# Program Guide for Startups

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This Program Guide will be updated with program changes and important information. Visit the Microsoft® BizSpark™ website at <a href="http://www.bizspark.com">http://www.bizspark.com</a> often to stay up to date.

# What is BizSpark?

#### **Program Overview**

BizSpark is an innovative global program designed to link Startups with the community and resources they need to grow and succeed. BizSpark is uniquely designed to help Startups engaged in software development, by offering Software, Support and Visibility:

- Software: BizSpark provides fast and easy access to Microsoft tools and technologies, for their immediate use in design, development, testing, demonstration, and hosted application production and deployment;
- Support: Professional technical support via managed newsgroups and a connection to Network Partners, a united, global community of support resources; and email support, online training, and invitations to local technical events for entrepreneurs working with early adopter technologies, like Windows® 7, Microsoft ® Silverlight, Windows ® Azure and Microsoft® SQL Server 2008.
- Visibility: The opportunity for global visibility on Microsoft BizSpark Connect an online Startup directory, hosted on www.bizspark.com

#### **Program Structure and Roles**

#### 1. Structure:

Basically, BizSpark is a sponsor-based program, with these Program Roles:

- Champ: A Microsoft employee who works with Network Partners, Startups, and Hosting Partners. Champs can recruit Network Partners, Hosting Partners, and Startups as well as approve their requests for enrollment.
- Network Partner: An active member of the local software ecosystem engaged with high-potential, early stage Startups. Network Partners may be organizations specifically focused on supporting entrepreneurs and Startup businesses, or whose activities include a focus on promoting and supporting software Startups, through programs, mentoring, networking, business advice, financial assistance or similar activities.
- Startup: A new technology company or ISV (independent software vendor) actively engaged in development of a software-based product or online service that will form a core piece of the company's business.
- Hosting Partner: A designated Network Partner who offers hosting services for "software as a service" solutions developed by BizSpark Startups.

# Why should I join BizSpark as a Startup?

- The Microsoft BizSpark program is based on the belief that startup success is our success.
   Microsoft is committed to help technology startups realize their goals on their own terms and
   in the shortest amount of time. Through BizSpark, Microsoft's goals are to:
  - Help young and innovative software companies gain valuable experience and expertise
    in Microsoft technologies, with no upfront costs. In other words, they can get the
    technologies they need when they can least afford them.
  - Help startups establish connections with local and global startup ecosystems VCs, angels, incubators, entrepreneur associations, etc. that are equally involved and invested in software-fueled innovation and entrepreneurship.
  - Stimulate vibrant local software ecosystems and promote innovation and interoperability.
  - Support the broadest possible startup audience in a way that complements their values and the organizations that support them.
- 2. Microsoft BizSpark offers Startups the opportunity to:
  - Get Software: Receive fast and easy access to Microsoft's current full-featured development tools, platform technologies, and production/hosting licenses for immediate use in developing and bringing to market innovative and interoperable solutions. There is no upfront cost to enroll in Microsoft BizSpark.
  - Get Support: Get professional support from Microsoft and get connected to BizSpark
    Network Partners around the world who provide a wide range of support resources for
    software startups. Network Partners are incubators, investors, advisors, government
    agencies and hosters who are vested in software-fueled innovation and
    entrepreneurship. Startups also get access to managed newsgroups, online training and
    invitations to local technical events for entrepreneurs working with early adopter
    technologies, like Windows 7, Microsoft ® Silverlight, Windows ® Azure and SQL
    Server® 2008.
  - Get Visibility: Startups have the opportunity to achieve global visibility to an audience of
    potential investors, clients, and partners by profiling their company in the online Startup
    directory, Microsoft BizSpark Connect, on the Microsoft BizSpark Website. Startups also
    have the opportunity to be promoted as BizSpark Featured Startup on the Microsoft
    BizSpark Website.

