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**BIGGEST**  
MICROSOFT OFFICE 365  
**PITFALLS**  
AND HOW TO AVOID THEM

# INTRODUCTION

**MICROSOFT'S OFFICE 365 IS THE WORLD'S MOST WIDELY-ADOPTED SAAS SOLUTION** and for good reason. IT leaders appreciate the anywhere, anytime access, improved security and easy product upgrades.

From an end user perspective, Office 365 is versatile, easy-to-use and enhances productivity, efficiency and collaboration. Without careful planning and maintenance, however, you can spend thousands to millions more than anticipated on Office 365 administration and subscription expense.

## THIS GUIDE WILL SHOW YOU HOW TO:

- Save money on migration and renewals
- Avoid wasted outlays from duplicate and unnecessary licenses
- Right-size each user's subscription level to their specific needs
- Introduce automation to management process

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**BY 2022, MORE THAN 70% OF ENTERPRISES WILL BE USING CLOUD OFFICE TOOLS.**

Gartner, A Survival Guide to Microsoft Office 365 for Application Leaders, Joe Mariano, 24 February 2017

# PITFALL #1

## NOT PLANNING: WASTED MONEY ON MIGRATION

MICROSOFT OFFERS 15% OFF WHEN CONVERTING FROM SA OFFICE/CAL LICENSING TO OFFICE365; AND OFTEN ADDITIONAL DISCOUNTS ON E5, AND E3.

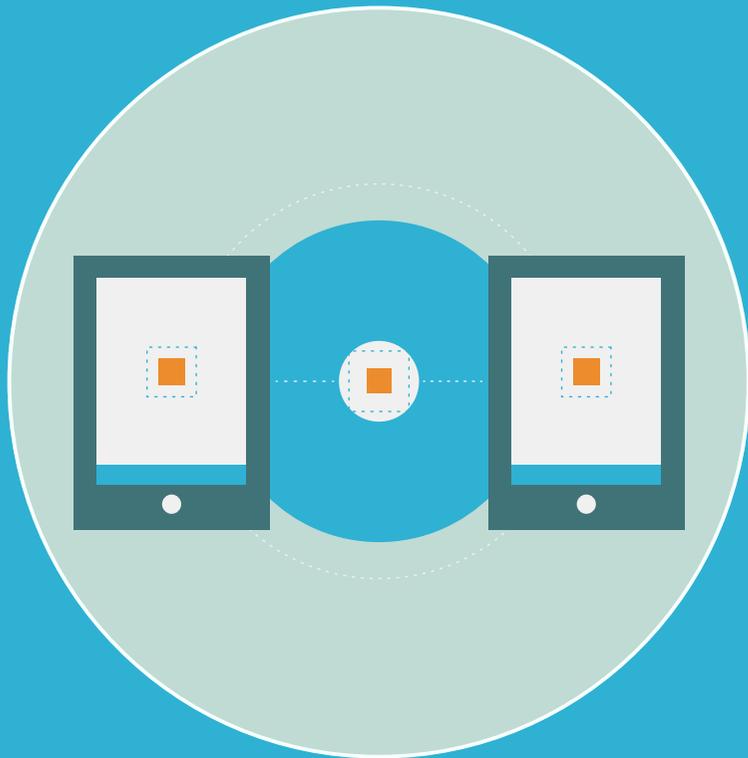
There are many valuable Office 365 migration planning articles and whitepapers available, most of them focused on technical issues. Top concerns mentioned include:

- Hybrid Exchange environments with compatibility and functional challenges such as migration of larger data sets hitting technical and bandwidth walls and unrecognized legacy archives.
- Differences between AD and Azure AD that drive the need for password sync or federated SSO.
- SharePoint feature differences between on-premises and Office 365 versions, permission challenges with subsites and security challenges with External Users and Anonymous Guest Links that can access content.

One concern these guides often omit is the importance of determining **how many and what type of subscriptions to buy**. When you're making at least a 1 year commitment to subscription level and a 3 year commitment to license count, buying the right number of subscriptions is critical as mistakes can be exponentially costly.

It is tough to plan when even respected tech authors advise "just count the number of seats and multiply by the annual cost". If only it were that simple. Prior to signing any Office 365 contract, organizations must perform a detailed assessment of what they are using today, down to user and component level. This fine-grained usage assessment is needed to make cost-effective license count and subscription level decisions.

# RECOMMENDATIONS



**ESTABLISH OFFICE 365** NEEDS BY EMPLOYING AUTOMATED TOOLS TO DETERMINE WHAT APPLICATIONS ARE BEING USED TODAY, BY WHICH USERS, ACROSS ALL DEVICES.



