**Scenario**

Northwind Traders, a global retailer, plans to adopt Azure but needs a subscription strategy for its HR, Finance, and IT departments. Each department requires isolation but shared billing.

**Objectives**

* Design a subscription model for cost allocation and access control.
* Justify the chosen strategy with Azure’s subscription types.

**Instructions**

1. **Subscription Types**: Compare Enterprise Agreement (EA), Pay-As-You-Go, and Microsoft Customer Agreement. Recommend the best fit for Northwind’s centralized billing need.
2. **Departmental Structure**: Propose a hierarchy using management groups (e.g., /Northwind/HR). Explain how this enforces RBAC boundaries.
3. **Cost Tracking**: Outline how tags can be used (e.g., Department:Finance) to track spending. Provide a sample tag policy JSON snippet.
4. **Executive Summary**: Write a 100-word summary for Northwind’s CFO explaining the cost-saving benefits of your design.

| **Subscription Type** | **Description** | **Best Use Case** |
| --- | --- | --- |
| **Enterprise Agreement (EA)** | Designed for large organizations; supports centralized billing and volume licensing discounts. | **Best fit for large enterprises with multiple departments.** |
| **Pay-As-You-Go** | Flexible, monthly billing per usage. No upfront commitment. | Best for startups or testing environments. |
| **Microsoft Customer Agreement (MCA)** | Provides modern billing, tailored to mid-size orgs, also supports centralized billing. | Good for smaller enterprises needing billing flexibility. |

**Recommendation: Enterprise Agreement (EA)**  
EA provides centralized billing, departmental cost tracking, and negotiated pricing — ideal for Northwind’s multi-department model.

**Departmental Structure with Management Groups**

Use a hierarchy for governance and access control:

/Northwind

├── /HR

├── /Finance

└── /IT

* **Management Groups**: Enforce **RBAC** and **Azure Policy** at the department level.
* **Subscriptions**: Create one per department under respective management groups.
* **Benefits**:
  + Isolated resources and role-based access
  + Department-specific policies (e.g., region restrictions)
  + Inherited compliance rules

**Example**:

* Assign Reader role at /Northwind for central auditing.
* Assign Contributor role only to HR admins on /Northwind/HR.

**Cost Tracking with Tags**

Tags enable chargeback and showback by department, environment, or project.

Example Tags:

Department: Finance

Environment: Production

Project: PayrollSystem

Sample Tag Policy (JSON)

A computer screen shot of text

AI-generated content may be incorrect.

**Executive Summary for CFO (100 Words)**

Northwind’s Azure subscription model enables centralized billing under an Enterprise Agreement while maintaining department-level isolation for HR, Finance, and IT. By assigning each department its own subscription under a structured management group hierarchy, we enhance security, governance, and cost visibility. Tags enforce clear cost allocation, enabling accurate departmental chargeback and showback. The model supports volume discounts, policy enforcement, and streamlined access control, reducing administrative overhead and maximizing ROI. This approach ensures scalable cloud adoption while keeping financial oversight centralized — aligning with Northwind’s operational and financial goals.