



# Microsoft 365 Licensing Guide

Complete Breakdown: Plans, Pricing,  
Features & Business Value

## The July 2026 Microsoft Price Increase

### Most plans are going up. Some by a lot.

On July 1, 2026, Microsoft is raising prices across nearly every 365 plan. The increases hit at renewal, so the bill you were expecting is not the bill you're getting.

Every renewal after July 1 will lock in the new pricing for a full term.

- E5 jumps from \$57 to \$65 per user A 14% increase on your most expensive license.
- E3 goes from \$36 to \$42 That's \$72 more per user, per year.
- Business Standard climbs from \$12.50 to \$14.50 Quiet increase, but it adds up at scale.
- Business Premium is the only plan unchanged Worth noting if you're reassessing tiers.

The July 2026 increase is not just a financial update. It's a moment that challenges assumptions around cost stability, vendor dependency, and how tightly your business operations are tied to a single platform.

## What This Costs You

### The real number isn't the per-seat bump. It's the multiplier.

A few dollars per user sounds manageable — until you multiply it across a full headcount and a three-year renewal. For most mid-sized organizations, this increase quietly adds six figures to the next contract.

A 382-user E5 tenant pays \$36,672 more per year starting in July.

- **Scaling gets more expensive overnight** Every new hire is priced at the new rate, not the old one.
- **Forecasts built on old pricing are already wrong** If your 2026 budget was modeled before the announcement, it underestimates spend.
- **Multi-year renewals amplify the cost** Lock in now at the new rate and you're carrying it through 2029.
- **Over-licensing gets more punishing** Every unused E5 feature costs more than it did last quarter.
- **Bundled add-ons compound** Teams Phone, conferencing, and Copilot sit on top of a higher base.

The increase is locked in. What's still flexible is what you do before renewal.

## Before You Renew, Reassess

**The best response isn't to pay more. It's to pay for what you actually use.**

Most organizations are over-licensed by 40–60%. A price increase is the moment that inefficiency stops being tolerable. A short audit before renewal almost always finds real money.

**Right-sizing licenses typically saves more than the entire price increase — and then some.**

- **Audit who's actually using E5 Power BI, eDiscovery, Insider Risk** — check the usage, not the assumption.
- **Match licenses to roles, not to defaults** Frontline workers on E3 is a pattern worth fixing.
- **Pull Teams Phone out of the bundle** A third-party UCaaS provider is often half the cost of Microsoft's calling plan.
- **Map renewal dates before signing anything** Know exactly which tenants, add-ons, and terms are up before July.
- **Model the three-year view** A right-sized plan compounds savings the same way the increase compounds cost.

**40–60% over-licensed**



## License Comparison & Pricing

### Microsoft 365 Business Plans (1-300 users)

| Feature Category       | Business Basic | Business Standard | Business Premium |
|------------------------|----------------|-------------------|------------------|
| Price per user/month   | \$6.00         | \$12.50           | \$22.00          |
| Annual cost (per user) | \$72           | \$150             | \$264            |

## Core Office Apps

|  |          |                               |                               |
|--|----------|-------------------------------|-------------------------------|
| Office apps (desktop)<br>Word, Excel, PowerPoint | Web only | Desktop + Web<br>Full desktop | Desktop + Web<br>Full desktop |
| Outlook  | Yes      | Yes                           | Yes                           |
| Teams  | Yes      | Yes                           | Yes                           |
| OneDrive storage                                 | 1TB      | 1TB                           | 1TB                           |
| Exchange mailbox                                 | 50GB     | 50GB                          | 50GB                          |
| SharePoint                                       | Yes      | Yes                           | Yes                           |

## Security & Compliance

|                              |       |       |          |
|------------------------------|-------|-------|----------|
| Multi-factor authentication  | Basic | Basic | Advanced |
| Advanced Threat Protection   | No    | No    | Yes      |
| Data Loss Prevention         | No    | No    | Yes      |
| Azure Information Protection | No    | No    | P1       |
| Intune device management     | No    | No    | Yes      |
| Conditional access           | No    | No    | Yes      |

