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Microsoft Solutions Partner

# Pay For What You Use. Nothing Else.

## Why your enterprise support agreement should follow consumption, not your Microsoft spend curve

Most leaders already feel the problem. Your Unified Support renewal keeps going up, yet nobody in Finance, Procurement or IT can point to a clean line from usage to cost. The number on the quote feels disconnected from the number of cases you opened, the severity of incidents or the engineering time you actually consumed. This is not a failure of your governance. It is the result of a pricing model that is deliberately indexed to **Microsoft revenue**, not your support consumption.

This whitepaper is for the people who have to defend that number.

# The Uncomfortable Truth about Unified Pricing

Microsoft is open about how Unified is priced. The Unified Enterprise plan describes “**industry aligned pricing**” where rates **start around 8 to 10 percent** of your annual Microsoft IT spend with a minimum contract value of about 50,000 dollars.

That percentage is applied across a wide base:

- Azure consumption
- Microsoft 365 and Office 365
- Dynamics 365 and other cloud services
- On premises licenses and Software Assurance

One licensing specialist breaks down a typical example from Microsoft’s own datasheet: for 6 million dollars of Azure spend, Unified cost is 10 percent on the first **1.8 million** and 7 percent on the next **4.2 million**. The result is a support bill of **474,000 dollars**, driven entirely by Azure spend, not by incident volume or complexity. [Cloudy with a chance of Licensing]

Another advisory firm goes further and calls Unified “**a tax on your Microsoft investment**” because the fee is calculated as a percentage of total Microsoft spend rather than hours, cases or engineering effort. So, any time your licensing or cloud spend goes up, your support bill rises with it even if you opened fewer tickets last year.

# What Buyers Already Know but Rarely See Written Down

Most Procurement and Vendor Management teams have learned this the hard way:

- Unified invoices show a single big number, not a **case level breakdown**
- The mix of severities does not change your price
- Even low usage years still produce high support bills
- Licensing growth always drives support costs, whether you needed more support or not
- Support quality does not change your price

Independent sourcing advisors have been blunt about this for years. One global sourcing firm described the Unified model as **lacking transparency and relevance to the actual services consumed** and warned that enterprises need complex negotiations just to understand what they are paying for. [Default]

You are not the only one struggling to defend this spending. The system is built that way.

# The Knock-On Effects Inside Your Company

When support cost is untethered from usage, every internal conversation gets harder.

### Finance cannot validate ROI

There is no way to reconcile the Unified line item with case volumes, incidents avoided, or hours saved. It becomes a cost of doing business rather than an investment case you can model.

### Procurement cannot negotiate from evidence

Without case counts, severity mix or engineer time on the table, negotiations devolve into percentage arguments and discount chasing. You are haggling over a rate, not a service.

### IT cannot tie cases to cost

Operational teams see tickets, escalations and outages. They do not see a clear view of what each pattern costs the business under Unified. That breaks the link between behavior and budget.

### Forecasting becomes guesswork

If the main driver is "how much we will spend with Microsoft," then forecasting support is just forecasting license growth. Support becomes a derivative of another budget, not a service with its own economics.

### Renewal becomes compliance, not strategy

In many enterprises, Unified is now treated like a mandatory utility bill. The renewal lands, quarter end looms, and everyone signs because there is no alternative model on the table that Finance trusts. None of that is because your teams lack discipline. It is what happens when cost is divorced from consumption.

# You're Not Alone: the SaaS Waste Problem

If this feels familiar, it is because the same pattern shows up across the SaaS stack.

Zylo's 2024 SaaS Management Index, based on more than **30 million** licenses and **34 billion** dollars of SaaS spend, found that enterprises waste **around 18 million dollars per year** on unused and under used SaaS licenses on average. Zylo+1 Follow up analysis of Zylo's data shows average monthly utilization at roughly **56 percent**, which means **44 percent of licenses sit idle** in a typical month. Zylo+1

In its 2025 index, Zylo reports that the average company now spends **49 million** dollars annually on SaaS and manages about 275 applications, yet much of that portfolio remains under governed and under-utilized. Zylo
The pattern is clear. When you buy bundled access without clear usage reporting, you overpay by default.

