We will begin shortly…

Microsoft FY27

Partner Briefing Call

Growth Pathways | Enablement | Incentive Changes

July 16, 2026 | 12:00 PM AEST

Microsoft Teams Webinar

Public

Crayon
A SoftwareOne Company

Microsoft

WEBINAR

Microsoft FY27

Partner Briefing Call

Growth Pathways | Enablement | Incentive Changes

July 16, 2026 | 12:00 PM AEST
Microsoft Teams Webinar

Public

Meet The Speakers

Michelle Harold

Product Manager, Productivity

Gill Sukhjit

Product Manager, Cloud

Marcel Macinga

Head of Alliances, Microsoft ANZ Channel

Agenda

- FY27 Priorities and strategic shifts across Microsoft.
- CSP Economics and Opportunities
- **CSP Incentives overview**
  - Microsoft 365 and Dynamics 365
  - Azure CSP incentives
- **Frontier Accelerate**
  - AI Business Solutions and Security
  - Azure
- Partner Announcements and Promotions
- Key Takeaways and next steps

Stay till the end for a chance to win 1 of 2 vouchers worth $50 (*ANZ Only)

Strongest Investments

- Copilot
- Agents
- Security
- Data & AI
- Azure

FY27 Microsoft Partner Incentives priorities

1 Accelerate Frontier Transformation

Focus investment on the most strategic workloads (Copilot, Agents, Data, Security)

2 Differentiate incentives toward customer growth

Further reward growth in CSP for upsell/cross-sell and acquisition

3 Optimize pre- and post-sales outcomes

Reward partners for delivering measurable, high-impact scenarios

4 Prioritize ecosystem health

Encourage new-to-ecosystem growth and minimize unproductive channel shift

HOW PARTNERS WIN IN FY27

Help customers innovate, modernize data, adopt AI, strengthen security.

HOW WE CAN HELP

Enablement, funding and incentive guidance, growth planning, customer insights and solution plays that accelerate profitable growth.

Protect → Expand → Transform → Grow

Protect relationships · Expand workloads · Transform with AI & security · Grow profitability

THE HEADLINE

Five changes that reshape reseller economics.

Core lever removed for resellers

From 3.75% (M365) and 4.00% (D365), Core drops to 0% for indirect resellers.

Growth Accelerator raised sharply

M365 & D365 growth jumps 7.5% to 12.5% for resellers. Azure growth restructured up to 12%.

Update: Change of Channel Partner (COCP)

When customer is moved between partners in a solution area. New partner ineligible for core + strategic incentives for 12 months, eligible for growth incentives.

New: Growth Margins (from Oct 2026)

Base margin + earned Growth margin on select SKUs via new-to-offer, seat expansion and strategic SKU mix.

Focus shifts to growth & Frontier workloads

Rewards tilt toward net-new customers, upsell / cross-sell and Copilot, Agents, Data and Security — not flat renewals.

FY27

CSP Incentives overview, Microsoft 365 and Dynamics 365

Public

Incentive Structure and Eligibility

CSP Incentive Construct

Growth Accelerator	**Up to 12.5% (M365 / D365)** **Up to 12% (Azure)**	Rewards **year-over-year growth** — expanding customers, consumption, and net-new revenue. Refer CSP Product Addendum for full list of eligible products.
Strategic Accelerators	**Up to 7% (M365 / Azure)**	Additional incentive for **priority solution areas** and **strategic workloads** — focused on high-value offerings.
Core	**Indirect reseller: 0% (N/A)**	**Foundational incentive** for selling eligible CSP products and services — rewards baseline activity across portfolio.

FY27 CSP incentives eligibility *No changes from FY26*

FY27 Requirements to qualify	▪ CSP indirect reseller authorization ▪ Solutions Partner designation or a minimum of 25 capability points, specific to the solution area* incentive ▪ $25,000 TTM revenue at the Partner Location Account (PLA) ID ▪ Points are checked monthly, looking at the current month and the previous five months.

***Solution area for incentives eligibility defined as:**

- Microsoft 365 incentives: Solutions Partner designation for Modern Work or Security
- Dynamics 365 incentives: Solutions Partner designation for Business Applications
- Azure incentives: Solutions Partner designation for Data & AI or Digital & App Innovation or Infrastructure

Public

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.

Category	Business Applications CSP incentives	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
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 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-point threshold is reached.

Public

Incentive Term: July 1st, 2026 – June 30th, 2027

MODERN WORK & SECURITY

FY27 Microsoft 365 CSP incentives — indirect reseller

M365 CSP lever	FY26 rate	FY27 rate	Change for reseller
M365 CSP Core	3.75%	**N/A**	**removed**
M365 CSP Global Strategic Product Accelerator – Tier 2 **(M365 E5, M365 E7, Agent 365, M365 Copilot, Copilot Studio)**	7.00%	**7.00%**	**scope expanded**
M365 CSP Global Strategic Product Accelerator – Tier 1 (M365 Business Premium, M365 E3, M365 Copilot Business, M365 Business + Copilot Business bundles, Microsoft Defender Suite, Microsoft Purview Suite, Microsoft Defender Suite for BP, Microsoft Purview Suite for BP)	3.00% / 4.00%*	**2.50%**	**lower; scope expanded**
M365 CSP Global Calling & Conference PSTN Accelerator	20.00%	**20.00%**	**no change**
M365 CSP Growth Accelerator*	7.50%	**12.50%**	**+5.0 pts**

*Eligible for products included in Strategic Product Accelerators - Tier 1 and Tier 2, and Windows 365

FY26 Tier 1 varied by market (Innovate & Balance 3.00% / Scale 4.00%); FY27 applies a flat 2.50% globally.

Maximum earning opportunities apply as per the Microsoft CSP incentives guide.

Up to 19.5%

Eligibility:
- CSP indirect reseller authorization
- Solutions Partner designation for Modern Work or Security OR 25+ capability points for either
- $25K USD trailing 12-month (TTM) revenue threshold

Payout Details:
60% indirect rebate / 40% co-op

Offer Description:
Incentives are calculated based on billed revenue, with incremental rewards for partners who drive year-over-year incremental growth in strategic Modern Work and Security CSP offers.