**UTILIZE USAGE REPORTS** TO BUY ONLY THE SUBSCRIPTIONS YOU NEED, NOT THE VOLUME YOU'VE PREVIOUSLY LICENSED.



**LEVERAGE COMPONENT-LEVEL** USAGE STATISTICS TO SELECT THE RIGHT LEVEL OF OFFICE 365 FOR EACH USER.



**RENEWAL CAN BE** A GREAT TIME TO MIGRATE – YOU HAVE LEVERAGE!

# PITFALL #2

## BUYING IT TWICE: DUPLICATE LICENSES CREATES OVERSPEND

What if you've already begun migration without an accurate view of your current device-based installations? Many organizations overspend by buying duplicate licenses for the same person, one for device-based and another for Office 365.



### COMMON SCENARIOS LEADING TO DUPLICATION INCLUDE:

- Duplicate subscriptions purchased by business units and centralized IT departments.
- License duplication after a merger. The acquired company may not have accurate records of on-premise Microsoft accounts. Without accurate visibility, it is easy to continue to pay for a device-based license while also paying for Office 365.
- Failing to draw clear lines between device-based and Office 365 versions. For example, if a Visio file is accessed on a desktop and the device-based Visio application has not been uninstalled, this could 're-activate' the device-based license.

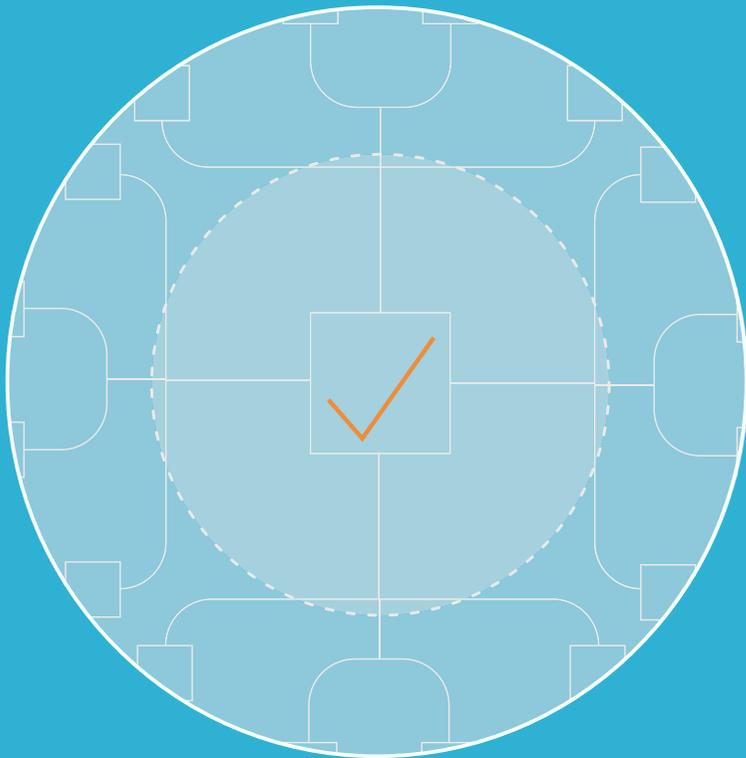
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**NASA SAVED OVER \$100 MILLION, IN PART BY  
ELIMINATING DUPLICATE LICENSING.**

FedTech Magazine

# RECOMMENDATIONS

# #2



- ✓ **BUILD A COMPLETE** AND ACCURATE VIEW OF CURRENT USAGE ACROSS ALL USERS AND DEVICES
- ✓ **UTILIZE AUTOMATED** INVENTORY TOOLS THAT CREATE CONSOLIDATED VIEWS OF OFFICE 365 ACROSS THE ENTERPRISE, REGARDLESS OF WHICH GROUP BOUGHT THE LICENSE.
- ✓ **ENSURE DEACTIVATION** OR REALLOCATION OF DEVICE-BASED LICENSING AFTER MIGRATION TO OFFICE 365.

# PITFALL #3

## EVERYONE GETS EVERYTHING: BUYING TOO HIGH A SUBSCRIPTION LEVEL



**3 OF THE TOP REASONS COMPANIES  
OVERSPEND: LACK OF PLANNING,  
NO ANALYTICS, PAYING VENDORS  
TOO MUCH**

YouInc.com

**“...we’ve already seen that a fair amount of Microsoft software is not used, especially Microsoft Project and Microsoft Visio. For some packages, we’ve found that as much as 50 percent of the software is not used.**

Head of IT Strategy, gas and oil company

A key step in adopting Office 365 is selecting a subscription level. But how do you accurately identify what subscription level each employee needs? Relying on previous licensing levels assumes that all provisioned applications are actually in use, but just because they used Visio or Project last year doesn't mean they need it now. Relying on users to self-report what they need is a slippery slope – no one wants to “not get” something their neighbor does.

