AWS Marketplace myth busting for state and local government agencies

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Many public sector organizations are seeking to integrate solutions deployed in their on-premises environments with new cloud applications and technologies as they modernize their organizations. A cloud marketplace provides broad access to these solutions. A cloud marketplace is operated by a cloud service provider (CSP) and serves as a place for customers to browse and subscribe to software applications and developer services that are built on, integrate with, or supplement the CSP's main offering.

The Amazon Web Services (AWS) Marketplace is a centralized location that houses thousands of third-party software, data, and services that run on AWS. Forrester identified AWS Marketplace as a leader in its most recent Forrester Wave evaluation of software as a service (SaaS) marketplaces. According to Forrester, "AWS continues to raise the bar for transacting and contracting, with real dollar benefits…[and] continues to work with procurement executives and other technology buyers to ensure its marketplace is solving their buying challenges."

Despite the rapid growth of software marketplace usage in recent years, some state and local government (SLG) purchasers are holding back. This post debunks the most common myths keeping SLG agencies from embracing software marketplaces.

1 *Myth #1: I have to use a competitively awarded contract and negotiate many of the contract terms to purchase software, so I cannot use a marketplace where all the terms are commercial*

In AWS Marketplace, commercial terms can be replaced with negotiated terms, including the existing agreements SLG customers use to procure software. Watch this 7-minute video that shows how an AWS Marketplace Channel Partner or software vendor can attach custom contracts to an offer. As the video explains, the NASPO ValuePoint Cloud contract can be applied directly to a purchase in the AWS Marketplace, such that the previously negotiated cloud terms and conditions at both the master agreement and the participating addendum are reflected in the purchase.

2 *Myth #2: The prices in the marketplace are much higher than the ones I got quoted by my software vendor*

AWS Marketplace is a public website, so many software manufacturers choose to post MSRP-like prices. Software vendors and value-added resellers provide discounted prices to SLG agencies with AWS Marketplace private offers. Some AWS Marketplace vendors also choose to discount their products through programs such as the AWS Marketplace OMNIA Partners cooperative contract.

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3 **Myth #3: My state, city, or county works with a reseller, and marketplaces require you to buy directly from the software manufacturer**

More than 2,200 registered resellers sell software and their own professional services in AWS Marketplace. SLG agencies can set up an AWS account through their reseller so their purchase order and invoicing process works as usual. "Marketplaces are the future of software procurement and our customers and resellers appreciate being able to have the Marketplace readily available to them," said Craig Abod, president of Carahsoft, a top SLG AWS Marketplace partner.

4 **Myth #4: AWS Marketplace has a lot of products that are out of scope for my contract, so we cannot use it**

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5 **Myth #5: If I allow the use of marketplaces, government employees will make purchases they're not authorized to make**

An unauthorized user accidentally clicking to accept the wrong set of terms is a common procurement concern. AWS Marketplace offers access policy guardrails that are easy to set up, so only authorized users can make purchases.

6 **Myth #6: Software marketplaces don't have any benefits that are useful to government customers**

Public sector customers most frequently cite the following reasons they use AWS Marketplace: faster vendor onboarding, strengthened security profile, and a single pane of glass for all software procurements while using multiple resellers and direct software purchases. Arizona Deputy CISO Ryan Murray said, "Seeing our subscriptions from various software vendors and resellers holistically in one place has been super beneficial. Being able to click a button to purchase was also fantastic. AWS Marketplace provided an intuitive user experience."

Conclusion:

As your agency begins exploring the advantages offered by cloud marketplaces, AWS is here to help. AWS Marketplace customer advisors offer customized support specifically for government organizations navigating AWS Marketplace as first-time users. Get started by exploring State and Local Government Solutions on AWS Marketplace and attending AWS Marketplace office hours.

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