3.75% Core is removed and Growth Accelerator rises to 12.5% (vs 10% for direct bill). Resellers now earn on growth and strategic mix, not on flat volume.

Public

M365 Growth scenarios for illustration

Scenario	Year 1	Year 2	Core Lever	Strategic Lever	Growth	Comment
CSP - new solution	300 ME5 Seats	300 ME5 Seats + 50 Copilot Seats	x	x	x	YoY customer tenant revenue growth from Copilot
CSP - new solution	300 ME5 Seats	150 ME5 Seats + 10 Copilot Seats	x	x		No YoY customer tenant revenue growth as reduction in revenue
CSP - seat expansion (nonstrategic product)	300 OE3 Seats	400 OE3 Seats	x			YoY customer tenant revenue growth must be on strategic products for Modern Work
CSP - flat	300 ME5 Seats	300 ME5 Seats	x	x		No YoY customer tenant revenue growth
EA to CSP - upsell	300 ME3 Seats	300 ME5 Seats	x	x	x	YoY customer tenant revenue growth from E3 to E5 upsell
EA to CSP - flat	300 ME3 Seats	300 ME3 Seats	x	x		No YoY customer tenant revenue growth (however, if revenue is higher due to CSP price being higher, growth will be eligible)
COCP - Partner A to Partner B	300 ME5 Seats	300 ME5 Seats				No YoY customer tenant revenue growth for Partner B and no core or strategic as COCP
CSP - new customer	N/A	300 ME5 Seats	x	x	x	YoY customer tenant revenue growth

Note: Growth is based on bill revenue

Public

Incentive Term: July 1st, 2026 – June 30th, 2027

BUSINESS APPLICATIONS

FY27 Dynamics 365 CSP Incentives –indirect reseller

D365 CSP levers	FY26 rate	FY27 rate	Change for reseller
D365 CSP Core	4.00%	**N/A (0%)**	**removed**
D365 CSP Global Strategic Product Accelerator – Tier 2 (D365 Business Central)	8.00%	**7.00%**	**-1.0 pt**
D365 CSP Global Strategic Product Accelerator – Tier 1 ((D365 Supply Chain Management, D365 Finance, D365 Project Operations, D365 Human Resources)	7.00%	**6.00%**	**-1.0 pt; scope expanded**
D365 CSP Growth Accelerator*	7.50%	**12.50%**	**+5.0 pts**

*Eligible for products included in Strategic Product Accelerators - Tier 1 and Tier 2, and D365 Sales and D365 Customer Insights

Growth Accelerator now also covers D365 Sales and D365 Customer Insights (in addition to Tier 1 & 2).

Up to 19.5%

Eligibility:
- CSP indirect reseller authorization
- Solutions Partner designation for Business Applications OR 25+ capability points
- $25K USD trailing 12-month (TTM) revenue threshold

Payout Details:
60% indirect rebate / 40% co-op

Offer Description:
Incentives are calculated based on billed revenue, with incremental rewards for partners who drive year-over-year incremental growth in strategic Business Applications CSP offers.

Core (4.00%) removed, strategic rates trimmed but scope widened (Project Ops & HR added to Tier 1), and Growth Accelerator lifted to 12.5%.

FY27

CSP Economics and Opportunities

Growth Margins overview

Beginning October 2026: more customer growth through qualifying motions means more margin earned.

Introduction of Growth margins, in addition to existing base margins, on select SKUs.

Growth margin is earned through three motions:

New-to-Offer

Product is new to the customer's tenant. Applies to all new seats within the lookback window (meets minimum threshold)

Seat Expansion

Significant seat increase on a product they already have (meets the expansion multiplier & minimum threshold).

Strategic SKU Mix

A higher ratio of strategic-SKU seats to the base product, once the ratio crosses the threshold.

Scope: CSP license-based offers on selected products (M365 E5/E7, M365 Copilot, Windows 365 Enterprise, Defender Suite and Purview Suite).

Out of scope: Consumption-based services, Perpetual software licenses, Specialized offers, Nonprofit / EDU / Gov SKUs
Eligibility is assessed at tenant level and locked at time of sale — confirm before you transact.

Growth margin is earned through three qualifying motions, each with defined criteria assessed at the time of sale

Increased Copilot Margin

Reflecting strategic priorities and partner investments, Microsoft has increased partner margins on Microsoft 365 Copilot, Microsoft 365 Copilot Business and associated bundle SKUs below,

- Microsoft 365 Copilot
- Microsoft 365 Copilot Business
- Microsoft 365 Business Basic and Microsoft 365 Copilot Business
- Microsoft 365 Business Standard with Copilot
- Microsoft 365 Business Premium with Copilot

Presents partners with a stronger position to lead SMB AI-powered business transformation across new sales, seat expansion, and renewal motions.

Base Margin adjustment on selected SKUs

October 2026 - Base margin on a subset of products will be reduced (Office 365 E1, Office 365 E3, OneDrive Extra Storage, SharePoint, Exchange Online, Microsoft 365 Apps for Business, Microsoft 365 Apps for Enterprise)

FY27 Partner Opportunity and Recommendations

- Lead with Copilot, Microsoft 365 E5 and E7 — Rethink strategy and solution offerings to prioritise these workloads as they attract strong strategic accelerators and growth incentives
- Identify earning opportunities for upsell mid-term and at renewals.
- Position Microsoft Purview, Defender and Entra for AI governance and security
- Act before renewal dates — focus on Microsoft 365 Business Premium → E5/E7, E3 → E5 and Copilot add-on motions rather than like-for-like renewals. Growth and strategic mix are rewarded more heavily than flat renewals
- Act before renewal dates — identify new-to-offer, seat expansion and strategic SKU mix opportunities throughout the subscription lifecycle to maximize growth margins and incentives
- Modernize business processes with Dynamics 365, Power Platform and AI agents.
- Position the new durable SKUs for M365 Business Standard / Business Premium with Copilot
- Deep dive on recent feature additions to Microsoft 365 / Office 365 and standalone components with customers

