?	The procurement process changes are often more complex than the technical migration. We work with your procurement team to set up new approval workflows, integrate CSP billing with your existing financial systems, and establish governance around license additions and removals. Most organizations need to adjust their procurement policies to handle monthly billing cycles instead of annual commitments.
How should we handle change management training for our IT and procurement teams?	Your team needs to understand the new licensing model and its management processes. We provide training that goes beyond basic functions, like adding users. We also cover cost optimization and management strategies and explain when to use each licensing option.

Licensing challenge	How SHI handles this
Technical considerations	
What do we need to know about tenant alignment and migrations for CSP? (if required)	Tenant migrations can quickly become complicated. We assess your current tenant structure and determine if consolidation makes sense as part of your CSP transition. Sometimes, keeping your existing structure is fine; other times, a migration creates opportunities for better organization and management.
How does CSP integrate with our existing environments like Azure and Microsoft 365?	SHI's CSP program integrates seamlessly with your existing Microsoft 365 and Azure environments by offering the same Microsoft cloud services, delivered through a more flexible, partner-managed model. We enhance this integration with expert licensing guidance, professional services, and a centralized cloud management platform called SHI One, which allows you to monitor, manage, and optimize all your Microsoft cloud services in one place.
Training and adoption	
How do we train our end users so they're comfortable with the CSP program?	The end-user experience doesn't change much, but the administrative experience is completely different. We focus our training on the people who will be managing licenses day-to-day, covering everything from basic user management to advanced cost optimization techniques.



Our proven 6-step implementation roadmap

Over thousands of migrations, we've developed a clear and predictable process. Visualizing the journey helps set clear expectations, and SHI guides you through every single phase.

Assess current licensing needs

1 We start with a detailed analysis of your current EA usage — not just what licenses you have, but how you actually use them. This often reveals opportunities for optimization that weren't obvious before. We also look at your business plans for the next 18 months to ensure the new CSP structure supports your growth.

Choose your CSP partner

2 This decision is more important than most organizations realize. Your CSP partner becomes your primary relationship with Microsoft, handling billing, support, and often strategic guidance. Select a CSP partner that aligns with your organization's goals and offers the necessary value-added services. Look for partners with deep Microsoft expertise, robust support capabilities, and a track record of successful EA-to-CSP transitions.

Plan your transition

3 Your transition plan needs to account for your EA renewal timeline, budget cycles, and any business changes on the horizon. Together, we develop a detailed transition plan that outlines the steps required to move from EA to CSP. This should include timelines, resource allocation, and key milestones. We typically recommend starting the process 6-9 months before your EA expires to allow enough time for proper planning and execution.

Migrate existing systems

4 The technical migration is usually the easiest part if you're staying within the same tenant. The complexity comes from establishing new management processes and ensuring your team understands the new licensing model. Work with your CSP partner to migrate current licensing to CSP equivalents. We handle the technical details while ensuring your team understands the changes and new capabilities.

Implement and provision subscriptions

5 This is where the flexibility of CSP starts to become apparent. Instead of provisioning based on projected needs, you can start with actual current usage and scale as needed. Set up CSP subscriptions based on your organization's needs. This includes provisioning new subscriptions, adding and removing users, and configuring billing preferences.

Monitor, govern, and optimize

6 The work doesn't stop at migration. The ongoing management of CSP is different from EA. With monthly billing and adjustment capabilities, you can optimize continuously instead of waiting for annual true-ups. We help establish monthly CSP usage review processes to ensure you're getting the most value from your Microsoft investment and adjusting as your business needs change.

Why SHI for CSP: More than just a license

When you choose SHI, you're not just choosing a CSP provider; you're gaining a partner [deeply invested in your success](#).

You get direct access to a deep bench of talent, including our 300+ SHI badged Microsoft resources. These aren't just generalists; they are certified licensing experts, Azure Expert MSPs, and Copilot Jumpstart Partners who live and breathe this technology every day, and they understand the nuances of your specific Microsoft environment.

We've guided organizations through every type of EA-to-CSP transition, from straightforward migrations to complex multi-tenant consolidations. Our licensing experts stay current with Microsoft's constantly changing programs and maintain direct relationships with Microsoft's licensing team.

Here's what sets SHI apart:



24x7 technical support

You want U.S.-based technical support that's staffed by people who understand enterprise environments. When you have an issue, you're not going through multiple tiers of support or dealing with language barriers. Our first-line support team can handle most Microsoft-related issues directly, and when escalation is needed, we have direct channels to Microsoft's enterprise support teams.



SHI One platform

Managing CSP subscriptions across multiple tenants and business units can become complicated quickly. Our SHI One platform provides a single-pane-of-glass view of your entire Microsoft environment with advanced reporting, cost forecasting, and automated optimization recommendations. It's particularly valuable for organizations with complex licensing needs or multiple business units.



Value-added services

We provide ongoing advisory services that help you optimize your Microsoft investment. Our 365 Insights service identifies underutilized licenses and optimization opportunities, and our FinOps consulting helps you establish processes for ongoing cost management and budget forecasting.

And the advisory relationship doesn't end when the migration is complete. Our Microsoft and Software Advisory Services (MSAG) team keeps you informed about new Microsoft programs, licensing changes, and optimization opportunities. We also provide IT asset management (ITAM) services that help you optimize your entire software portfolio, not just Microsoft.

Looking for a...

Azure Expert Managed Services Provider?

Cloud Solution Provider?

Copilot Jumpstart Partner?

FastTrack Partner?

Microsoft Licensing Solution Provider?

New Commerce Experience Partner?

VAR with a Supplier Diversity Program?

SHI is all of these and more.



Conclusion

The EA-to-CSP transition represents more than just a licensing change — it's an opportunity to align your Microsoft investment with how your business actually operates. CSP's flexibility, cost optimization, and strategic advantages make it the right choice for most organizations today.

When software was primarily on premises and business needs changed slowly, EAs were ideal. But in today's environment, where agility and responsiveness are competitive advantages, CSP provides the flexibility that modern organizations need.

The key to a successful transition is working with a partner who understands both the technical and business aspects of Microsoft licensing. At SHI, we've helped hundreds of organizations make this transition successfully, and we understand how to navigate the complexities while maximizing the benefits.

If you're considering the move from EA to CSP, or if your EA renewal is approaching, let's talk about how this transition could benefit your organization. Our Microsoft licensing experts will assess your current environment and help you understand the opportunities and implications of moving to CSP.

Ready to explore how CSP can better support your business objectives?

Connect with SHI's Microsoft licensing experts today to discuss your specific situation and develop a transition strategy that works for your organization.