# **Startup Eligibility**

1. Startup Eligibility Requirements<sup>1</sup>:

An eligible startup must have the following characteristics at the time of joining:

- Actively engaged in development of a software-based product or online service that will form a core piece of its current or intended business<sup>2</sup>,
- · Privately held,
- In business for less than 3 years<sup>3</sup>, and
- Less than US \$1 million in annual revenue<sup>4</sup>

# **Examples of BizSpark enabled products and online services:**

# Eligible:

- a) A Rich Internet Application (RIA) where most of the application's functions are hosted (either by the Startup or managed hosting services). For example, an application to help make airline reservations.
- b) An application for a desktop or mobile phone. For example, a game.
- c) A combination of a) and b) above, where local function is complemented by a hosted component. For example, an application that helps a user select a local restaurant which uses a GPS to locate the user and a hosted service to locate nearby restaurants.
- **Not Eligible:** Dashboards, HTML editors, utilities, and similar technologies are not considered a primary service or application.

To be eligible to use the BizSpark software for production and deployment of hosted solutions under BizSpark, Startups must also be developing a new "software as a service" solution (on any platform) to be delivered over the Internet. To meet this requirement, your software must:

- Add significant and primary functionality to the Microsoft software.
- Be owned, not licensed, by you.

USD \$750,000 China

USD \$500,000 Korea, Malaysia, Poland, Russia, Spain, Ukraine

USD \$250,000 Egypt, Thailand, Turkey, Vietnam

<sup>&</sup>lt;sup>1</sup> In certain instances, BizSpark benefits may also be a component of other customized marketing or partnering engagements with Microsoft, such as those listed in Appendix C.

<sup>&</sup>lt;sup>2</sup> Startups cannot be in the business of providing services to others such as hosting, web agency, system integration or outsourced development.

<sup>&</sup>lt;sup>3</sup> Startups who are actively engaged in software development but have not yet completed the formalities of establishing a business are also eligible for enrollment into BizSpark.

<sup>&</sup>lt;sup>4</sup> This requirement has been adjusted to add local variances calibrated to local economic conditions in the startup's place of business, below. If a Startups' place of business is not listed below, then the revenue limit is US \$1 million.

- 2. *Term:* Startups can participate in BizSpark for up to 3 years. On the first and second anniversary of initial enrollment, they must update their enrollment (e.g., confirm they haven't gone public and their ownership hasn't changed).
- 3. Special Offers: BizSpark Startups may also be eligible for additional products or services offerings (from Microsoft or others) from time to time during their tenure in the Program. Startups enrolled in BizSpark will be notified of special offers when they become available as well as the terms and enrollment process to take advantage of them. Special Offers are not part of the BizSpark program benefits and Startup's participation in Special Offers will be governed by the separate terms and conditions for each Special Offer (including licenses, and fees if any)
- 4. Technology offering: The BizSpark technology offering to Startups currently includes:
  - For design, development, testing and demonstration of your software application:
    - Software equivalent to software included in the Visual Studio Ultimate with MSDN<sup>5</sup> subscription.
    - Visual Studio Team Foundation Server (Standard Edition) is available for use by the entire development team
    - Expression® Studio 2
    - Expression ® Studio 3
    - Visual Studio Agents 2010<sup>6</sup>
  - For production use that is, to deploy and host Startup's new "software as a service" applications to be delivered over the Internet to Startup's customers:
    - Windows Server 2008 R2 (standard, enterprise, and web editions); SQL Server 2008 R2 (standard, enterprise and workgroup editions), BizTalk Servers (2009 branch, standard, and enterprise editions) and SharePoint Server 2010 for Internet Sites Enterprise hosting, Dynamics CRM 4.0 Service Provider and
    - Systems Center (2007 R2 editions as well as System Center Data Protection Manager 2010) for managing hosting server operations.

The information regarding software is representative and not comprehensive - see the Startup Program Guide and BizSpark Program End User License Agreement for more details. Products, versions, availability and additional benefits are subject to change. All software is available by download only.

DOWNGRADE. Instead of creating, storing, and using the software, for each permitted instance you may create, store, and use an earlier version. This agreement applies to your use of the earlier version. If the earlier version includes different components, any terms for those components in the agreement that comes with the earlier version apply to your use of them. Microsoft is not obligated to supply earlier versions to you. At any time, you may replace an earlier version with this version of the software.

Because this offering is likely to be updated from time to time, Startups and Network Partners should visit the Microsoft® BizSpark website at <a href="http://www.bizspark.com/">http://www.bizspark.com/</a> often to check this Startup Program Guide.