Shift from selling licences to delivering AI, Security, Governance and Business Transformation outcomes

FY27

Azure CSP incentives

Public

Incentive Term: July 1st, 2026 – June 30th, 2027

FY27 Azure CSP Incentives- indirect resellers

Up to 19.5%

CSP lever	FY26 (current)	FY27	Change for reseller
Consumption (Pay-as-you-go)	3.00%	**3.00%**	**= no change**
Reservation & Savings Plan	3.00%	**3.00%**	**= no change**
Growth Accel. – Tier 3 (SQL, Cosmos DB, PostgreSQL/MySQL, Fabric)	7.50% (single)	**12.00%**	**new top tier**
Growth Accel. – Tier 2 (Foundry, GitHub, Defender for Cloud, Sentinel, Copilot Studio)	7.50% (single)	**10.00%**	**higher**
Growth Accel. – Tier 1 (all other workloads)	7.50% (single)	**7.00%**	**-0.5 pt**

Eligibility:
- CSP indirect reseller authorization
- Solutions Partner designation for Infrastructure or Data & AI or Digital & App Innovation OR 25+ capability points for either of the three
- $25K USD trailing 12-month (TTM) revenue threshold

Payout Split:
- 60% indirect rebate / 40% co-op

Offer Description:
- Incentives are calculated based on Azure consumed revenue (ACR, with incremental rewards for partners who drive year-over-year incremental growth in Azure CSP workloads.

Consumption rates are unchanged, but the single 7.5% Growth Accelerator is replaced by a 3-tier model that pays up to 12% on strategic data & AI workloads (and 7% on everything else).

Growth is measured on total tenant ACR, then incremental ACR is attributed to workloads and paid at the matching tier. From 1 Jul 2026, Copilot Studio Platform CSP eligibility extends to Modern Work, Business Apps and Azure designations. Headline 'up to 15%'

Growth accelerators include Pay-as-you-go2, RI/SP2

.

Change of Channel Partner (COCP)

COCP focuses incentives on true growth and new customer value, not partner-to-partner transfers

What is COCP?

Change of Channel Partner (COCP) applies when customer tenant recurring monthly revenue or subscription moves between partners within a solution area. Incentives are intended to reward net-new customer value and growth, not transfers between partners.

What this means for partners

In COCP scenarios, the new partner remains eligible for growth incentives but is ineligible for core rates and strategic accelerators for 12 months.

When COCP does NOT apply

Partner was de-authorized by Microsoft, acquired/merged with another partner, role change within the same organization (e.g., reseller becomes distributor)