**Best For:**

Email &  
collaboration only

Office workers  
needing full apps

Security-conscious  
SMBs

# Microsoft 365 Enterprise Plans (Unlimited users)

| Feature Category       | F3 (Frontline) | E3      | E5      |
|------------------------|----------------|---------|---------|
| Price per user/month   | \$8.00         | \$36.00 | \$57.00 |
| Annual cost (per user) | \$96           | \$432   | \$684   |

## Core Office Apps

| Feature Category                                 | F3 (Frontline)    | E3                              | E5                              |
|--|-------------------|---------------------------------|---------------------------------|
| Office apps (desktop)<br>Word, Excel, PowerPoint | ❌ Web/mobile only | ✅ Desktop + Web<br>Full desktop | ✅ Desktop + Web<br>Full desktop |
| Outlook  | ✅ Web/mobile      | ✅ Yes                           | ✅ Yes                           |
| Teams  | ✅ Yes             | ✅ Yes                           | ✅ Yes                           |
| OneDrive storage                                 | ✅ Yes             | ✅ Unlimited*                    | ✅ Unlimited*                    |
| Exchange mailbox                                 | ✅ 2GB             | ✅ 100GB + archive               | ✅ 100GB + archive               |

## Security & Identity

| Feature Category            | F3 (Frontline) | E3       | E5         |
|-----------------------------|----------------|----------|------------|
| Multi-factor authentication | ✅ Yes          | ✅ Yes    | ✅ Yes      |
| Advanced Threat Protection  | ❌ No           | ✅ Plan 1 | ✅ Plan 2   |
| Data Loss Prevention        | ❌ No           | ✅ Yes    | ✅ Yes      |
| Azure AD Premium            | ❌ No           | ✅ P1     | ✅ P2       |
| Information Protection      | ❌ No           | ✅ P1     | ✅ P2       |
| Intune device management    | ✅ Yes          | ✅ Yes    | ✅ Yes      |
| Conditional access          | ❌ No           | ✅ Yes    | ✅ Advanced |
| Identity Protection         | ❌ No           | ❌ No     | ✅ Yes      |
| Privileged Identity Mgmt    | ❌ No           | ❌ No     | ✅ Yes      |

## Compliance & Governance

| Feature Category         | F3 (Frontline) | E3    | E5    |
|--------------------------|----------------|-------|-------|
| eDiscovery (Basic)       | ❌ No           | ✅ Yes | ✅ Yes |
| eDiscovery (Advanced)    | ❌ No           | ❌ No  | ✅ Yes |
| Legal hold               | ❌ No           | ✅ Yes | ✅ Yes |
| Audit logging (Basic)    | ✅ Yes          | ✅ Yes | ✅ Yes |
| Audit logging (Advanced) | ❌ No           | ❌ No  | ✅ Yes |
| Communication compliance | ❌ No           | ❌ No  | ✅ Yes |
| Insider risk management  | ❌ No           | ❌ No  | ✅ Yes |
| Information barriers     | ❌ No           | ❌ No  | ✅ Yes |
| Customer Lockbox         | ❌ No           | ❌ No  | ✅ Yes |

## Analytics & Intelligence

|                              |      |          |            |
|------------------------------|------|----------|------------|
| Power BI Pro                 | ✗ No | ✓ Add-on | ✓ Yes      |
| MyAnalytics                  | ✗ No | ✓ Yes    | ✓ Advanced |
| Workplace Analytics          | ✗ No | ✗ No     | ✓ Yes      |
| Microsoft Cloud App Security | ✗ No | ✗ No     | ✓ Yes      |

## Voice & Communications

|                             |      |             |             |
|-----------------------------|------|-------------|-------------|
| Audio conferencing          | ✗ No | ✗ Add-on    | ✓ Yes       |
| Phone System (add-on req'd) | ✗ No | ✓ Available | ✓ Available |