<sup>&</sup>lt;sup>5</sup> There are features of the Visual Studio Ultimate with MSDN subscription (such as concierge libraries, support and internal use licenses) that are not included in the BizSpark Program.

<sup>&</sup>lt;sup>6</sup> The use rights for Visual Studio Agents 2010 will end simultaneously with Startup's participation in BizSpark.

- For information on the current BizSpark technology offering and support resources, please see Appendix A of this Program Guide.
- For detailed information on production and hosting scenarios, please see **Appendix B** of this Program Guide.

# Responsibilities

# Startups must:

- Enroll as a Startup on the BizSpark website and maintain an up-to-date profile on the BizSpark website.
- · Renew their membership on an annual basis.
- Agree to abide by BizSpark terms and conditions as set forth in the BizSpark Startup
  Agreement, the BizSpark End User License Agreement, the Program website (including
  Terms of Use and Privacy Statement), and the Startup Program Guide.
- Startups do not have to be members of the Microsoft Partner Network (MPN) prior to joining the Program, but enrollment in MPN is a feature of Program participation. Startups, who are not already MPN members, will be automatically enrolled as MPN Community Members during the BizSpark enrollment process. Startup's participation as an MPN Community Member is governed by the MPN Community Partner Agreement attached as an Annex to the BizSpark Startup Agreement

See the BizSpark Startup Agreement for more details regarding Startup responsibilities.

# How do I join as a Startup?

The BizSpark Startup enrollment process:

The Primary Contact<sup>7</sup> connects to the BizSpark Website at <u>www.bizspark.com</u>. The enrollment process is quick and easy. The Startup Primary Contact must be signed in to Windows Live™ ID. If not, the system will prompt them to do so.

- Once connected to <u>www.bizspark.com</u> the Primary Contact should review the eligibility requirements and check the appropriate box. The BizSpark home page offers Startups a detailed FAQ document to help with any questions that might arise during enrollment. Once they are ready, the Primary Contact clicks "Join BizSpark Now" to continue the enrollment process.
- The Primary Contact is prompted to review and accept the BizSpark Startup Agreement and the BizSpark Program End User License Agreement ("EULA"). Acceptance of the Startup Agreement and EULA are required to continue the enrollment process.
- Next, the Primary Contact enters information about the Startup and the individual completing the enrollment application.

<sup>&</sup>lt;sup>7</sup> A Primary Contact is a current member of the startup who is authorized to enroll the startup into the BizSpark program. The Primary Contact will serve as the Startup's account administrator and he or she alone will have access to the Startup's home page and subpages via its Windows Live ID credentials.

- The final step in the enrollment process is to enter an approval code provided by a Network Partner or a Champ, if a Network Partner was not available in your area. If a Startup received an invitation from either a Champ or Network Partner, this code will pre-populate in the Startup's enrollment page. If a valid approval code is entered, or already populated, the enrollment is complete.
- o If a valid approval code is not available, the Primary Contact can request one from a Network Partner or Champ. We strongly recommend that Startups look for local Network Partners, because they often provide entrepreneurial support beyond access to BizSpark. Startups who don't already have a Network Partner can select one using the "Find a Network Partner" tool on the BizSpark website. When requesting a code from a Network Partner, the Primary Contact can filter by Network Partners who only support their country/region or broaden their search by filtering Network Partners who support their country/region as well as others. The Primary Contact selects a country/region from the dropdown list box and the system populates the page with Network Partner listings that satisfy the filter criteria. If desired, the Primary Contact can refine the list by filtering on state/province for the selected country/region. The system will notify the selected Network Partner or Champ informing them of the Startup's pending approval.
- Once the enrollment process is complete and the Startup is approved, the Startup's primary Contact will receive a "Welcome to the Microsoft BizSpark Program" e-mail that includes next steps for getting started.

# How long can I participate in BizSpark?

For three years (renewed annually), unless the Startup goes public, is acquired by a company which does not qualify for BizSpark, or fails to abide by BizSpark's terms and conditions in the Program Materials.

See the BizSpark Startup Agreement for other situations where your participation in the Program could end.