Partner is defined at Partner Global Account (PGA) ID

Public

FY27 PROGRAMMATIC INCENTIVES

Frontier Accelerate for AI Business Solutions and Security

FY27 PROGRAMMATIC INCENTIVES

Frontier Accelerate — Investments

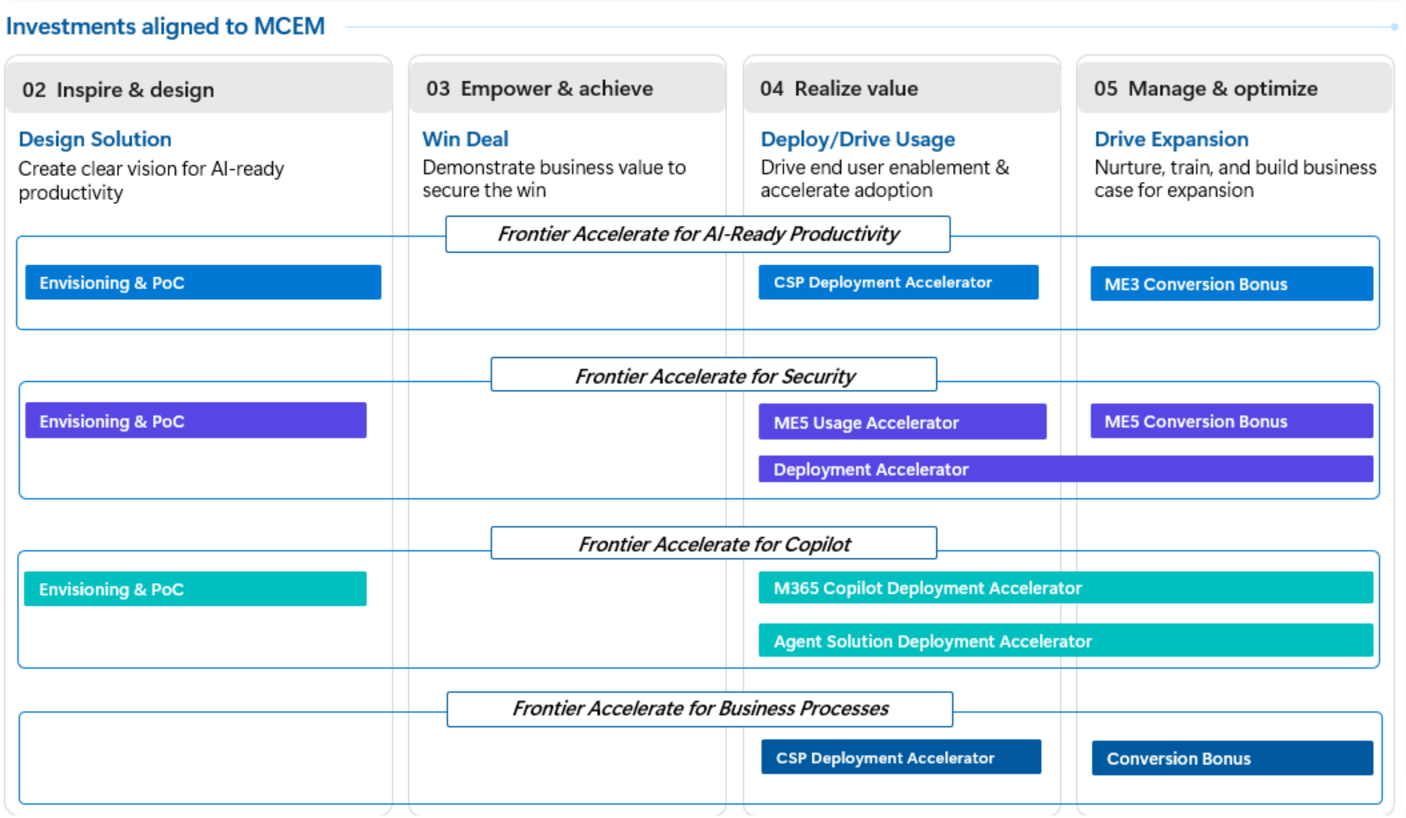
Three incentive programs

Copilot **130%** YoY increase in Copilot investments	**Envisioning & PoC** *(pre-sales)* **Up to $25K**	**Deployment Accelerator** *(post-sales)* M365 Copilot | Agentic Solutions **Up to $50K**	**Cross-CSA Agent Attribution** Recognize impact for agents built in both Copilot Studio and Foundry
AI-Ready Productivity **43%** YoY increased opportunity in FY27	**Envisioning & PoC** *(pre-sales)* **Up to $25K**	**Deployment Accelerator** *(post-sales)* M365 E3 · 1.8x Deployment Accelerator **Up to $40K**	**Conversion Bonus** *(post-sales)* For compete scenarios
Security **4x** Increase in Security post-sales investment	**Envisioning & POC** *(pre-sales)* **Up to $15K**	**Deployment Accelerator** *(post-sales)* **Up to $50K · +30% over FY26**	**Conversion bonus** *(post-sales)* 1.8x deployment Refreshed Sentinel: Up to $112.5K (+80% over FY26)

Public

FY27 PROGRAMMATIC INCENTIVES

Frontier Accelerate — Overview



FY27 engagement principles

Unified, agent-first engagements with expanded incentives and recognition

Expanded support for SMB coverage

Full flexibility for partners to define the customer journey based on specific needs

Repeatable engagements that help customers continuously realize value

Performance-evaluated engagements with a focus on outcomes

Public

Frontier Accelerate — Overview

Three Engagement models

Envisioning & PoC 1:1 · (pre-sales)	Spans persona analysis, use cases, business justification, and technical readiness through in-production environment proof of concept. **Adaptable engagements** tailored per customer across one or more workloads.
Deployment Accelerator 1:1 · (post-sales)	Encompasses deployment, migration, implementation, training, and change management for **new and at-risk renewal SKUs**.
Conversion Bonus 1:1 · (post-sales)	Rewarding partners for accelerating the shift to Microsoft from designated competitive vendor workloads. Requires a completed Deployment Accelerator engagement.

Supported workloads by program

Copilot

- Microsoft 365 E7
- Microsoft 365 Copilot
- Copilot Business
- Agent 365
- Power Platform

AI-Ready Productivity

- Microsoft 365 ME3
- Microsoft 365 Business Premium
- Microsoft Intune
- Microsoft Entra
- Windows 365

Security

- Microsoft Defender
- Microsoft Purview
- Microsoft Entra Suite
- Security Copilot
- Microsoft Sentinel
- Microsoft Defender for Cloud
- Agent 365
- Business Premium Security Suites

Public

Incentive Term: July 1st, 2026 – June 30th, 2027

FY27 PROGRAMMATIC INCENTIVES

Frontier Accelerate for Copilot overview

Multi-purpose engagements that can be tailored to customer needs. Flexible to drive ONE or more workloads.

1:1 **Envisioning & POC** *(pre-sales)*	**Microsoft 365 Copilot + Agents + Agent 365** Identify personas, use cases, build a business case, technical and security readiness, and deliver envisioning and/or proof of concept.	Microsoft 365 Copilot + Agents (M365 Copilot, Studio & Foundry) + Agent 365
1:1 **M365 Copilot Deployment Accelerator** *(post-sales)*	**Microsoft 365 Copilot** Implementation, security foundations, training, Adoption and Change Management.	Microsoft 365 Copilot
1:1 **Agent Solution Deployment Accelerator** *(post-sales)*	**Agents** Implementation, agent activation and development, security & governance foundations, training, Adoption and Change Management.	Microsoft 365 Copilot + Agents (Copilot Studio & Foundry) + Power Platform

Partner Eligibility can include one of the following* (specific requirements depend on Engagement type and opportunity):

Copilot Specialization

Copilot Jumpstart (Ready or Higher Tier)

Business Applications Specialization (for Agent Solution Deployment Accelerator)

Important Note: Refer the Incentive Guide and investment terms for complete and detailed information for these investments, such as Engagement Summaries and Caps, Partner Eligibility, Activity Requirements, Performance Measurements, Measure and Reward, Customer Criteria and POE requirements

*Partners who are Copilot Jumpstart Ready or higher tier as of June 30, 2026 will be eligible between July 1, 2026 through December 31, 2026; Copilot Specialization required effective January 1, 2027

Incentive Term: July 1st, 2026 – June 30th, 2027

FY27 PROGRAMMATIC INCENTIVES

Frontier Accelerate for Copilot overview

Pre-sales and post-sales investment offers enabling partners to drive end-to-end AI transformation for customers interested in M365 Copilot and Agentic solutions through ME7, M365 Copilot, M365 Copilot Business, Agent 365, and/or Power Platform

Engagement Portfolio sizes range from XXS to M (Pre-Sales) and L (Post-Sales)

Engagement Portfolio		Pre-Sales	Post-Sales
Size	Minimum Customer Size	Envisioning & PoC	Deployment Accelerator
XXS	300+ O/M suite seats 50+ Copilot seats	$2K	$2.5K

POE

- Customer Attestation
- Partner Survey
- Invoice

Important Note: Refer the Incentive Guide and investment terms for complete and detailed information for these investments, such as Engagement Summaries and Caps, Partner Eligibility, Activity Requirements, Performance Measurements, Measure and Reward, Customer Criteria and POE requirements

Envisioning & POC: Pre-Sales

Size	Customer Eligibility	Partner Payment: Markets A, B, C			Performance Measurements		
		Market A	Market B	Market C	Copilot $	Agent Consump-tion $	Agent MAU
XXS	300+ Office 365 and/or Microsoft 365 seats (includes OE3/OE5/E5/G3/G5, Business Standard & Premium SKUs)	$2,000	$1,500	$1,000	$10,000	$6,000	300 users