## Automation & Apps

|                          |           |           |           |
|--------------------------|-----------|-----------|-----------|
| Power Apps (limited)     | ✓ Limited | ✓ Limited | ✓ Limited |
| Power Automate (limited) | ✓ Limited | ✓ Limited | ✓ Limited |

### Best For:

Shift workers,  
retail, field service

Standard  
enterprise users

Highly regulated,  
compliance-heavy

Unlimited storage with 5+ licenses, otherwise 1TB per user

### Visual Pricing Comparison Annual Cost per User

|                    |       |  |
|--------------------|-------|--|
| Business Basic:    | \$72  |  |
| Business Standard: | \$150 |  |
| Business Premium:  | \$264 |  |
| F3(Frontline)      | \$96  |  |
| E3:                | \$432 |  |
| E5:                | \$684 |  |

## Cost for 382 Users (Yuba Water Agency Example)

| License Type      | Monthly Cost | Annual Cost | Annual Savings vs. E5 |
|-------------------|--------------|-------------|-----------------------|
| Business Basic    | \$2,292      | \$27,504    | \$234,024             |
| Business Standard | \$4,775      | \$57,300    | \$204,228             |
| Business Premium  | \$8,404      | \$100,848   | \$160,680             |
| F3 (Frontline)    | \$3,056      | \$36,672    | \$224,856             |
| E3                | \$13,752     | \$165,024   | \$96,504              |
| E5                | \$21,774     | \$261,528   | Baseline              |

# Feature Value Breakdown

## CORE PRODUCTIVITY FEATURES

Desktop Office Apps (Word, Excel, PowerPoint, Outlook)

**What it is:** Full-featured desktop versions vs. web-only versions

### End User Value:

- ✓ Work offline (plane, no internet, coffee shop with bad WiFi)
- ✓ Advanced features not available in web (macros, advanced formatting, pivot tables)
- ✓ Better performance with large files (100+ page documents, complex spreadsheets)
- ✓ Native file handling (no upload/download required)

### IT Manager Value:

- Advanced features reduce workarounds and shadow IT
- Offline capability reduces help desk tickets during connectivity issues
- Users more productive with familiar full desktop experience
- Less training required (most users know desktop Office)

### Who needs it:

Office workers doing document-heavy work (proposals, financial analysis, presentations)

**Who doesn't:** Frontline workers who only read/view documents, light email users

## Exchange Mailbox Size

Business Basic/Standard: 50GB | E3/E5: 100GB + archive | F3: 2GB

### End User Value:

- ✓ Store years of email without deleting (legal/compliance needs)
- ✓ Large attachments don't fill up mailbox quickly
- ✓ Never see "mailbox full" errors
- ✓ Archive mailbox = unlimited long-term storage

### IT Manager Value:

- Fewer mailbox full complaints and support tickets
- In-Place Archive enables compliance retention without impacting performance
- Legal hold capabilities (E3/E5) for litigation/investigations
- Reduces risk of users deleting important emails to make space

### Who needs larger mailbox:

Sales, executives, legal, compliance, anyone with regulatory retention requirements

**Who can use smaller:** Frontline workers, shift workers, retail employees

## OneDrive Storage

Business/E3/E5: 1TB-Unlimited | F3: 2GB

### End User Value:

- ✓ Store all work files in cloud (access from any device)
- ✓ Automatic backup (ransomware protection)
- ✓ File sharing with customers/partners
- ✓ Version history (restore previous versions)

### IT Manager Value:

- Reduces reliance on file servers (CapEx savings)
- Built-in ransomware protection and recovery
- Audit trail of who accessed/modified files
- Reduces data loss from laptop failures/theft

### Who needs it:

Anyone creating/storing files regularly

**Who doesn't:** Users who only consume content, no file creation

## SECURITY FEATURES

### Advanced Threat Protection (ATP)

Included in: Business Premium, E3 (Plan 1), E5 (Plan 2)

**What it is:** Advanced email and link protection beyond basic spam

#### End User Value:

- ✓ Protection from phishing emails (fake invoices, credential theft)
- ✓ Safe Links – clicks are checked in real-time before opening
- ✓ Safe Attachments – files scanned in sandbox before delivery
- ✓ Reduced risk of ransomware from email attachments