#### What is the Renewal Process?

Each Startup must renew their participation in BizSpark within 60 days of their first and second year anniversary after enrollment. The Startup's Primary Contact will receive a reminder email from BizSpark when it is time to renew. Renewal is fast and easy – the Startup Primary Contact simply logs in, clicks the renewal button, provides some additional company information, and confirms that their eligibility has not changed. If the Startup chooses not to renew, the Startup can contact customer support and ask to be removed from the BizSpark Program.

# How do I end my participation as a Startup?

You may end your participation in BizSpark as a Startup at any time. To do so, contact Microsoft.

# What happens after three years of participation in BizSpark?

Generally, a Startup's participation in BizSpark will end after 3 years or earlier if it terminates its membership or if they're no longer eligible (e.g., go public or are acquired).

At the end of their program participation:

 Startups will continue to enjoy the use rights of the BizSpark Program technology offer to develop, test and demonstrate (except the Visual Studio Agents 2010) as long as all members of the Startup comply with the BizSpark End User License Agreement.

- Startups will no longer have use rights to the BizSpark Program technology offer for production and hosting. However, at the conclusion of their participation in BizSpark, Startups will have had the benefit of the BizSpark experience, and will be better equipped to determine the production and hosting technology that best fits their business needs.
- Startups might choose to take advantage of a Microsoft program like the Service Provider License Agreement ("SPLA") or other Microsoft licensing programs that may be available at the time, but are in no way obligated to do so.
- Startups should manage their agreements with their customers to anticipate the end of their production and hosting rights under the BizSpark Program.

# Benefits of working with a Network Partner

BizSpark is designed to unite a global community of peers, technical resources, and entrepreneurial mentors who can effectively address the unique business development challenges that Startups face. BizSpark directly connects Startups with a community of economic and entrepreneurial development organizations, or Network Partners, who fully understand the startup environment and what it takes to go big quickly. These advisors specialize in promoting and supporting Startups provide through programs, business mentoring, networking, financial assistance, peer connections, and other resources that drive Startup success.

# Benefits of working with a Hosting Partner

Hosting Partners are designated Network Partners who can provide hosting services for "software as a service" solutions developed by BizSpark Startups. Startups that intend to deploy a product on the Internet within 12 months of enrollment are encouraged to engage a Hosting Partner to assist them in hosting their application on the internet. Hosting Partners can offer a wide range of unmanaged to fully managed solutions.

If the Startup is still in product development, it may be most cost-effective to engage a Hosting Partner who offers inexpensive, unmanaged server accounts that allows a Startup to deploy one or more small servers they can configure and manage themselves.

If the Startup's application is headed toward production, the Startup should consider a full-service hosting partnership. A full-service partner will work with the Startup to deploy and run securely at scale, and will give the Startup a performance "service level agreement" for their application. Many Hosting Partners specialize in helping Startups take their application(s) to the next step of "Software as a Service" readiness, incorporating automated user provisioning, automated usage metering and even automated billing services if the Startup needs them.

A Hosting Partner may operate in specific geographies, and may have special qualifications such as enhanced security certifications. It is important for the Startup to choose a hosting partner that meets their specific needs. To learn more about hosters or to designate who will be your hosting partner, please click thru the link from your Startup home page to the Manage Hoster Relationship page.

To find a Hosting Partner in your geography please visit: <a href="www.bizspark.com">www.bizspark.com</a>

# Miscellaneous

# **Notices to Microsoft**

All Startups:

Send written notices to Microsoft at:

Microsoft Corporation

Attn: BizSpark One Microsoft Way Redmond, WA 98052

Email: bizspark@microsoft.com

# **Additional Resources**

Interested in joining as a Startup?  $\underline{www.bizspark.com}$ 

For support issues contact: <u>BizSpark Customer Support</u>.

For more information about Startup resources: Visit <a href="www.bizspark.com">www.bizspark.com</a>

# Appendix A – BizSpark Technology Offering and Support Resources

# **SUPPORT**

# **Support Resources**

# Program and Product Support (Microsoft support professionals will respond to your questions within business hours.)

- Two technical support incidents, covering assistance with technical breakfix issues
  - All members of the Startup are eligible to receive customer support.
     However, only the Startup's Primary Contact is eligible to receive two
     (2) technical Support Incidents.

Connect to <a href="http://msdn.microsoft.com/subscriptions/aa948875.aspx">http://msdn.microsoft.com/subscriptions/aa948875.aspx</a> for regional support contact information and governing terms and conditions.