M365 Copilot Deployment Accelerator: Post-Sales

Size	Customer Eligibility	Partner Payment: Markets A, B, C			Performance Measurements
		Market A	Market B	Market C	M365 Copilot MAU
XXS	50+ M365 Copilot seats AND 50+ incremental M365 Copilot MAU opportunity: defined as M365 Copilot Paid available units (PAU) minus M365 Copilot Monthly Active Users (MAU).	$2,500	$1,875	$1,250	50 users

Agent Solution Deployment Accelerator

Size	Customer Eligibility	Partner Payment: Markets A, B, C			Performance Measurements		
		Market A	Market B	Market C	Agent Consump-tion $	Agent MAU	Power Platform MAU
XXS	50+ Office 365 and/or Microsoft 365 seats (includes OE3/OE5/E5/G3/G5, Business Standard & Premium SKUs)	$2,500	$1,875	$1,250	$7,500	50 users	50 users

Public

Incentive Term: July 1st, 2026 – June 30th, 2027

FY27 PROGRAMMATIC INCENTIVES

Frontier Accelerate for AI-Ready Productivity overview

1:1
Envisioning & PoC
(pre-sales)

Spans persona analysis, use cases, business justification, and technical readiness through in production environment proof of concept. **Adaptable engagements** tailored per customer across one or more workloads.

1:1
CSP Deployment Accelerator
(post-sales)

Encompasses deployment, migration, implementation, training, and change management for **new and at-risk renewal SKUs.**

1:1
Conversion Bonus
(post-sales)

Rewarding partners for accelerating the **shift to Microsoft** from designated competitive vendor workloads. Requires a completed Deployment Accelerator engagement.

Supported Workloads

Microsoft 365 ME3
Microsoft 365 Business Premium
Microsoft Intune
Microsoft Entra
Windows 365

Pre Sales:
- ME3 Envisioning & POC
- Cloud Endpoints Envisioning & POC

Post Sales:
- CSP ME3 Deployment Accelerator
- CSP BP Deployment Accelerator
- Conversion Bonus BP
- Conversion Bonus ME3
- CSP W365 Deployment Accelerator

Performance Measurements

O365/M365 Revenue	W365 Revenue	AVD Consumption
Intune MAU	Entra MAU	W365 MAU

Customer Criteria

- Strategic 500, EDU, and non-profit customers are ineligible for Frontier Accelerate for AI-Ready Productivity engagements.

Engagement Controls

- Engagement delivery capped at one (1), maximum approved claims per customer tenant
- Engagement delivery capped at one (1), maximum concurrent claim per customer tenant

Partner Eligibility
(specific requirements depend on opportunity)

- Modern Work Solution Partner Designation
- Modern Work Specialization
- Identity & Access Management Specialization
- Microsoft Security Specialization
- Modernize Endpoints Specialization

Incentive Term: July 1st, 2026 – June 30th, 2027

Frontier Accelerate for AI-Ready Productivity

CSP BP Deployment Accelerator

Post-Sales

Engagement Summary

The Frontier Accelerate for AI-Ready Productivity: CSP BP Deployment Accelerator engagement is designed for partners to accelerate deal closure by offsetting some of the cost associated with migrating, deploying and driving adoption of incremental Microsoft 365 Business Premium seats purchased. Eligible activities may include tenant preparation, technical deployments, workload configurations, security & governance implementation, user training, adoption planning, change management, and related optimization activities that support successful Business Premium deployment and usage.

POE

- Customer Attestation
- Partner Survey
- Invoice

$2K Maximum earning opportunity

Resources:

- Incentives guide & investment terms

Size	Customer Eligibility	Partner Payment: Markets A, B, C			Performance Measurements	
		Market A	Market B	Market C	Intune MAU	Entra MAU
XXS	50+ incremental Business Premium Seats	$2,000	$1,500	$1,000	4users	4 users

Performance Measurements

- Intune MAU
- Entra MAU

Customer Criteria

- Strategic 500, EDU, and non-profit customers are ineligible for Frontier Accelerate for AI-Ready Productivity: CSP BP Deployment Accelerator engagements
- Visit the incentives guide for customer nomination and payment eligibility details associated with this engagement

Engagement Controls

- Engagement delivery capped at one (1), maximum approved claims per customer tenant
- Engagement delivery capped at one (1), maximum concurrent claim per customer tenant

Partner Eligibility

Modern Work Solutions Partner Designation

Incentive Term: July 1st, 2026 – June 30th, 2027

Frontier Accelerate for AI-Ready Productivity

Conversion Bonus BP

Post-Sales

Engagement Summary

The Frontier Accelerate for AI-Ready Productivity: Conversion Bonus – BP engagement is designed for partners delivering successful migrations from a competitive solution to Microsoft 365 Business Premium. Partner effort must demonstrate that a prior solution was in place as a legacy product with the customer, and that a documented Microsoft-focused conversation took place with the appropriate customer stakeholders.

Engagement eligibility is limited to customers who meet the defined eligibility criteria and have successfully completed and claimed the Frontier Accelerate for AI-Ready Productivity: CSP BP Deployment Accelerator in the customer's tenant prior to any Frontier Accelerate for AI-Ready Productivity: Conversion Bonus – BP engagement nomination.

POE

- Customer Attestation
- Partner Survey
- Invoice
- Customer before/after screenshots

$1.6K Maximum earning opportunity

Resources:

- Incentives guide & investment terms

Size	Customer Eligibility of qualifying Frontier Accelerate for AI-Ready Productivity: CSP BP Deployment Accelerator	Partner Payment: Markets A, B, C		
		Market A	Market B	Market C
XXS	50+ Business Premium Seats	$1,600	$1,500	$1,000

Customer Criteria

- Limited to customers who have a successful Frontier Accelerate for AI-Ready Productivity: CSP BP Deployment Accelerator completed in their tenant
- Strategic 500, EDU, and non-profit customers are ineligible for Frontier Accelerate for AI-Ready Productivity: Conversion Bonus BP engagements

Engagement Controls

- Engagement delivery capped at one (1), maximum approved claims per customer tenant
- Engagement delivery capped at one (1), maximum concurrent claim per customer tenant

Partner Eligibility

Modern Work Solutions Partner Designation

Public

Frontier Accelerate for Business Processes

Frontier Accelerate for Business Processes

Post-sales **CSP Deployment Accelerator**

Post-sales **Conversion Bonus**

Dynamics 365
Accelerate deal closure by offsetting the cost of deployment and adoption services for CSP customers.