#### IT Manager Value:

- Blocks 99%+ of phishing attempts before reaching users
- Reduces ransomware risk (primary attack vector is email)
- Detailed threat intelligence and reporting
- Automatic investigation and remediation (E5 Plan 2)
- Average cost of successful phishing attack: \$14.8 million (IBM)
- Average ransomware payment: \$812,000 (Sophos 2023)

**Real cost:** Single successful phishing attack costs more than 10+ years of ATP licensing

**Who needs it:**

EVERYONE in 2026 cybersecurity landscape – phishing is #1 attack vector

### Data Loss Prevention (DLP)

Included in: Business Premium, E3, E5

**What it is:** Prevents sensitive data from leaving your organization

#### End User Value:

- ✓ Warns before accidentally sharing confidential files externally
- ✓ Blocks sending credit card numbers, SSNs, patient data via email
- ✓ Protects against honest mistakes (forwarding wrong file)

#### IT Manager Value:

- Prevents data breaches from insider threats or accidents
- Compliance requirement for HIPAA, PCI-DSS, GDPR, CMMC
- Reduces cyber insurance premiums (some require DLP)
- Average data breach cost: \$4.45 million (IBM 2023)
- Policy-based protection across email, Teams, OneDrive, SharePoint

**Who needs it:**

Healthcare (HIPAA patient data) | Finance (PCI-DSS credit card data)  
Government contractors (CMMC/CUI) | Manufacturing (intellectual property, customer data) | Any organization handling sensitive customer data

**Who doesn't:** Very few organizations – most handle some sensitive data



# Azure AD Premium P1 vs P2

P1 included in: E3 | P2 included in: E5

| Azure AD P1 Features (E3):   | End User Value:  | IT Manager Value:  |
|--|--|--|
| Conditional access (block access from untrusted locations/devices) | <ul style="list-style-type: none"> <li>Self-service password reset (no waiting for IT)</li> </ul>            | 30-40% reduction in password reset tickets                 |
| Self-service password reset (reduces help desk tickets)            | <ul style="list-style-type: none"> <li>Single sign-on to cloud apps (one password for everything)</li> </ul> | Enforce security policies (can't access from China/Russia) |
| Group-based access management                                      |  | Block access from compromised devices                      |
| MFA for cloud apps   | <ul style="list-style-type: none"> <li>Seamless access from trusted devices</li> </ul>                       | Audit trail of all access attempts                         |

| Azure AD P2 Additional Features (E5):                      | IT Manager Value:  |
|--|--|
| Identity Protection (detects compromised accounts)         | 30-40% reduction in password reset tickets                 |
| Privileged Identity Management (just-in-time admin access) | Enforce security policies (can't access from China/Russia) |
| Access reviews (automated compliance audits)               | Block access from compromised devices                      |
|  | Audit trail of all access attempts                         |

**Who needs P1 (E3):** Any organization with remote workers, BYOD, cloud apps

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**Who needs P2 (E5):** Highly regulated industries, government contractors, organizations with compliance requirements

## Intune Device

Included in: Business Premium, F3,

### End User Value:

- ✓ Access work email/files from personal devices securely
- ✓ Automatic setup of work accounts on new devices
- ✓ Work data separated from personal (privacy protection)

### IT Manager Value:

- Enforce security policies on all devices (PIN requirements, encryption)
- Remote wipe corporate data if device lost/stolen (without touching personal data)
- Ensure devices are patched and compliant
- Block access from jailbroken/rooted devices
- Support BYOD without compromising security

**Who needs it:** Organizations with remote workers | BYOD (Bring Your Own Device) policies | Field service workers with company devices | Anyone with compliance requirements (HIPAA, CMMC)

