



FAQ: Citrix Service Provider (CSP) Program

What is the Citrix Service Provider (CSP) Program?

The Citrix Service Provider (CSP) program is Citrix newest partner program designed specifically for service providers who provide hosted software services to end-user customers. The CSP Program addresses the service provider market for offsite, multi-tenant hosting where the end-user customer is not the licensee. The CSP program extends to service providers the “right to use” Citrix products as the underpinning of their delivery infrastructure and gives them the flexibility of a monthly “active subscriber” pricing and licensing model. Service providers always have access to the most current versions of Citrix products available in the program and only pay for actual end-user usage recorded during the previous calendar month.

Why was the Citrix Service Provider Program created?

The Citrix Service Provider (CSP) Program was created in response to growing demand from service providers for a monthly subscription-based pricing and licensing program. Service providers require a flexible cost structure that eliminates any up-front license fees or minimum commitments as well as the ability to carefully manage cash flow. Citrix created the CSP program with these core requirements in mind so that program members will be able to build their businesses methodically and profitably. Citrix spent the past year conducting a pilot of this program and incorporated input from leading service providers to create a compelling program in sync with the service provider business model.

Who will be interested in joining the Citrix Service Provider program?

This program is designed specifically for service providers who provide software services and hosted applications to end-user customers on a rental, subscription or services basis. Service providers looking for a program that will allow them to scale their business and pay only for what their customers actually use will be interested in joining this new program. There are over 5,000 service providers globally who fit this profile and the numbers are growing with the rising popularity of software as a service (aka SaaS). The vast majority (90%) of these service providers are not currently Citrix partners. The CSP program is structured to meet the needs of these service providers and help them maximize the number of customers served from the same underlying software (aka “multi-tenancy”) and avoid up-front license fees and minimum commitments.

Who will NOT be interested in joining the Citrix Service Provider program?

Technology resellers that exclusively sell perpetual licenses of Citrix software to customers are not candidates for the CSP program. This includes the vast majority of existing CSA partners. Additionally, if ownership of the IT asset (i.e. Citrix software) and possession at the end-user location are contractual requirements, then the CSP program is not the right program to join. In the CSP program license agreement, Citrix retains ownership of any software used in the delivery of the service and the software is to be hosted by the service provider not by the end-user organization. Likewise, outsourcers with a focus on signing long-term (i.e. multi-year) contracts will not find the pricing and licensing model of the CSP program compelling in comparison to Citrix existing perpetual licensing and pricing programs.

What is the target market and typical customer profile for service providers?



The target market served is primarily the small to medium business market with less than 250 employees. A typical customer would be a small to medium-size law firm, accounting practice, medical practice, or manufacturing company with multiple sites and limited IT staff. There is no typical customer profile in terms of industry classification. Interviews conducted with 50+ service providers reveals that they focus on serving customers in their own local and regional markets (i.e. city, state, country) who don't want to "own" IT assets just use them. Service providers offer hosted applications (i.e. Microsoft Office, specific vertical industry applications, etc.) and "desktops" per month per user and customers select the specific applications needed. Pricing ranges widely from less than \$75 to more than \$200 per user, per month. Monthly subscriber-based licensing is often more attractive to small and medium business customers who cannot take advantage of volume discounting.

Which Citrix products are included in the CSP program?

The CSP program includes monthly usage-based pricing and licensing offerings for XenApp for Service Providers, XenDesktop for Service Providers, Essentials for Hyper-V for Service Providers and Essentials for XenServer for Service Providers as well as NetScaler VPX, Access Gateway VPX and Branch Repeater VPX.

What is the discount schedule for SPLA?

There are no discounts offered under the SPLA Licensing Agreement in the CSP Program.

What about Subscription Advantage renewals?

Subscription Advantage is built into the monthly pricing and therefore SA renewals do not apply.

What about Citrix Advisor Rewards?

Citrix Advisor Rewards are not offered as part of the CSP program.

What is "active subscriber" licensing and is it popular with service providers?

