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# Microsoft Licensing Frequently Asked Questions

## Focus on Your Business - Not Your Technology

### Introduction

One of the more confusing elements of buying Microsoft software is the licensing. Take a few moments to read this FAQ to clear up the common misconceptions.

### NEVER buy the OEM version

Most vendors offer new computers with Microsoft Office 2010 pre-installed. **Don't buy it.** Why? Because what you're getting is what's called an "OEM" (Original Equipment Manufacturer) license of Microsoft Office.

According to the OEM license terms:

*2.a. One Copy per Device. The software license is PERMANENTLY ASSIGNED to the device with which the software is distributed. [emphasis mine]*

The implication of this is when your computer dies and/or gets upgraded/replaced the license for Microsoft Office goes with it. Buy a different computer and you have to buy a new license of Microsoft Office to go with it.

### Retail Version

This license of the software does NOT permanently attach to a single machine. That means that when you buy a new computer in 3 years you don't also have to buy a new copy of Office but this license includes a beneficial clause:

*2.c. Portable Device. You may install another copy of the software on a portable device for use by the single primary user of the licensed device.*

This means if you have a desktop computer and a laptop you take on the road

with you that you can legally install the SAME copy of Microsoft Office on both devices.

The intent here is for the user who has a desktop and a portable and uses both. It's NOT intended for the boss to install on his secretary's desktop and his laptop. It's for two machines that are both used by the **same user**.

### Turn Up The Volume

For companies with more than a couple of computers the best solution is actually Microsoft's Volume License program. Their Per Device licensing has the same advantages of the Retail license – the license CAN be reassigned to a different device later if you choose to replace your computer and you can install a copy on a portable device that is used by the same primary user as the desktop.

The pricing also tends to be favourable on Volume Licensing compared to the retail.

The **BIG** advantage is in management of the licenses. With Retail Licenses every box comes with a product key which you have to manage. When you install the software on multiple machines you have to enter a different product key for each machine manually.

With volume licensing, however, you get ONE product key, which you're allowed to install on as many devices as you bought licenses for (plus additional portables if applicable; see above).

Volume licensing agreements start at just 5 (yes FIVE) licenses. And they don't have





to be 5 licenses of the same thing. If you only have 3 machines you can buy 3 licenses of Microsoft Office Professional 2010 and 2 licenses of something else... even something cheap and not related.

Adding additional licenses later is easy – once you have the initial five licenses you have a Volume License Agreement and you can purchase additional licenses as needed. You add another member of staff? Buy one more license of Office 2010 for them. No problem.

Any company with 3 or more computers should be using Volume Licensing, if for no other reason than the simplicity of management. No need to track a bunch of product keys – just use one and your licenses are NOT handcuffed to the physical computer.

#### **Beware the Product Key Card**

One new term in Microsoft Licensing is the “Product Key Card” license. This is a license card that activates pre-installed software that came on a new computer. Don’t be fooled, the Product Key card is just an OEM license by another name. It doesn’t include any media (CDs) and like the OEM license is 1 device/license only and NOT transferrable to a new device.

#### **Office Home and Student**

Microsoft Office has a LOT of variations of the same package. “Home and Student”, “Home and Business”, “Small Business”, “Professional”, “Professional Plus”, “Academic”, “Ultimate” etc.

Back in the Office 2003 days the Home and Student Edition was surprisingly popular. That’s because it was cheap and included Word, Excel, PowerPoint and Outlook! Everything most business users needed! Lots of companies sidestepped the more expensive Small Business or Professional versions and used the Home and Student version...even though that was technically a violation of the license terms. Well Microsoft got wise to that game and starting with Office 2007 the Home & Student Edition no longer contained the application that most business users craved most: Outlook. Instead it

was replaced with Microsoft OneNote, very handy for students, limited use for business.

The same holds true with 2010. The Home and Student Editions includes OneNote, but not Outlook. The good news is that almost all of the other packages of Office include OneNote too! (and Outlook) Business users shouldn’t waste their time on Home and Student, it’s not for you. Really there are 3 versions of the suite that most business users should care about and here’s a handy chart that shows what’s included in each build:

<http://office.microsoft.com/en-us/buy/office-2010-which-suite-is-right-for-you-FX101825640.aspx>

But if you’ve selected volume licensing then there are only two suites for you to be concerned with and here’s a comparison of those:

<http://office.microsoft.com/en-us/buy/office-2010-volume-licensing-suites-comparison-FX101825637.aspx>

For most users the Standard edition is the best choice here.

#### **Summing Up**

If you’re a business user and you have 3 or more computers...you should almost certainly be using Volume Licensing. It’s simpler, ultimately cheaper, more flexible, easier to administer and install. Don’t waste your money on OEM licenses or fill your supply closet with a bunch of Office 2010 retail boxes from Office Depot.



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"We'll either find a way, or make one" - General Hannibal