**Who doesn't:** Organizations with no mobile device usage (very rare in 2026)

# eDiscovery (Basic vs Advanced)

Basic included in: E3, E5 | Advanced included in: E5 only

| Basic eDiscovery (E3):                               | IT Manager Value:   |
|--|---|
| Search across mailboxes, SharePoint, OneDrive, Teams | Respond to legal discovery requests without outside counsel costs |
| Place legal holds on content                         | Average eDiscovery cost without tools: \$18,000-48,000 per case   |
| Export results for legal review                      | Reduce legal risk by preserving evidence correctly                |
| Case-based management                                | Compliance requirement for many industries                        |

| Advanced eDiscovery (E5):   | IT Manager Value:  |
|---|--|
| AI-powered relevance analysis (finds important content automatically) | Single litigation can cost \$2-10 million in eDiscovery fees (Gartner)       |
| Near-duplicate detection (reduces review volume by 60-80%)            | Advanced eDiscovery reduces review time by 70-90%                            |
| Email threading and theme analysis                                    | ROI on single large case can justify E5 license cost for entire organization |
| Processing optimization (reduces costs by 70-90%)                     | Required for organizations facing regular litigation                         |

## Who needs Basic:

Any organization that might face litigation/audits

## Who needs Advanced:

Law firms, financial services, large enterprises with regular litigation, heavily regulated industries

## Legal Hold & Litigation Hold

Included in: E3, E5

### End User Value:

- ✓ Transparent (users don't even know it's happening)
- ✓ Protects organization from spoliation (destroying evidence)

### IT Manager Value:

Legal requirement when litigation is reasonably anticipated  
Failure to preserve = sanctions, fines, adverse inference  
Average spoliation penalty: \$2.7 million (2022 data)  
Automated preservation across email, files, Teams, SharePoint  
Can't be circumvented by users

## Who needs it:

Any organization over 100 employees | Healthcare, financial services, manufacturing | Government contractors | Public companies

Who doesn't: Very small businesses with minimal litigation risk

# Advanced Audit Logging

Basic included in: All plans | Advanced included in: E5 only

| Basic Audit Log:   | Advanced Audit Log (E5):   | IT Manager Value:   |
|--|--|---|
| 90-day retention<br>Basic user activities (login, file access, email send)<br>Manual export required | 10-year retention (customizable)<br>Mailbox audit actions (which specific emails were read/forwarded)<br>MailItemsAccessed events (critical for compromised account investigations)<br>Search-AdminAuditLog events (track admin behavior)<br>API access for SIEM integration | Compliance requirement: SOX (7 years), HIPAA (6 years), SEC (7 years)<br>Investigate security incidents months/years later<br>Prove compliance during audits<br>Detect insider threats and compromised accounts<br>Average insider threat cost: \$15.4 million (Ponemon 2022) |

## Who needs it:

Public companies (SOX compliance) | Healthcare (HIPAA) | Financial services (SEC, FINRA) | Government contractors | Any organization with compliance audit requirements

## Communication Compliance (E5 only)

**What it is:** Monitor communications for policy violations

### Use Cases:

Detect insider trading discussions (financial services)  
Identify harassment or discrimination  
Catch data exfiltration attempts  
Monitor for regulatory violation  
Detect conflicts of interest

### IT Manager Value:

SEC/FINRA requirement for financial services  
Reduces harassment litigation risk  
Average harassment lawsuit settlement: \$40,000-\$125,000  
Single insider trading case can destroy a firm  
AI-powered detection of policy violations

## Who needs it:

Financial services (regulatory requirement) | Healthcare (HIPAA) | Public companies (insider trading prevention) | Any organization concerned about workplace conduct

## Insider Risk Management (E5 only)

**What it is:** Detect data theft and malicious insider activity

### Use Cases:

Mass file downloads before resignation  
Copying files to USB drives  
Exfiltrating data to personal accounts  
Unusual SharePoint/OneDrive access patterns  
Risky browser activity

### IT Manager Value:

Average insider threat cost: \$15.4 million (Ponemon 2022)  
67% of organizations experienced insider attack in past year  
Detects departing employees stealing IP/customer data  
Identifies compromised accounts used for data theft  
Critical for protecting intellectual property