Citrix active subscriber licensing model is actual usage-based pricing and is extremely popular with service providers. Service providers offer hosted application services and "desktops" per month per named user (aka "subscriber"). In the Citrix model, the service provider only reports and pays for those subscribers that actually log-in and use the service. This is not the same as CCU-based licensing. Active subscriber licensing accommodates variability in month to month usage and is tabulated based on the total number of actual users during the preceding calendar month time period. Service providers find Citrix licensing model extremely fair and appreciate the utility-based nature of our licensing. Active subscriber licensing affords the service provider the added benefit of being able to calculate exactly what their subscriber revenue will be on a monthly basis while also guaranteeing that their costs will never exceed revenue. In fact, many service providers have congratulated Citrix on providing them with an innovative licensing model that directly contributes to their bottom line profitability.

How will Service Providers be charged for Citrix NetScaler VPX?

NetScaler VPX is offered in a range of bandwidth options and versions with the Service Provider paying on an active appliance per month basis. In other words once a Service Provider provisions a NetScaler VPX for their customer(s) and it is used by a customer, they will pay the monthly usage fee regardless of the number of applications or customers accessing during the month.



How will Service Providers be charged for Citrix Access Gateway VPX?

Access Gateway VPX is offered with the Service Provider paying on an active appliance per month basis. In other words once a Service Provider provisions an Access Gateway VPX for their customer(s) and it is used by a customer, they will pay the monthly usage fee. There is also a user based component for Access Gateway (not applicable for Citrix Premium for Service Provider users) so the Service Provider will need to measure the active users monthly and pay the “connection” fee per user, there are different costs for 1-2499 users and for 2500+ users.

How will Service Providers be charged for Citrix Branch Repeater VPX?

Branch Repeater VPX is offered in a range of bandwidth options with the Service Provider paying on an active appliance per month basis. In other words once a Service Provider provisions a Branch Repeater VPX for their customer(s) and it is used by a customer, they will pay the monthly usage fee regardless of the number of applications or customers accessing during the month.

What makes the Premium level offering of XenApp for Service Providers or XenDesktop for Service Providers compelling?

Service providers who select the Premium level offerings will benefit from having the ability to use Citrix Essentials for XenServer for Service Providers or Essentials for Hyper-V for Service Providers to virtualize the XenApp and/or XenDesktop workloads running in their data centers. This will lower their data center TCO and maximize server and user density in their virtualized hosting environments. In addition, Service Providers using Citrix Access Gateway will not pay an additional user connection fee under Access Gateway as user connections licenses are included with the Premium version. Other key reasons for service providers to choose the Premium level offering of XenApp for Service Providers includes built-in provisioning server functionality as well as the end-to-end performance monitoring and reporting capabilities of EdgeSight. The latter automates and facilitates the monthly POS reporting process and helps service providers ensure that they are reporting accurately. This is a major issue for service providers today. Likewise, the Premium level offering of XenDesktop for Service Providers includes EdgeSight for EndPoints for virtual desktop performance monitoring and automated reporting as well as enhanced secure remote access, application streaming and virtualization, WAN Quality of Service, and remote user support.

How can a service provider join the Citrix Service Provider program?

Service providers should visit the **Become a Partner** section of www.citrix.com/partners and review the description, benefits and requirements of the CSP program. Once a service provider determines that the program fits their business model, they should apply for the program through an authorized CSP Distributor in their geography. The current list of these Distributors can be found on www.citrix.com/partners. Citrix will review all applications submitted and provide final approval for service providers requesting admission into the program.

Is there a fee to join the Citrix Service Provider program?

No. There is no membership fee to join the Citrix Service Provider program. Approval is required.



Can an existing Citrix partner join the CSP program?

Yes, any partner that meets the qualifications can join the CSP program. This may mean that a partner holds multiple Citrix partner memberships with different program benefits and requirements.

Service providers interested in joining the CSP program should contact their local CSP Distributor listed in the Citrix Service Provider section of www.citrix.com/partners. Citrix Sales team can email inquiries to partnerprograms@citrix.com.

What is a CSP Distributor and what function(s) do they perform?

Citrix has developed a 2-Tier leveraged channel model for the Citrix Service Provider program. Designated CSP Distributors are authorized to recruit, manage, and support service providers as well as aggregate monthly reporting from all the service providers in their respective geography. This model is extremely efficient and is in sync with how other ISVs (i.e. Microsoft) manage their service provider business. CSP Distributors will be incented by rebates tied to on-time reporting of service providers in their network. The CSP program is launching with a core group of CSP Distributors in North America, EMEA, and APAC. The current list of these Distributors can be found on www.citrix.com/partners.