Dynamics 365
Designed to reward partners delivering successful migrations from defined competitor solutions to Microsoft solutions.

Dynamics 365
Business Central, Commerce, Contact Center, Customer Insights (Journey + Data), Customer Service, Field Service, Finance, Human Resources, Project Operations, Sales, Supply Chain

Engagement Name	Minimum ACV of eligible D365 products	Market A Payout
CSP Deployment Accelerator (XXS)*	$20k USD	$5k
Conversion Bonus (XXS)	$20k USD	$4k

*Performance measurement of 4 MAU

Performance Measurements

Dynamics 365 MAU

Partner Eligibility

One of the following Business Applications specializations

Finance	Intelligent Automation	Low Code Development	Copilot
Sales	Service	Small & Midsize Business Management	Supply Chain

OR

Deployment Voucher program participating partner as of June 30, 2026

CSP Deployment Accelerator: Available for customers purchasing at least $20,000 USD Annual Contract Value (ACV) of D365 products on CSP annual-term subscriptions

Conversion Bonus: Available for customers purchasing at least $20,000 USD ACV of D365 products on CSP annual-term subscriptions and have had successful CSP Deployment Accelerator

Performance Measurement – New in FY27
Partners need to maintain a 33% portfolio performance rate, which means that 33% of the completed engagements need to meet defined performance criteria - a minimum growth in monthly active usage, monitored in quarterly milestones over 12 months after the engagement is completed.

Public

Incentive Term: July 1st, 2026 – June 30th, 2027

FY27 PROGRAMMATIC INCENTIVES

Frontier Accelerate for Security

Engagement	Stage	XXS — customer / project size	XXS · Mkt A	Partner Eligibility*
Security Envisioning & PoC ME3/ME5	Pre-sales	300+ ME3 or ME5 seats	**$2,000**	One or more defined Security Specialization
Security Envisioning & PoC OE3/OE5	Pre-sales	300+ OE3 & EMS seats	**$2,000**	One or more defined Security Specialization
CSP ME5/ME7 Deployment Accelerator	Post-sales	50+ ME5/ME7 seats	**$3,000**	One or more defined Security Specialization
CSP Defender/Purview Suites Deployment Accelerator	Post-sales	50+ suite seats	**$2,000**	One or more defined Security Specialization
CSP BP Defender/Purview Suites Deployment Accelerator	**Post-sales· SMB**	50+ BP suite seats	**$2,000**	**Security Partner Designation**
Conversion Bonus — ME5/ME7	Post-sales	50+ seats, displacing competitor	**$2,400**	One or more defined Security Specialization
Conversion Bonus — Defender & Purview	Post-sales	50+ seats, displacing competitor	**$1,600**	One or more defined Security Specialization
Conversion Bonus — Defender & Purview BP	**Post-sales · SMB**	50+ seats, displacing competitor	**$1,600**	**Security Partner Designation**

* Requires MAICPP and MCI agreements and one or more** of the following Specializations:
- Cloud Security Specialization
- Identity & Access Management Specialization
- Threat Protection Specialization
- Data Security Specialization

Public

FY27 Partner Investments

Frontier Accelerate for Azure

Public

Frontier Accelerate for Azure

What's New in FY27 Frontier Accelerate for Azure?

Incentive Term: July 1st, 2026 – June 30th, 2027

FY26 Azure Accelerate → FY27 Frontier Accelerate for Azure

Area	FY26 · Azure Accelerate	FY27 · Frontier Accelerate for Azure
Program name	Azure Accelerate	Frontier Accelerate for Azure
Workloads	Migration, Data, AI Apps	Expanded to Databases, Agentic AI Platform, Digital Sovereignty, Sentinel, Foundry, Fabric, GitHub & Copilot workloads
AI focus	Limited AI incentives	Dedicated Agentic AI Platform incentives for GitHub, Fabric & Foundry — up to 1.75× more funding
Data focus	Data Platform	New Database-specific engagements plus conversion bonuses from AWS / GCP databases
Cloud Accelerate Factory	Separate motion	Integrated into Partner Incentives — no funding impact for Specialized Partners
Eligibility	Based largely on Specializations	Expanded via Solutions Partner Designation (SPD)
Competitive migrations	No dedicated bonus	New Database Conversion Bonus for AWS & Google workloads

Frontier Accelerate for Azure

Partner Nominated Post Sales Offers for Designation* Partners (SMB)

*Solution Partner Designation (SPD)

Public

SMB PATH · SPD PARTNERS

Easier Eligibility, New Funded Scenarios

What's changed

Microsoft removed the historical $1M ACR threshold.

FY27 SMB Path = 80%+ of customers in the SMB / Corporate segment, regardless of ACR size.