Unified fits that pattern exactly.

# How Unified Behaves vs How Support Should Behave

| Question | Unified today | Pay for what you use principle |
|---|---|---|
| What drives cost | Percentage of total Microsoft spend | Volume and complexity of support actually used |
| What you see on the invoice | One large number with high level descriptors | Case counts, severity mix and engineer effort |
| What you can negotiate | Percentage rate and some inclusions | Scope, service levels and usage bands |
| What happens when usage drops | Cost often stays flat or still rises | Cost falls if you open fewer or simpler cases |
| Who feels exposed | Procurement, Finance and IT budget owners | Vendors who cannot justify their usage data |

# The Principle Behind “pay for what you use”

Enterprise support should behave like any other professional service. If you need more support, you will pay more. If you need less, you pay less. Cost should follow consumption, not the opposite. That principle sounds obvious, yet it is missing from many Unified contracts.

A consumption aligned model is built on a few simple ideas:

### Usage visibility

You can see how many cases were opened, which products they touched, how severe they were, and how long they took to resolve.

### Predictable cost bands

You agree to pricing for reasonable usage ranges, so you can budget and scenario plan rather than waiting for a percentage calculation tied to next year’s license growth.

### Engineering accountability

You get reporting on who worked on what, at what level of seniority and for how long, so you can see where complex engineering effort is really going.

### Negotiation based on data

When you sit down with a support partner, you are looking at the same usage picture. You can trim scope in low value areas, increase coverage where incidents are rising, and keep cost aligned to reality.

This is not a radical idea. It is how most executives expect services to work.

# Where DCG sits, without the hard sell

Unlike Microsoft's Unified Support, where fees scale automatically with your overall Microsoft spend, DCG ties cost directly to transparent, measurable factors such as **case volume, ticket severity, and engineering hours** actually consumed. Every hour and incident can be traced to its business impact, giving leaders a clear line of sight between what they use and what they pay.

This clarity empowers your teams to make informed decisions about service levels, cost exposure, and operational risk. It transforms support from a perpetual surcharge into a manageable, data-driven service investment flexible enough to align with your evolving priorities and accountable enough to prove its value.

# By the Numbers

You can drop these as small callouts or footnotes in the design.

**8 to 10 percent**

typical starting rate for Unified as a share of annual Microsoft IT spend, with minimum contracts around 50,000 dollars Microsoft+2Microsoft+2

**474,000 dollars**

example Unified bill for 6 million dollars of Azure spend using Microsoft's own graduated rate bands Cloudy with a chance of Licensing

**18 million dollars**

average annual license waste per company in Zylo's 2024 SaaS Management Index Zylo+1

**30 to 60 percent**

typical savings claimed by third party Microsoft support providers that move customers away from percentage of spend pricing to more direct service-based models

These are not scary numbers. They are a reminder that the gap between spend and usage is rarely small.

# Where to Go from Here

You do not need to redesign your support strategy in a single conversation. Begin with two focused, fact-finding steps.

**Step 1:**

### Establish a clear view of your actual support consumption

Request a usage summary that a CFO would recognize as financially credible and operationally meaningful specifically:

- Case volume by product and severity
- Time to resolution for critical and high-impact incidents
- Estimated engineering effort by type of issue or service category

If your current provider cannot produce this view, that gap is your first actionable insight.

**Step 2:**

### Compare your upcoming Unified renewal to a consumption-based model

Ask your internal team, your reseller, or an independent advisor to model the following:

- What you paid for Unified Support last year
- How much support you consumed
- What a usage-based, engineing-aligned contract would have cost for the same pattern of demand

# The principle is straightforward:

You should pay for the support you use no more, no less, and never by default tied to your licensing budget.

This approach gives Procurement, Finance, and IT a common set of facts and a way to evaluate support as a service with measurable value, rather than a fixed surcharge with opaque returns.

**Quickly Compare here**

**Find Out If You're Paying for What You Don't Use**

### Reference Links


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