



# True Forward



## General questions

### **Q: What is True Forward?**

A: True Forward is Cisco's billing process to account for any overconsumption during a Cisco® Enterprise Agreement (EA), Service Provider Network Agreement (SPNA), or Managed Service Enterprise Agreement (MSEA) term.

Unlike other enterprise license agreements that require a “true-up” every year that charges you for past use, Cisco's program allows you to grow without a retroactive, surprise bill. Instead, your growth is reviewed against entitlement and included in the next True Forward event, where you pay only on a going- forward basis as part of your predictable billing period.

### **Q: What is the difference between a true-up and True Forward?**

A: Cisco has a unique competitive differentiator: customers can consume licenses they didn't originally purchase and are charged for their excess consumption and support from the milestone date until the end of the Cisco EA term. In a true-up methodology, the customer is charged beginning from the moment of overconsumption, that is, retroactively.

### **Q: When is the True Forward milestone date established?**

A: The initial order establishes the term for all suites (all subsequent orders co-terminate) and a coordinated schedule for all True Forwards, making it easy for you to manage your complete investment with Cisco.

Full commit suites have annual True Forward milestones, while partial commit suites have quarterly milestones. Quarterly True Forward billing is currently not activated. Orders associated with partial commit suites will be executed at the annual True Forward milestone until the quarterly True Forward functionality is activated by Cisco. Cisco will provide notice to EA partners of record 90 days prior to commencement of the quarterly True Forward billing cycle. Please work with your authorized partner to stay up to date on this functionality.

### **Q: What happens after the True Forward milestone date?**

A: Consumption is captured as of the True Forward milestone. Customers are charged for their excess consumption and support for the duration of the agreement term via an invoice sent to their partner of record 60 days following the milestone date.

### **Q: Are there events that can trigger a True Forward other than reaching the milestone date?**

A: A quarterly True Forward event can also be triggered by exceeding the initial growth cap (more than 105% in the first 6 months) or by an exceptional increase in license or service usage (more than 115% in the contract term).

### **Q: What if a customer consumes a license that is not included in their initial purchase?**

A: Customers will be charged (via their authorized partner) for consuming licenses not including in their initial purchase during the time of the True Forward. Pricing is determined by the list price at the time of the True Forward.

## True Forward and Consumption Tracking

### **Q: What is license or service usage/ consumption?**

A: Examples of license or service usage/ consumption could include downloading or installing software; migrating, provisioning, or activating licenses; or accessing software or cloud services.

**Q: How can I monitor my consumption?**

A: The most accurate way to see real-time consumption is via the [Enterprise Agreement Workspace \(EAWS\)](#). Consumption can be viewed in the tool interface directly or with a tool-generated report. For more information, this [video](#) covers the Reports tab, Consumption Report View, and True Forward View in EAWS.

## True Forward calculation and pricing

**Q: How are True Forward fees calculated?**

A: True Forward invoice amounts are calculated based on use during the measurement period in relation to your entitlement. If your usage is found to be more than your entitlement during the True Forward review, you will pay all associated charges for such increased usage for the remainder of the suite term, and your entitlement will be adjusted going forward to the increased usage level.

You will be responsible for the charges associated with the increase in use, as calculated on a pro-rata basis for the remaining months in the suite term and based on the applicable pricing or discount through the Cisco EA Authorized Partner that sold you the

suite. Any applicable value shift and/or growth allowance is considered prior to the True Forward calculation.

True Forward calculation = (Price x Consumption beyond current entitlement x Remaining term).

**Q: Is there any opportunity to offset the cost of overconsumption?**

A: Yes, in addition to the pure consumption calculation method that requires the customer to pay for the total overconsumption of licenses, some suites offer the added benefit of value shift. There are two types of value shift: intra-suite and cross-suite.

For an intra-suite value shift, the residual value of any purchased but unused licenses in the suite will be applied against the cost associated with the license overages in use in the same suite. This calculation occurs automatically with no additional action needed from partners or customers. This capability is available in EA, SPNA, and MSEA.

For a cross-suite value shift, the residual value of any purchased but unused licenses in the suite can be applied against the cost associated with the license overages in use in a different suite. Cross-suite value shift is applicable only to the Cisco DNA and Meraki® suites. The

cross-suite value shift method can be applied only if you provide your EA Authorized Partner with at least 60 days' advance notice prior to your next True Forward event. This capability is available only in EA 3.0. Please see the relevant program guide for suite-specific details.

**Q: During value shift, if one license costs less than another license in the same suite, how is the allocation accommodated?**

A: Value shift is based on the purchase value, not the license count. Thus, the value of unconsumed licenses is transferred to the overconsumed licenses (within the same suite) after accounting for the growth allowance (where applicable).

**Q: Are there other suite-specific benefits that are factored into the True Forward calculation?**

A: The Collaboration and Security portfolios offer a one-time growth allowance applied at the individual suite level at the time of initial purchase. Only consumption beyond the applicable growth allowance is considered during the True Forward. Please see the relevant program guide for suite-specific information regarding growth allowance.

**Q: For value shift, is a growth allowance included in the value?**

A: No. There is no transferable value associated with a growth allowance, and it cannot be transferred between products.

**Q: Is True Forward calculated differently for subscription versus perpetual licenses?**

A: True Forward is calculated the same for subscription and perpetual licenses, using the pure consumption or value shift calculation methods.

**Q: What is the price of True Forward?**

A: For full commit suites, the maximum price you will pay is the original price set by your Cisco EA Authorized Partner at the time of your original order. For partial commit suites and add-ons, the price is based on the current price at time of the True Forward transaction minus the discount set by your Cisco EA Authorized Partner at the time of your original order. For more pricing details, please contact your Cisco partner.

**Q: What happens during the True Forward if the customer has purchased services?**

A: If software is consumed beyond the current entitlement and there are services attached, the True Forward calculation will include a charge for overconsumption of applicable services. A Services on Annuity (SOA) factor is applied as part of the True Forward calculation when calculating the price tied to overconsumption.

**Q: How can a customer make payments on True Forward overconsumption?**

A: True Forward complies with the payment method established on the original Cisco EA, SPNA, or MSEA. If prepaid payment was selected, it will remain prepaid; if annual payment was selected, it will be paid annually. The payment method cannot be changed after the EA, SPNA, or MSEA purchase.

**Q: How will I know what my charges at True Forward will be?**

A: Authorized partners can see the upcoming charges based on consumption status at any point in time and can provide that information to their customers.

**Q: What happens with a True Forward at the end of the term if a customer decides not to renew the EA, SPNA, or MSEA?**

A: When you renew your EA, going forward your initial entitlement will take into account any increase in use since your last True Forward invoice. If you choose not to renew your EA and instead buy your licenses separately, you will buy licenses for any increase in use since your last True Forward invoice.