With a list price difference of \$8/month to \$35/month, the financial implications of purchasing too high a subscription level can be significant. It is important to remember that within a one year subscription contract you can upgrade, but not downgrade.

# RECOMMENDATIONS

# #3



## **GET A DETAILED UNDERSTANDING**

OF MICROSOFT OFFICE 365 LICENSING. PAY CAREFUL ATTENTION TO WHAT COMPONENTS ARE INCLUDED IN EACH SUBSCRIPTION LEVEL.



## **USE AUTOMATED INVENTORY** TOOLS TO CREATE

A DETAILED PICTURE OF WHAT INSTALLED APPLICATIONS ARE BEING USED ACROSS ALL USER DEVICES, NOT JUST WHAT IS LICENSED.



**MAP CURRENT USAGE** TO SUBSCRIPTION LEVELS AT A USER BY USER LEVEL – ACCURATELY PLANNING CAN SAVE SIGNIFICANT MONTHLY EXPENSE.

# PITFALL #4

## UNWANTED AND UNLOVED: PAYING FOR UNUSED LICENSES

Between June 2015 and June 2016, the IRS paid \$12m for subscriptions on Microsoft Office 365 and Exchange Online that were never used.

**HERE IS A PAINFUL ONE.** You purchase Office 365, but it never gets deployed or used. Let's take a look at a few common scenarios\*:

You buy all 1,800 needed licenses but rollout happens slowly with 200 still not provisioned one year later.

**200 SUBSCRIPTIONS**  
**\$4,325 PER MONTH**  
**\$51,900 FOR 1 YEAR**

28,000 employees, but 1,700 work in warehousing, and never use the application.

**1700 SUBSCRIPTIONS**  
**\$36,762.5 PER MONTH**  
**\$441,150 FOR 1 YEAR**

Licensing 'employees' that are no longer employed. The average Fortune 500 has 52,000 employees. IT loses visibility of 1% that are no longer employed across several subsidiaries because of a gap in manual reporting.

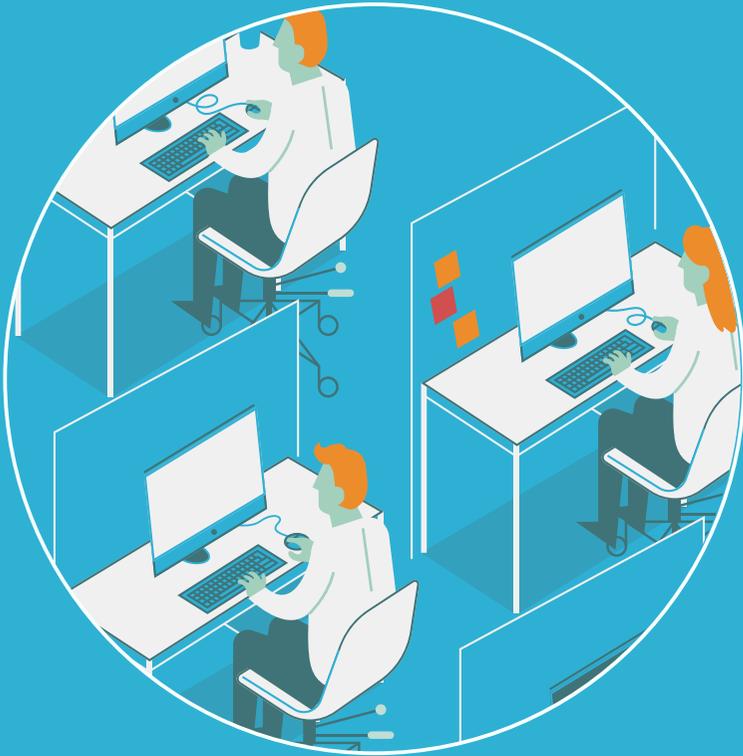
**520 SUBSCRIPTIONS**  
**\$4,325 PER MONTH**  
**\$51,900 FOR 1 YEAR**

The costs add up quickly and it becomes a game of who can spot the unused subscriptions first – you or your CFO?

\* Assumes 50% each E5/E3 (E5 discounted at 25%, \$26.25 and E3 discounted at 15%, \$17)

# RECOMMENDATIONS

# #4



**BE REALISTIC** ABOUT YOUR ROLLOUT SCHEDULE. BUY SUBSCRIPTIONS BASED ON NEAR TERM NEED.



**UTILIZE TOOLS** THAT MONITOR USAGE AT THE COMPONENT LEVEL. LOOK FOR INDIVIDUALS OR GROUPS THAT ARE NOT USING SOME OR ALL OF THE APPLICATIONS.