## Who needs it:

Manufacturing (protect trade secrets, designs) | Professional services (client lists, proposals) | Technology companies | Any organization with valuable intellectual property | Organizations with high employee turnover

## ANALYTICS & INTELLIGENCE FEATURES

### Power BI Pro

Included in: E5 only (add-on for others)

**What it is:** Business intelligence and data visualization filtering

#### End User Value:

- ✓ Create interactive dashboards and reports
- ✓ Connect to 100+ data sources
- ✓ Share insights with colleagues
- ✓ Mobile access to dashboards

#### IT Manager Value:

- Reduce reliance on IT for reporting
- Self-service analytics reduces backlog
- Better business decisions with data visibility
- Alternative: Power BI Pro standalone = \$10/user/month = \$120/year
- E5 includes it = \$48/year savings per user (if they need it)

#### Who needs it:

Financial analysts, operations managers, executives | Sales teams (pipeline visibility) | Operations (production metrics, KPIs)

### Microsoft Cloud App Security (E5 only)

**What it is:** Cloud access security broker (CASB) – monitors and

#### What it does:

- ✓ Discover shadow IT (unauthorized cloud apps being used)
- ✓ Control access to sanctioned/unsanctioned apps
- ✓ Detect anomalous behavior (someone in Russia accessing your data)
- ✓ Apply DLP policies across third-party cloud apps
- ✓ Detect malware in cloud storage

#### IT Manager Value:

- Average organization uses 1,000+ cloud apps (80% unauthorized)
- Shadow IT is #1 security blind spot
- Detect compromised accounts accessing cloud apps
- Enforce policies across SaaS apps (Salesforce, Box, Dropbox, etc.)
- Reduces cloud security risks by 70-80%

#### Who needs it:

Organizations using multiple SaaS applications | Highly regulated industries | Remote workforce with cloud access | Organizations concerned about data exfiltration

## VOICE & COMMUNICATIONS

**Audio Conferencing** | Included in: E5 (add-on for E3) | Add-on cost: \$4/user/month

#### End User Value:

- ✓ Call into Teams meetings from phone (no internet required)
- ✓ Critical for participants with poor internet
- ✓ Join from car, landline, while traveling internationally

#### IT Manager Value:

- Eliminates need for third-party conference bridges
- Toll-free numbers available (better customer experience)
- Reduces cost vs. standalone audio conferencing services

#### Who needs it:

Organizations with external meeting participants (customers, board members) | Users who travel frequently to areas with poor internet | Executives who join from cars/airports

## Teams Phone System (Add-on for both E3 and E5)

Cost:

**\$8/user/month**  
(Teams Phone Standard)

Plus:

**\$12/user/month**  
(OR PSTN connectivity separately)

**What it is:** PBX functionality in Teams (make/receive external calls)

## This is where PanTerra Streams.AI competes:

### Microsoft Teams Phone Total Cost:

Teams Phone Standard

**\$8/user/month**

Calling Plan

**\$12/user/month**

Total

**\$20/user/month**

**\$240/year**

**For 382 users: \$91,680/year additional cost**

### PanTerra Streams.AI Alternative:

Full UCaaS platform

**\$9-10/user/month**

- Includes everything Teams Phone does PLUS business continuity
- **Saves 50-60% vs. Microsoft Teams Phone**



## License Selection Decision Tree

### How to Choose the Right License

#### Step 1: Identify User Roles

##### Tier 1: Frontline Workers

- Shift workers, retail, field service, manufacturing floor
- Need: Email, basic Teams, schedules, mobile access
- Don't need: Desktop Office, large mailbox, advanced security

Recommendation: **F3 (\$8/month)**

##### Tier 2: Information Workers

- General office staff, administrative, sales, customer service
- Need: Full Office apps, collaboration, email, file storage
- Security requirements: Standard

Recommendation: **Business Standard (\$12.50/month) or E3 (\$36/month)**

##### Tier 3: Power Users

- Analysts, executives, finance, legal, compliance
- Need: Everything + advanced analytics, compliance tools
- Security requirements: High