Who does a service provider receive program support from?

A service provider will receive primary support from their CSP Distributor. Questions related to product, pricing, licensing and the overall program should all be directed to the CSP Distributors. Citrix will work very closely with the CSP Distributors to support the successful ramp-up of service providers joining the CSP program but the goal is to have the distributors be the primary interface. Citrix selected these CSP Distributors based on their experience in supporting the needs of the service provider community. If the support required is technical in nature, the service provider can purchase Citrix technical support.

What are the qualifications to join the CSP program?

To qualify, the service provider agrees to utilize Citrix products in an off-site, multi-tenant environment and to submit monthly POS reports on time to a designated CSP Distributor and to allow Citrix the right to audit and access the facility to ensure reporting compliance. The service provider also commits to maintaining a minimum of two (2) CCA Certifications for each Citrix product deployed and to be a current member in the Microsoft SPLA program.

What is an “offsite multi-tenant environment” and why is it a program qualification?

The CSP Program and the terms of the CSP Program Agreement limit the usage of Citrix products to an “offsite multi-tenant environment” or an “offsite dedicated environment”. This is defined as a Service Provider’s site or a co-location facility where the Service Provider has a shared set of servers providing services to their customers. Specifically, the CSP program is restricted to service providers using Citrix products in an offsite multi-tenant environment and is not a program that end-user organizations can participate in directly. Instead, end-user organizations will subscribe to CSP partners’ hosted offerings. In the case of a customer wanting a dedicated set of servers for their company, a CSP can set up a dedicated environment within their offsite or co-location site, the CSP Program will not support licensing onsite customer servers.



Can a service provider offer both an “offsite multi-tenant environment” and a perpetually licensed hosted offering to end-users using Citrix products?

Yes, a service provider is allowed to purchase perpetual licenses of Citrix software and offer them as part of a hosted service to their customers. In order to purchase perpetual licenses a CSP must either have an agreement in place to resell perpetual licenses (Citrix Solution Advisor, System Integrator, ISV, Citrix LAR etc.) or they must procure through a partner who does. In other words, a CSP cannot resell perpetual licenses under the CSP agreement. Also, service providers must maintain their perpetual license hosting environments separately from their monthly service provider environment with separate licensing servers.

What are the CSP program reporting requirements for service providers and what happens if the service provider fails to report? All CSPs must submit to Citrix, via their Citrix CSP Distributor, a monthly use report within ten (10) business days after the end of each calendar month during each and every month. Failure to provide reporting for two months will result in program termination.

What is SPLA?

SPLA stands for Service Provider Licensing Agreement and is the name of Microsoft’s service provider program. The Service Provider License Agreement (SPLA) enables service providers and ISVs with a hosted offering to license Microsoft products on a monthly basis to provide services and hosted applications to their end customers. SPLA is an abbreviation and well-known industry term that many service providers equate with the monthly pricing and licensing model used to charge for hosted software services. Citrix Service Provider program includes a similar CSP Program Agreement that defines service provider partners use rights.

What are the license rights under the CSP Program?

The license rights under the CSP are:

1. The right for the licensee (service provider) to provide software services to 3rd parties.
2. The right for the licensee’s customers (end users) to access or use the Citrix licensed products running on the service provider’s environment.
3. The right for the licensee to provide multi-tenancy (more than one customer) to use the same Citrix server products.
4. The right for the licensee to provide a dedicated (one customer) environment for a customer in their offsite environment.
5. The right to pay for actual use on a monthly basis (non-perpetual license).
6. The right to no up-front license fees and no minimum commitments.

How will Licenses be delivered to a CSP program member?

Upon qualification by a CSP Distributor, the service provider will be required to submit a signed partner agreement and issue a zero dollar purchase order for the license required. Upon receipt Citrix will provide the license and media to the CSP.

Who will provide technical support to end users?

The service provider will be responsible for all technical support to their end-user customers. Service providers will be encouraged to purchase a technical support contract from Citrix for Citrix authorized technical support. If the service provider qualifies for Citrix support under



another Citrix program membership (CSA for example) they may use these existing technical support incidents.

