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Cisco True Forward

General questions

Q **What is True Forward?**

A True Forward is Cisco's periodic billing adjustment process to account for any over-consumption of products and services, including a growth allowance (where applicable), during a Cisco Enterprise Agreement (EA) term or Service Provider Network Agreement (SPNA) term. Unlike other enterprise license agreements that require a "true up" every year, with a Cisco EA or Cisco SPNA, if the customer grows, they are not retroactively charged for that year's extra usage. Instead, their payment for growth (after an allowance, if applicable) is revised at the beginning of their next billing period.

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

A Cisco has a unique competitive differentiator, in that we are the only provider who offers True Forward. Customers are able to consume licenses they didn't originally purchase and are charged for their excess consumption and support from the anniversary date until the end of the Cisco EA term or Cisco SPNA term. All other providers use a true-up methodology, where the customer is charged beginning the moment of overconsumption, that is, retro-active billing.

Q **When is True Forward triggered?**

A True Forward events are initiated on every EA or Cisco SPNA anniversary date if overconsumption is identified. Customers are charged for their excess consumption and support for the duration of the agreement term.

Q **Does anything other than the anniversary date and identified over-consumption trigger a True Forward event?**

A Because True Forward events are evaluated on an annual basis and flagged as such if over-consumption is identified, nothing else can trigger them.

Q **What is a consumption report?**

A A consumption report is a snapshot in time used to track license consumption by a Cisco EA or Cisco SPNA customer during their agreement term. The most accurate way to see real-time consumption is to view in the Enterprise Agreement Workspace.

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Q **How can a customer view real-time consumption reports?**

A To view real-time consumption reports, visit software.cisco.com and go to EAWS under the One Consumption View. Consumption details will display at the product and suite level, by enrollment.

Q **Can a customer receive consumption reports through an automated email notification?**

A Yes, customers with access to their company Smart Account can sign up and receive consumption reports automatically, through an email notification. To sign up, visit software.cisco.com and go to 'View My Consumption', or click here to learn more.

Q **What if a customer consumes a license not included in their initial EA or SPNA?**

A The overage will trigger a True Forward event and will be invoiced at their next anniversary date. Pricing is determined by the list price at the time of the True Forward event, with a Fixed Price discount applied.

True Forward calculation and pricing

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

A There are two different calculation models, Pure Consumption and Value Shift, which are determined by architecture and suite.

- The Pure Consumption calculation method requires the customer to pay for the total overconsumption of licenses. PureConsumption applies to some suites in Security Choice for Enterprise Agreements. Pure Consumption also applies to the Services Enrollment for Enterprise Agreements and is based on the install base list price.

- The Value Shift calculation method allows the residual value of under-consumed license value to be transferred to any over-consumed license value within the same suite. Value Shift applies to Cisco ONE, Cisco DNA, Cisco Data Center, and all enrollments within SPNA. Security Choice EA uses a combination of Pure Consumption and Value Shift.

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

A True Forward is calculated the same for subscription and perpetual licenses, utilizing the Pure Consumption or Value Shift calculation methods.

Q **For Value Shift, is a growth allowance included in the value?**

A No, a growth allowance is given to the customer by Cisco at the time of the EA or SPNA purchase and is only applied to the initial EA or SPNA purchased licenses. There is no transferable value associated with a growth allowance, and it cannot be transferred between products.

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 over consumed licenses (within the same suite) after the 20 percent growth allowance (where applicable).

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

A Cisco EA Fixed Pricing and Cisco SPNA utilize original deal discounting (excluding adjustments). For pricing details, please contact your Partner.

Q **Can a customer make payments on True Forward over-consumption?**

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

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Q **For Pure Consumption, can the customer transfer unconsumed license value from the original Cisco EA license purchase?**

A No, the Pure Consumption calculation requires the customer to pay for all overages.

Q **With Value Shift, can the customer transfer original unconsumed license value from a license that is not in the same license's suite?**

A Residual Value cannot be shifted across suites or enrollments or within a limited product group or product family. It can only be transferred to licenses within the same suite.

Q **If a customer has a multi architecture EA, and all of the architectures use the Value Shift method, can the customer transfer the value from one architecture to another within the same EA?**

A No, the value cannot be shifted across suites or enrollments.

Q **When is a license considered as consumed?**

A A license is considered consumed when the customer has obtained it (downloaded, provisioned, enabled etc.). The number of software licenses consumed determines the True Forward billing amount.

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

A The customer will not be charged for over consumption during the final EA or SPNA term.