Recommendation: **E3 (\$36/month) or E5 (\$57/month)**

## Step 2: Assess Security & Compliance Requirements

### Do you have any of these requirements?

- ✓ HIPAA compliance (healthcare) → Need E3 minimum (DLP, retention, eDiscovery)
- ✓ PCI-DSS (credit card processing) → Need E3 minimum (DLP required)
- ✓ CMMC Level 2+ (government contractors) → Need E5 (advanced audit, insider risk)
- ✓ SOX compliance (public company) → Need E5 (10-year audit retention)
- ✓ Financial services regulations (SEC, FINRA) → Need E5 (communication compliance required)
- ✓ Regular litigation/eDiscovery needs → Need E3 minimum, E5 for frequent/complex cases
- ✓ High-value intellectual property → Need E5 (insider risk management)
- ✓ Cyber insurance requirements → Check policy; many now require ATP = Business Premium/E3 minimum

### No compliance requirements?

- Small business (<100 users) → Business Standard
- Need security → Business Premium

## Step 3: Calculate Mixed Licensing Scenario

Example: 382-user organization

Current: All E5

- $382 \times \$57/\text{month} = \$21,774/\text{month} = \$261,288/\text{year}$

Optimized Mixed Licensing:

50 executives/compliance/analysts → E5

- $50 \times \$57 = \$2,850/\text{month} = \$34,200/\text{year}$

150 office workers → E3

- $150 \times \$36 = \$5,400/\text{month} = \$64,800/\text{year}$

182 frontline/light users → Business Standard

- $182 \times \$12.50 = \$2,275/\text{month} = \$27,300/\text{year}$

Total optimized:

**\$126,300/year**

Annual savings:

**\$134,988** (52% reduction)

## Common Over-Licensing Scenarios

### Scenario 1: "Everyone Has E5 Because IT Bought It Once"

**Problem:**

Organization bought E5 10 years ago, never reassessed

#### Reality:

- 70-80% of users don't use E5 features
- Only need E3 or even Business Standard

**Solution:** Audit usage, downgrade appropriate users

**Typical Savings:** 40-60% of Microsoft licensing costs

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### Scenario 2: "We Need E5 for Security"

**Problem:**

IT thinks E5 is only secure option

#### Reality:

- E3 has 80% of security features most orgs need
- E5 needed only for specific compliance/advanced threats
- Business Premium sufficient for small/medium businesses

**Solution:** Match security tier to actual risk profile

**Typical Savings:** 30-40% by moving non-critical users to E3

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### Scenario 3: "Desktop Office Apps Are Required"

**Problem:**

All users have Business Standard for desktop Office

#### Reality:

- 30-40% of users only use email and Teams
- Web Office apps sufficient for viewing/light editing
- Field workers, retail, shift workers don't need desktop apps

**Solution:** Move light users to Business Basic or F3

**Typical Savings:** : \$6.50-\$28/user/month depending on current license

## Scenario 4: "We Need Large Mailboxes"

**Problem:** Everyone has E3/E5 for 100GB mailbox

### Reality:

- Average user only uses 5-15GB
- Archive mailbox available in E3+ if truly needed
- Most users can operate with 50GB (Business Standard)

**Solution:** Only give large mailboxes to users who actually need them (sales, executives, legal)

## License Optimization Worksheet

### Step-by-Step License Audit

#### 1. Export Current User List

- Total users: \_\_\_\_\_
- Current license distribution: \_\_\_\_\_
  - Business Basic: \_\_\_\_\_
  - Business Standard: \_\_\_\_\_
  - Business Premium: \_\_\_\_\_
  - F3: \_\_\_\_\_
  - E3: \_\_\_\_\_
  - E5: \_\_\_\_\_

#### 2. Identify Compliance Requirements

- HIPAA (healthcare)
- PCI-DSS (credit cards)
- CMMC (government contractor)
- SOX (public company)
- SEC/FINRA (financial services)
- Regular litigation/eDiscovery
- High-value IP protection
- None of the above