What impact will there be, if any, on perpetual license sales because of the new CSP program?

Because this is a new route to market for the company, we expect incremental sales and new revenue opportunities. The Microsoft SPLA reseller program has over 5,000 partners globally and less than 10% of our existing partners are also in Microsoft's program. Now that Citrix has an official service provider program, our expectation is that many of these Microsoft SPLA resellers will join our program.

Why would a service provider join the CSP program?

There are a host of sales, marketing, and technical benefits associated with the CSP program that service providers will find immediately valuable. The program benefits include:

- No membership fee to join the program
- No upfront commitments or minimum purchase requirements
- Ability to host Citrix enabled services on a worldwide basis
- Flexibility to host with Citrix perpetual licenses and/or offer monthly service provider licensing
- Active subscriber pricing which translates to greater profitability for service providers
- Extremely compelling and flexible monthly pricing
- Guaranteed pricing stability
- Streamlined reporting process that is in sync with the Microsoft SPLA program
- Flexibility to choose Premium or Base level of Citrix XenApp/XenDesktop for Service Providers
- Ability to offer IaaS on a monthly basis using Essentials for XenServer/Hyper-V
- Use of Essentials for XenServer/Hyper-V to virtualize XenApp and XenDesktop workloads (Premium level privilege)
- Accurate and rapid reporting using EdgeSight Reporting Services (Premium level privilege)
- Right to offer free of charge 30-day end-user evaluations of hosted services
- Lower TCO tied to greater server and user density in the data center
- Greater end-user satisfaction because of Citrix HDX experience
- Ability to use Citrix corporate logo and partner program logo
- Access to My Citrix Partner Portal
- Access to Citrix Partner Events

Is Citrix working closely with Microsoft on the Citrix Service Provider program?

Microsoft has been extremely supportive and helpful to Citrix regarding the service provider effort. The two companies have been speaking on a regular basis and the CSP program is modeled in large part after the Microsoft SPLA program. For the past 6+ years, Microsoft has been building their own SPLA program and Microsoft is positive about Citrix entering this space. The CSP program will help drive additional service provider business and increase the numbers of monthly subscribers using Microsoft applications. Additionally, the CSP program will result in ISVs being able to offer their applications through hosting providers or on their own as SaaS-based solutions to the SMB space.



What if a service provider has a specific question about Microsoft's SPLA licensing policies?

Please direct anyone with Microsoft SPLA questions, including licensing questions, to Microsoft's SPLA program site which is accessible from the following URL: <http://www.microsoft.com/serviceproviders/licensing/default.aspx> . Microsoft has created a very comprehensive set of documentation related to its' SPLA program and also provides contact information for questions. It is incumbent on the service provider to remain compliant with all Microsoft licensing and pricing policies under the SPLA program.

How will Citrix Sales get paid on service provider business?

Each Citrix geo sales organization will determine the specific compensation model for service provider generated business. From a reporting process perspective, service providers are required to report subscriber data which includes company name and detailed geographical data that can be used to determine Sales compensation.

When is it appropriate to have a customer consider service provider licensing vs. a perpetual license?

Consider discussing service providing licensing when:

- The user count fluctuates dramatically month to month
- The end user is not willing to make a commitment for greater than three years
- The end user organization indicates that they do not want to own the IT asset just the right to use the services offered.

In all other situations standard Citrix perpetual licenses may be more financially advantageous.

Is there a time frame that pinpoints when service provider licensing ceases to cost less than purchasing perpetual licenses?

Yes. In fact, you should never position service provider licensing as less expensive than perpetual software licensing. For one, consumers of service provider licensing do not own the IT asset, they simply have the right to use the service for the duration of their subscription. From a cumulative cash flow perspective, there is a clear cross-over inflection point.

- Service Provider pricing will typically only be more beneficial financially if the customer is planning to use the licenses less than 3 years.
- Service Provider licensed products are not available for on-premise end-user usage but can only be hosted by an official CSP partner in their offsite, multi-tenant environment

Will the service provider be provided with NFR and internal use licenses?

No, NFR and internal use licenses are not relevant to this partner type. The authorized Citrix Service Provider will have the right to support free of charge evaluations of their service by end users for a period not exceeding 30 days. Should evaluations exceed 30 days standard pricing will apply.