Vol. 2, No. 27, July 11, 2026

RYZE REPORT *The Operating Edge for Microsoft Partners*

FY27 Growth That Doesn't Count

A partner closes a strong quarter. New Azure workloads, an expanded Modern Work footprint, and revenue moving in the right direction. The CSP incentive statement arrives smaller than expected, and nobody can explain why.

The problem usually isn't the calculation. It's the definition.

Microsoft measures CSP incentive growth at the customer tenant level against all prior-year revenue in that tenant, regardless of which partner owned it, what products generated it, or whether it came through a previous Enterprise Agreement.

That means a new sale doesn't automatically count as growth. If revenue from another partner declines in the same tenant, that decline can offset your gain. The same can happen when an Enterprise Agreement transitions to CSP. A drop in legacy revenue may reduce the new CSP growth recognized in that account. Revenue that simply moves between channels without creating net-new growth is classified as **Shift**, not **Growth**.

Those distinctions don't appear on a sales dashboard. They're made inside Microsoft's revenue classification model, where every dollar is categorized as **Growth, New MSFT, New CSP, Baseline,** or **Shift** before CSP incentives are calculated.

> ***"Your growth plan and Microsoft's growth definition are two different numbers until someone checks."***
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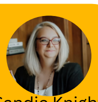
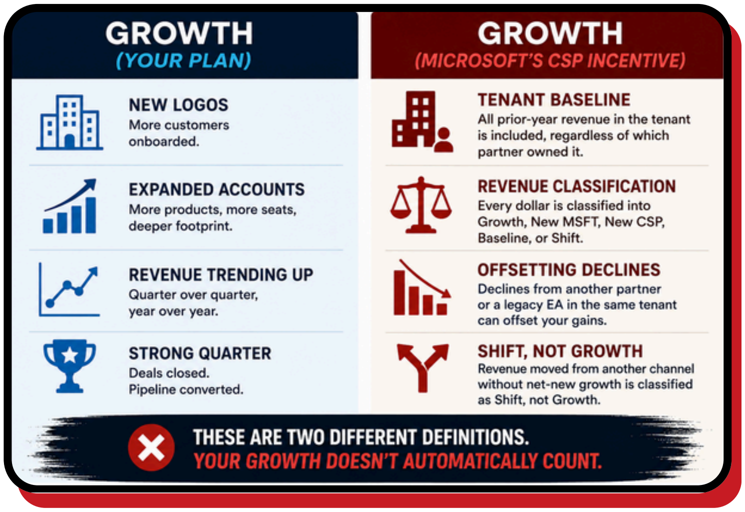
> 
>
> Sandie Knight

This is a leadership issue, not a reporting issue. If your FY27 targets were built around your company's definition of growth, new logos, expanding accounts, and rising revenue, they may not align with Microsoft's.

Before you commit to this year's plan, ask one question:

Does our definition of growth match the one Microsoft actually pays CSP incentives on?



RYZER Tips

- **Microsoft's CSP growth baseline** includes every prior-year dollar in a tenant, so another partner's decline there can offset your gain.
- **An EA converting to CSP isn't a clean win either.** The legacy revenue decline nets against your new CSP growth in the same tenant.
- **Revenue that migrates without producing new growth** gets classified as Shift, not Growth, and may not pay out the same way.

RYZER Pulse

The heartbeat of the partner community. Each week we surface real stories and questions from Microsoft partners—pulled from Patch Tuesday calls, field conversations, and direct feedback—to help you spot patterns, avoid pitfalls, and stay ahead.

"Can another partner's activity in my customer's tenant reduce my growth incentive?"
Yes. The CSP growth baseline includes all prior-year tenant revenue regardless of which partner owned it, so another partner's decline can offset your gain. Review the Growth Definitions section to see which of your tenants are affected.

"What's the difference between an EA-to-CSP transition and revenue classified as Shift?"
They're separate mechanisms. An EA converting to CSP can trigger a legacy revenue decline that offsets new CSP growth in the same tenant. Shift is a distinct classification for revenue migrated from another channel without producing net-new growth. Both can reduce what actually counts as growth, so check your active transitions against each mechanism.

Microsoft News & Events

[What's New for Partners: July 2026]
[FY27 CSP Promotions Announced]
[FY27 Incentives Guide Released]

[MCAPS for Partners - July 22, 2026]
[Microsoft Partner FY27 GTM Kickoff - July 28]
[Microsoft Ignite Registration - Nov 17-20]

[July Partner Center Announcements]

[Microsoft Partner Blog]
[Americas Partner Blog]
[Multi-Country Partner News & Resources]

[Microsoft Events Portal]
[Microsoft Learn]

[Partner News | Microsoft Community Hub]
[Microsoft Marketplace Community]

Patch Tuesday Preview

RYZE MEMBERS ONLY

Tuesday, July 14th- 1PM EST

Introducing:
The New RYZE Member Journey
Community → Learning → Growth → Results

Join us for an overview of the new FY27 RYZER programs and discover the best path to accelerate your business.

RYZER Feedback

We want to hear from you!

This week's question: ***If Microsoft's growth definition doesn't match the growth number in your account plan, which one is your team actually being paid on?***

Send your reply to ryzeup@ryze-partners.com. We'll feature a few partner perspectives in an upcoming issue of the RYZE Report.

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