Eligible through:

- Solutions Partner Designation — Infrastructure, Data & AI, Digital & App Innovation

Important limits vs. Specialized Partners

✗ No Pre-Sales incentives
✗ No Cloud Accelerate Factory access
✓ Post-Sales funding only
✓ Azure Credits still available via Microsoft Co-Sell

SMB incentives — max FY27

Scenario	Max incentive
Databases (SMB)	**Up to $24K**
Database Conversion Bonus	**Up to $6K**
Agentic AI Platform	**Up to $21K**
Core Migrate & Modernize	**Up to $12K**
Security (MDC / Sentinel)	**Up to $13.8K**
VDI Migration	**Up to $7.2K**

Frontier Accelerate for Azure: Partner-Nominated (SMB)

Partners with Eligible Azure Designation(s)* |SMC-Corporate, SMB

Implement

Project Size (1st year ACR)	T-shirt size (in MCI)	Partner Funding (Post Sales: Deployments)**					
		Databases (SMB)	+Databases Conversion Bonus (SMB)	Agentic AI Platform (SMB)	Core Migrate & Modernize with MDC or Sentinel (SMB)	• Core Migrate & Modernize (SMB) • Data Platform(SMB) • AI Apps, Agents & Developer (SMB) • Migrate SAP (SMB) • Migrate & Modernize VMware (SMB)	Virtual Desktop Infrastructure Migration (SMB)
$5K – $15K	XXS	$3,200	+$800	$2,800	$1,840	$1,600	$960
>$15K – $50K	XS	$10,400	+$2,600	$9,100	$5,980	$5,200	$3,120
>$50K – $100K	S	$24,000	+$6,000	$21,000	$13,800	$12,000	$7,200

***Partner Eligibility**

- Partners with Azure Solution Partner Designation
- What's changing in FY27 – No more fixed $ threshold. SMB Path partners are those with ≥ 80% of customers in the SMB/Corporate Segment (i.e., Having ≥ $1M ACR still routes
- them to the SMB Path)

****Additional Notes To Designation Partners**

- These offers are **not eligible** for Pre-Sales and Cloud Accelerate Factory assistance in MCI
- Azure credits are available through Co-Sell engagements with Microsoft Field Sellers

Rate Table: Market A

Incentive Term: July 1st, 2026 – June 30th, 2027

Frontier Accelerate for Azure

Azure offerings help accelerate and simplify customer migration and Data & AI modernization projects.

Key Workloads

Core Migrate and Modernize

Purpose:
Migrate and modernize infrastructure, databases, and apps to Azure.

- Infrastructure and database migrations
- Defender for Cloud (MDC) or Sentinel
- Azure Virtual Desktop
- SQL Server & Open-source databases
- VMware Environment
- SAP Migration

AI, Data & App Innovation

Purpose:
Modernize Data estates, Build modern apps and Deploy AI Solutions

- Databases*
- Data Platform (Azure Databricks, Fabric)
- Agentic AI Platform (Fabric, GitHub, Foundry)
- Digital Sovereignty
- AI Apps, Agents & Developer

Offset cost of innovation

Engagement Size	Project size: *(Planned ACR in year 1 in USD)*	Engagement Stage Timeline	MS Funding (USD)
Core Migrate & Modernize Pre-Sales (Assessment and POV)	**>$50K - $500k/year**	**120 days**	**MS Funding Is available on case-by-case basis** **Contact your Account Manager to learn more!**
XXS	**>$5K–$15K/year**	**120 Days**	
XS	**>$15K–$50K/year**	**120 Days**	
Small	**>$50K–$100K/year**	**120 Days**	
Medium	**>$100K–$250K/year**	**200 Days**	
Large	**>$250K–$500K/year**	**260 Days**	

- Our own **internal teams** help with your customer's Azure infrastructure migration and Data & AI modernisation.
- *NEW* Additional funding available for converting competitive Databases to Azure (AWS, GCP to Azure).

KEY PARTNER TAKEAWAYS

Who Benefits — and How to Win in FY27

For Azure Specialized Partners

- Bigger incentive pool than FY26
- Significant uplift for AI, Data, Fabric, GitHub & Foundry projects
- New competitive migration bonuses
- Cloud Accelerate Factory access while retaining full incentive payments
- Strong focus on AI transformation projects

For SMB / SPD Partners

- Easier eligibility through new SMB Path rules
- New funded opportunities around Foundry, Fabric, GitHub & AI workloads
- Access to Database Conversion bonuses
- Ideal for SMB Azure migration and AI adoption programs

THE BOTTOM LINE

FY27 Frontier Accelerate for Azure delivers larger investments, stronger AI & Data incentives, new AWS/GCP conversion bonuses, expanded eligibility via SPD/FDD, and a simpler structure than FY26. **Partners who specialize in Fabric, Foundry, GitHub, Databases, Security and AI transformation are positioned to benefit the most.**

MICROSOFT UPDATES

Partner Announcements and Promotions

Microsoft Partner Announcements

Copilot Cowork (GA) and updated resources

Agentic AI that executes complex, multi-step tasks. Added valued with new features at GA. Requires a Microsoft 365 Copilot license and usage based billing with Copilot credits.

Microsoft announcement →

Introducing Copilot in 30

New CSP partner-led SMB trial (< 300 seats): a 25-user, 30-day Microsoft 365 Copilot Business trial plus a launch kit. Trial to be available in CSP from Aug 1, 2026.

Microsoft announcement →

Annual pricing updates

From Jul 1, 2026, Commercial Cloud local-currency pricing updates move to once yearly, every January. Next update Jan 1, 2027; advance notice every November. Separate communication continues for product specific price adjustments.

Microsoft announcement →

Benefits renewal window changing

From early 2027 the window opens 30 days before your anniversary date; the 30-day post-anniversary grace period ends. Renew by the AD or benefits expire.

Microsoft announcement →

DLP in Defender for Cloud Apps deprecation

After deprecation on Jan 6, 2027, file policies configured in Defender for Cloud Apps will no longer be supported or enforced. Microsoft Purview is becoming the unified home of data security and compliance.

Microsoft announcement →

Partner Code of Conduct Update

Microsoft is updating the Partner Code of Conduct (PCoC) to clarify expectations for partner compliance, effective August 1, 2026. No immediate action required.