- Unlimited program support for non-technical issues
  - Connect to <a href="http://msdn.microsoft.com/subscriptions/aa948875.aspx">http://msdn.microsoft.com/subscriptions/aa948875.aspx</a> for regional support contact information.

# **TECHNOLOGY**

# For Design, Development, Test and Demonstration

BizSpark members receive access to Not-For-Resale software versions equivalent to those included in the Visual Studio Ultimate with MSDN subscription. BizSpark software is for design, development, test, and demo only. For the most up to date listing of this products click here and then go click on the Visual Studio Ultimate with MSDN tab for a representative list of products.

# For Production: IT Operations Servers

To help manage software in production and deployment of Startup's new "software as a service" offer to be delivered to customers over the Internet. See Appendix B below for <u>business scenarios with</u> the Production and Hosting rights.

# **IT Operations Servers**

- System Center Configuration Manager 2007 with SQL Server 2005 Technology
- System Center Data Protection Manager 2010
- System Center Operations Manager 2007 R2 with SQL Server 2008 Technology

# **For Production and Hosting Servers**

(For production and deployment of Startup's new "software as a service" offer to be delivered to customers over the Internet. See Appendix B below for business scenarios with the Production and Hosting rights.)

# **Hosting Servers**

- SQL Server 2008 R2 Standard, Enterprise and Workgroup Editions
- SQL Server 2008 R2 Web Edition
- Windows Web Server 2008 R2
- Windows Server 2008 R2 Standard and Enterprise
- Windows Server 2008 Standard and Enterprise without Hyper-V
- BizTalk Server 2009 R2 Branch, Standard, and Enterprise Editions
- SharePoint Server 2010 for Internet Sites Enterprise
- Dynamics CRM 4.0 Enterprise

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The BizSpark Program software and technologies should only be used by BizSpark Startups and their individual members who have accepted the BizSpark End User License Agreement. The Microsoft technologies included in the BizSpark program must not be sold or transferred to a third party.

# Appendix B – Production and Hosting Scenarios

Startups can use BizSpark Hosting and IT operations servers for production use: that is, to host and manage their "software as a service" application that is accessed over the Internet by their customers. Startups can self-host, or contract with a BizSpark Hosting Partner.

BizSpark hosting servers include:

Windows Server 2008, SQL Server 2008

BizTalk Servers (2009)

SharePoint Server 2010 for Internet Sites Enterprise products

BizSpark IT operations servers include System Center Server 2007 products.

Startups may use BizSpark IT Hosting Servers to deploy a software application that the Startup developed and that is accessed by its customers over the Internet. They can use BizSpark IT Operations Servers to manage the application and the servers it runs on.

Examples of applications like this include, but aren't limited to:

- A line of business application trucking logistics, for example -- which the Startup's customers use to manage their own customer relationships.
- An online auction site.
- Startup's business is logistics (e.g. package delivery).
- A social networking site.

The key points here are:

- The Startup developed the application or service itself, and hosts it (either self-hosted or via a hosting partner), and
- The customers access the application or service over the internet

The BizSpark servers cannot be used where they don't support an application the Startup developed. In other words, the BizSpark licenses don't apply when the Startup

- Offers the servers simply as a hosted platform (e.g. a SQL Server database)
- Uses the servers as a platform for another company's application, such as a CRM application from a third party

Please refer to the BizSpark Startup Agreement and BizSpark End User License Agreement (both posted on the BizSpark website) for definitive use terms.

# Appendix C – Customized Engagements<sup>8</sup> that may include BizSpark Benefits

- Microsoft BizSpark One, managed by the Microsoft Emerging Business Team
- Microsoft BizSpark for First Time Developers, managed by the Microsoft Emerging Business Team
- BizSpark for Social Entrepreneurs, managed by the Microsoft Emerging Business Team and available only in India.

<sup>&</sup>lt;sup>8</sup> These customized engagements are likely to involve company commitments beyond those generally required of BizSpark participants, such as commercial deployment of company solutions using Microsoft products, promotional and marketing activities, provision of feedback on Microsoft products, participation in surveys, and/or participation in other Microsoft programs or events. These engagements and commitments are not necessarily exhaustive and may change at any time.