#### 3. Categorize Users by Need

| User Type        | Needs Desktop Office? | Needs Advanced Security? | Compliance Role? | Recommended License        |
|------------------|-----------------------|--------------------------|------------------|----------------------------|
| Executives       | Yes                   | Yes                      | Often            | E5                         |
| Compliance/Legal | Yes                   | Yes                      | Yes              | E5                         |
| Finance/Analysts | Yes                   | Maybe                    | Maybe            | E3 or 35                   |
| Sales/Marketing  | Yes                   | No                       | No               | E3 or Business Standard    |
| General office   | Yes                   | No                       | No               | Business Standard          |
| Customer service | Maybe                 | No                       | No               | Business Standard or Basic |
| Frontline/shift  | No                    | No                       | No               | F3 or Business Basic       |

## 4. Calculate Potential Savings

Current Annual Cost:

- \_\_\_\_\_ users × \$/month × 12 = \$ \_\_\_\_\_

Optimized Annual Cost:

- \_\_\_\_\_ E5 users × \$57 × 12 = \$ \_\_\_\_\_

- \_\_\_\_\_ E3 users × \$36 × 12 = \$ \_\_\_\_\_

- \_\_\_\_\_ Business Standard × \$12.50 × 12 = \$ \_\_\_\_\_

- \_\_\_\_\_ F3/Business Basic × \$ × 12 = \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

Annual Savings: \$ \_\_\_\_\_

## Key Takeaways for Sales Conversations

### For Shawn's Sales Calls:

#### 1. Most organizations over-license by 40-60%

- They bought E5 years ago and never
- Or they licensed everyone the same for "simplicity"
- Average savings opportunity: **\$50,000-150,000**/year for mid-size orgs

#### 2. Microsoft license optimization enables

- "You can't afford \$60k/year for PanTerra"
- "But you're wasting \$100k/year on Microsoft over-licensing"
- Net result: Better solution for **\$40k** LESS than current spend

#### 3. Use this as discovery tool

- "Walk me through your current Microsoft licensing"
- "How many E5 licenses do you have?"
- "What E5 features are you actually using?"
- Creates opportunity even if they don't buy PanTerra

#### 4. Position PanTerra as the enabler

- "PanTerra works with ANY Teams license"
- "Unlike Teams Phone, which locks you into expensive licensing"
- "We help you optimize Microsoft AND solve voice"

#### 5. The Yuba Water Agency story

- Real example: 382 users saved \$114k/year
- Optimized from all E5 to mixed E3/Business Standard
- PanTerra worked perfectly with lower-cost licenses
- Total communications spend DOWN while adding functionality

## Quick Reference: When to Recommend Each License

| User Profile                          | License           | Monthly Cost | Why This License                                      |
|---------------------------------------|-------------------|--------------|---|
| CEO, CFO, General Counsel             | E5                | \$57         | Need all compliance, security, analytics              |
| Compliance Officer, Legal Staff       | E5                | \$57         | eDiscovery, legal hold, communication compliance      |
| Finance analysts using Power BI       | E5                | \$57         | Includes Power BI Pro, advanced analytics             |
| IT administrators                     | E3 or E5          | \$36-57      | Need security tools; E5 if managing compliance        |
| Sales, marketing, operations managers | E3                | \$36         | Full Office + security, no advanced compliance needed |
| General office workers                | Business Standard | \$12.50      | Full Office apps, basic security sufficient           |
| Customer service (email only)         | Business Basic    | \$6          | Email and Teams only, no Office apps needed           |
| Retail, field service, shift workers  | F3                | \$8          | Mobile access, schedules, basic collaboration         |

### Questions for PanTerra AE's to ask prospects:

- 1 "How many of each license type do you have today?"
- 2 "When was the last time you audited who actually needs E5 vs E3?"
- 3 "What percentage of your users are in compliance/legal roles?"
- 4 "How many users actually use Power BI, eDiscovery, or advanced audit logs?"
- 5 "Do you have frontline/shift workers who really just need email and schedules?"