Microsoft announcement →

Microsoft Promotions

Promotion	Discount	Start	End	Seat min	Seat max
Microsoft 365 E3 | annual (one-year) term	20% off	Oct 13, 2025	Sep 30, 2026	250	9,999
Microsoft 365 E3 and E5 | triennial (3-year) term	10% off	Jun 9, 2025	Sep 30, 2026	100	9,999
Microsoft 365 E5 | annual (one-year) term	15% off	Jun 9, 2025	Sep 30, 2026	1	9,999
Microsoft 365 E7 | annual (one-year) term	10% off	May 1, 2026	Dec 31, 2026	10	9,999
Microsoft 365 E7 | annual (one-year) term	15% off	May 1, 2026	Dec 31, 2026	100	9,999
Microsoft 365 E7 | triennial (3-year) term	15% off	May 1, 2026	Dec 31, 2026	300	9,999
Microsoft 365 Copilot | annual (one-year) term	15% off	Jul 1, 2026	Sep 30, 2026	300	9,999
Microsoft 365 Copilot | annual (one-year) term	30% off	Jul 1, 2026	Sep 30, 2026	1,000	9,999
Microsoft 365 Copilot | triennial (3-year) term	15% off	Jun 1, 2026	Sep 30, 2026	300	9,999
Microsoft 365 Copilot Business | annual (one-year) term	Up to 15% off	Dec 1, 2025	Dec 31, 2026	—	300
M365 Business Basic and Copilot Business | annual (one-year) term	25% off	Jul 1, 2026	Dec 31, 2026	—	300
Microsoft 365 Purview Suite for Business Premium	Up to 50% off	Dec 1, 2025	Dec 31, 2026	10	300
Windows 365 Enterprise Edition	20% off	Jul 1, 2026	Sep 30, 2026	—	—
Windows 365 Business Edition	25% off	Jul 1, 2026	Jun 30, 2027	—	300
Windows 365 Flex Edition	20% off	Jul 1, 2026	Jun 30, 2027	—	—
Dynamics 365 Bridge to Cloud | triennial (3-year) term	30% off	Jan 1, 2025	Dec 31, 2027	—	—
Microsoft Sentinel 50 GB Commitment Tier	Up to 32% off	Oct 1, 2025	Dec 31, 2026	—	—

Refer the Global Promo Readiness Guide for details such as Products, Commitment term, Billing frequency, Customer eligibility and more.

Public

Crayon Promotion

How It Works

Earn points for every net new paid seat across Microsoft's Secure AI portfolio.

Qualifying products: Copilot, Copilot Business, Defender, Purview, Agent 365, and Microsoft 365 E5 & E7.

Climb the leaderboard and unlock rewards.

Prizes

Leaderboard Winners
1st Place – $10,000
2nd Place – $7,500
3rd Place – $5,000

1,000 Point Club
Reach 1,000 points during the promotional period and earn a **$1,000 bonus** — first 25 qualifying partners.

Ready to Compete?

Start driving Secure AI conversations today — **register now** to join the challenge.

Campaign period: 1 July – 11 December 2026.

For ANZ Crayon partners — all values in AUD.

Sign Up Now

Stay Competitive

Throughout the challenge we'll publish regular leaderboards so you can track your position, see how you compare against your peers, and keep the momentum going.

Public

Next steps

01 Prepare

Explore the new Azure Incentives guide for FY27

aka.ms/IncentivesGuide

Internal: Visit the Partner Incentives Portal for GTM resources

https://aka.ms/piportal

02 Operationalize

Review the FY27 GTM Partner Playbook

aka.ms/FY27PartnerGTMPlaybooks

aka.ms/SMBPartnerPlaybook

03 Stay current

Join partner investment community calls

Next call July 23

https://www.microsoft.com/en-au/PartnerInvestmentsCommunityCalls-Asia

July 28 Microsoft Partner FY27 GTM Kickoff Event

MCAPS Start for Partners on July 22, 2026

aka.ms/PartnerInvestmentsComunityCalls
aka.ms/PartnerInvestmentsCommunityCalls_APAC

- **Reach out to your Partner Account Manager or Solution Specialist (BSM)**

Publ

We would love your Feedback!

Microsoft FY27 Partner Briefing Call Feedback Form – Fill out form

Scan and Fill the form for a chance to

Win 1 of 2 vouchers worth $50

(*ANZ Only)

FAQ – change of channel partner

1 **What is change of channel partner (COCP)?**
A Change of Channel Partner (COCP) is identified when there is a change in the CSP partner associated with a customer tenant and solution area. Any change to the current CSP partner(s) including replacement, addition, or removal — results in the new partner(s) being treated as COCP.

2 **How are CSP incentives impacted by COCP?**
Partners identified under a Change of Channel Partner (COCP) event are not eligible to earn Core Rate or Strategic Accelerator incentives for 12 months from the date the COCP is identified.

3 **Why are COCP scenarios ineligible for core and strategic accelerator incentives?**
FY27 incentives are being refined to reward true customer growth, new customers, new seats, new workloads to the ecosystem, rather than subscription movement between partners. Existing partner relationships are better supported during renewal periods, with core incentive eligibility reflecting sustained customer value over time.

4 **If my authorization changes (i.e. direct bill to indirect reseller), will it be considered COCP?**
COCP does not apply when a partner retains the same PGA and changes authorization type.

5 **As an indirect reseller, if I change distributors, will it be considered COCP?**
Yes. A change to the distributor in your CSP partner arrangement is treated as COCP for the new partner combination, even though you (the reseller) have not changed.

6 **What if my distributor or indirect reseller is deauthorized?**
COCP does not apply when a partner is deauthorized by Microsoft and replaced as part of a Microsoft directed authorization transition.

7 **If my Modern Work customer tenant purchases Azure with a different partner, will it be considered COCP?**
A Change of Channel Partner (COCP) is identified when there is a change in the CSP partner associated with a customer tenant and incentive solution area. For CSP incentives purposes, solution areas are defined as Microsoft 365 (Modern Work and Security), Dynamics 365 (Business Applications), and Azure (Azure).

8 **If my Modern Work customer tenant purchases additional Modern Work subscriptions from another partner, will it impact my existing Modern Work subscriptions?**
No. Your existing Modern Work subscriptions are not impacted as long as the customer remains associated with you for those subscriptions. COCP only applies to the subscriptions that transition to a different partner.

9 **What if my Partner Location ID associated to the customer subscription changes?**
COCP determination is based on changes to the CSP partner's Partner Global Account (PGA) ID associated with a customer tenant. Changes to Partner Location Account (PLA) IDs within the same PGA ID hierarchy are not considered COCP events.

Public