**RE-HARVEST LICENSES** FROM FORMER EMPLOYEES, AND THOSE THAT DIDN'T NEED A LICENSE IN THE FIRST PLACE. REALLOCATE THESE LICENSES TO NEW EMPLOYEES.

# PITFALL #5

## RIDING A HORSE AND BUGGY: NOT AUTOMATING PROCESSES

Many IT leaders hope Office 365 will be the application version of “set it and forget it.” The evidence to date indicates this hope is wishful thinking. In fact, a recent survey found that for small organizations, the costs of managing Office 365 can be 93% of the per-seat cost of Office 365, nearly doubling TCO. Even at larger organizations, the administration burden can add to 24% of the subscription cost.

### KEY ADMIN RESOURCE DRIVERS INCLUDE:

**Application request and approval**

**Application provisioning and deprovisioning**

**Continuous monitoring of licenses to support harvest and reallocation of used subscriptions**

Creating an automated platform and workflows can significantly reduce resource and license costs and improve end user satisfaction. One regional bank, with \$870MM in assets and 20,000 employees was struggling to manage 1300 applications and a thousand requests per week.

After deploying an automation platform, they reported it “helped the bank reduce the time it takes to deal with requests, users are more satisfied with IT...” and it has “...significant cost savings as we have been able to reduce the size of the service desk.”



**THE MOST CITED BENEFITS OF AUTOMATION:  
COST REDUCTION AND PRODUCTIVITY**

HelpSystems

# RECOMMENDATIONS

# #5



- ✓ **INVEST IN AUTOMATION** PLATFORMS AND APPROVAL DRIVEN WORKFLOWS
- ✓ **BUILD SELF-SERVICE ACCESS** REQUEST PORTALS
- ✓ **AUTOMATE REDEPLOYMENT** OF UNUSED LICENSES
- ✓ **AUTOMATICALLY SHIFT** USERS TO LOWER COST PLANS BASED ON USAGE
- ✓ **AUTOMATICALLY PROVISION** TIME-LIMITED SUBSCRIPTIONS OF EXPENSIVE SERVICES SUCH AS PROJECT 365, VISIO 365

# PLAN AHEAD AND DODGE THE PITFALLS

With over 100 million individual and corporate users, the potential benefits of Office 365 are clear to many. But Office 365 pitfalls remain stubbornly hidden and unpublicized. Organizations looking to reap the rewards of improved productivity, collaboration and lower administration costs must recognize the dangers presented by any Office 365 deployment.

## KEY RECOMMENDATIONS ACROSS ALL PITFALLS INCLUDE:

Establish consolidated visibility across all Microsoft Office usage: device-based, Office 365, and mobile

Ensure careful planning prior to migration, being sure to address real vs. perceived needs

Employ automated inventory tools that gather detailed user and usage information at the application component level

Invest in automation platforms to handle routine access request, provisioning and deprovisioning tasks

YOU CAN'T MANAGE WHAT  
YOU CAN'T MEASURE.

Peter Drucker



**TAKE A SNOW TEST DRIVE TO  
SEE IT IN ACTION.**

## ABOUT SNOW SOFTWARE

By managing software in use across the organization, Snow creates tangible savings and releases budgets, giving enterprises around the world the confidence to invest in new technologies such as virtualization, cloud and mobile.

Snow provides C-level executives, software managers and procurement professionals actionable intelligence on software installs, usage and entitlements across all platforms – from mobile to desktop, datacenter to cloud – saving up to 30% of software spend in year one.

Some call it Software Asset Management, Unified Device Management or even just license compliance.

Like thousands of organizations around the world, we call it Snow.

# SNOW SAM PLATFORM

**Slm**

## Snow license manager

With millions of licenses sold, Snow License Manager is the world's leading SAM solution.

**Srs**

## Software recognition service

Recognize commercially-licensable applications across the network.

**Sic**

## Snow integration connectors

Integrate Snow's SAM platform with existing Inventory, ITAM and Service Management solutions.

**Inv**

## Snow inventory

The true multi-platform audit solution designed to find devices, audit software installs and track usage.

**Vm**

## Virtualization management

Identify and manage virtual assets across the network.

**Sos**

## Snow optimizer for SAP® software

Manage SAP licensing to optimize one of the enterprise's largest software costs.

**Sdm**

## Snow device manager

A complete enterprise mobility management solution that handles the full lifecycle of mobile devices.

**Ap**

## Snow automation platform

Define and implement automated process to support software optimization.

**Om**

## Oracle management option

Cut the costs of managing complex Oracle licenses.