

Re: Question About SA

Source:

<http://coding.derkeiler.com/Archive/Delphi/borland.public.delphi.non-technical/2007-02/msg03688.html>

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In article <xn0f2qgyb62bgu001@xxxxxxxxxxxxxxxxxxxx>, John E. Wilfong wrote:

Purchase D2007 for Win32. Purchase automatically includes 12 months updates. Essentially you are purchasing a subscription whether you want to or not with the initial purchase.

I think that is a good idea, and the 12 months shouldn't necessarily be cast in stone. Even if it was only 6 months, you would have 6 months to decide if you should renew for another 12 months, and that would give you a little break not requiring as big an upfront hit to get onto SA.

A new license purchase could have a longer initial subscription than someone who purchased as an upgrade at a lower price.

If you think about this approach, it is very similar to the offers made just prior to new releases where buying now qualifies for the new version free when released.

Of course, for CodeGear, the issue will be the timing of revenue recognition. A new license or upgrade gets recognized immediately, while SA must be recognized over the life of the subscription term. Switching over to this model will probably hurt earnings for 2 or 3 quarters until the number of inforce subscriptions builds up.

Steve Tyrakowski

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