



Why Sitecore Subscription Licensing is a Smart Move

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If your needs have grown and you've been in conversations about purchasing additional Sitecore licensing, your Sitecore sales representative or account manager has likely started sharing information about a new licensing option with you.

At first glance, this new option called subscription licensing may seem like overkill and a bit difficult to wrap your brain around.

However, the freedom and cost savings that subscription licensing affords you is worth a closer look. Overwhelmingly, [Sitecore subscription licensing](#) is the right choice for growing businesses who are adding more sites and more traffic.

The limitations of Sitecore perpetual licensing

Sitecore perpetual licensing is based on the number of Sitecore instances you'll be deploying. You pay a fixed, one-time cost for each instance you deploy. You also pay an annual "maintenance fee" which gives you access to patches, hot fixes, and the latest version of Sitecore.

This style of licensing made sense back when everyone was installing Sitecore on physical servers. You paid a one-time fee for each instance of Sitecore, and each license allowed you to run one instance on one physical server. This licensing model was simple and easy to understand. While it came with a **large upfront cost**, you could budget that investment accordingly, and when all was said and done your company owned the license forever (or "perpetually").

That was then, and this is now, and today everyone is [moving Sitecore to the cloud](#). In the cloud, this old-fashioned perpetual licensing model just doesn't translate anymore. In the cloud, you can spin up and spin down an instance of Sitecore to meet dynamic traffic needs, thereby optimizing your hosting spend. With perpetual licensing, you'd have to buy enough licenses to support *peak* traffic demands—causing you to overspend on **resources that sit idle** during non-peak times.

Subscription licensing becomes even more critical, when you consider the rapid pace of **global expansion**. In the cloud, you can spin up a new licensed version of Sitecore on any continent *within hours*, without having to speak to anyone at Sitecore. With perpetual licensing, the process is much more cumbersome and time-consuming, involving proposals and approvals with your Sitecore rep and purchasing, and setting

up a physical box online with a new configuration of Sitecore. As you know, this could take months to complete.

Simply put, the perpetual licensing model is **outdated** and will not keep pace with the budgeting and technical needs of any company that's in a phase of acquisition or growth. Only subscription licensing meets the demands of companies like yours.

What is Sitecore subscription licensing?

Sitecore subscription licensing should really be called *unlimited* licensing, because you're paying a set yearly fee for use of an unlimited number of production servers, in addition to ongoing [upgrades](#) and support. You also get access to additional products—like [Sitecore Experience Accelerator \(SXA\)](#) and [Sitecore JavaScript Services \(JSS\)](#).

The freedom of Sitecore subscription licensing

Moving Sitecore from a capital expense to an **operating expense** allows you to reallocate your CapEx budget to high visibility, needle-moving investments.

Also, with subscription licensing, you can spin up as many production servers as you'd like, and your subscription fee remains the same. This makes supporting sites that receive large traffic spikes much easier, because you can spin up and then spin down additional instances in real time, as traffic ebbs and flows.

Subscription licensing also makes **migrating** all your sites to Sitecore much easier. Your team can quickly and easily spin up new instances of Sitecore to accommodate a steady ongoing increase in traffic, without having to contact your Sitecore sales rep.

To recap Sitecore subscription licensing provides these unique **benefits**:

- Exclusive access to Sitecore Experience Accelerator (SXA), Sitecore JavaScript Services (JSS), Sitecore updates, and ongoing support
- Instant and effortless scalability
- Unlimited number of production servers

- Moves Sitecore to an OpEx, freeing up budget for more impactful CapEx investments

When is subscription licensing a smart move for my company?

Sitecore subscription licensing is the **right choice** for your business if:

- You expect your traffic needs to grow quickly in the future.
- Your site experiences large fluctuations in traffic, perhaps due to sales or seasonality.
- You want to be able to scale your Sitecore production instances quickly without having to involve a Sitecore sales rep and your purchasing department.
- You want your servers to be spread across geographically-diverse datacenter locations to provide your customers with the fastest load times possible and optimal site performance.
- You plan to host your Sitecore instance in the cloud. (recommended)

Sitecore subscription licensing provides the best value to companies that are experiencing accelerated growth, have high fluctuations in traffic, or prefer the freedom and cost savings of this licensing model. At Engagency, we've found this describes the vast majority of Sitecore customers.

To learn more about subscription licensing, contact your Sitecore Account Manager. To discuss this topic in more detail and how it applies to your business, [contact us at Engagency](#).