

EFFECTIVE LICENSE MANAGEMENT WITH A CHANGING REMOTE WORKFORCE

**How to ensure user productivity
while saving your budget**

Quest[®]



Introduction

WHAT GETS MEASURED, GETS MANAGED

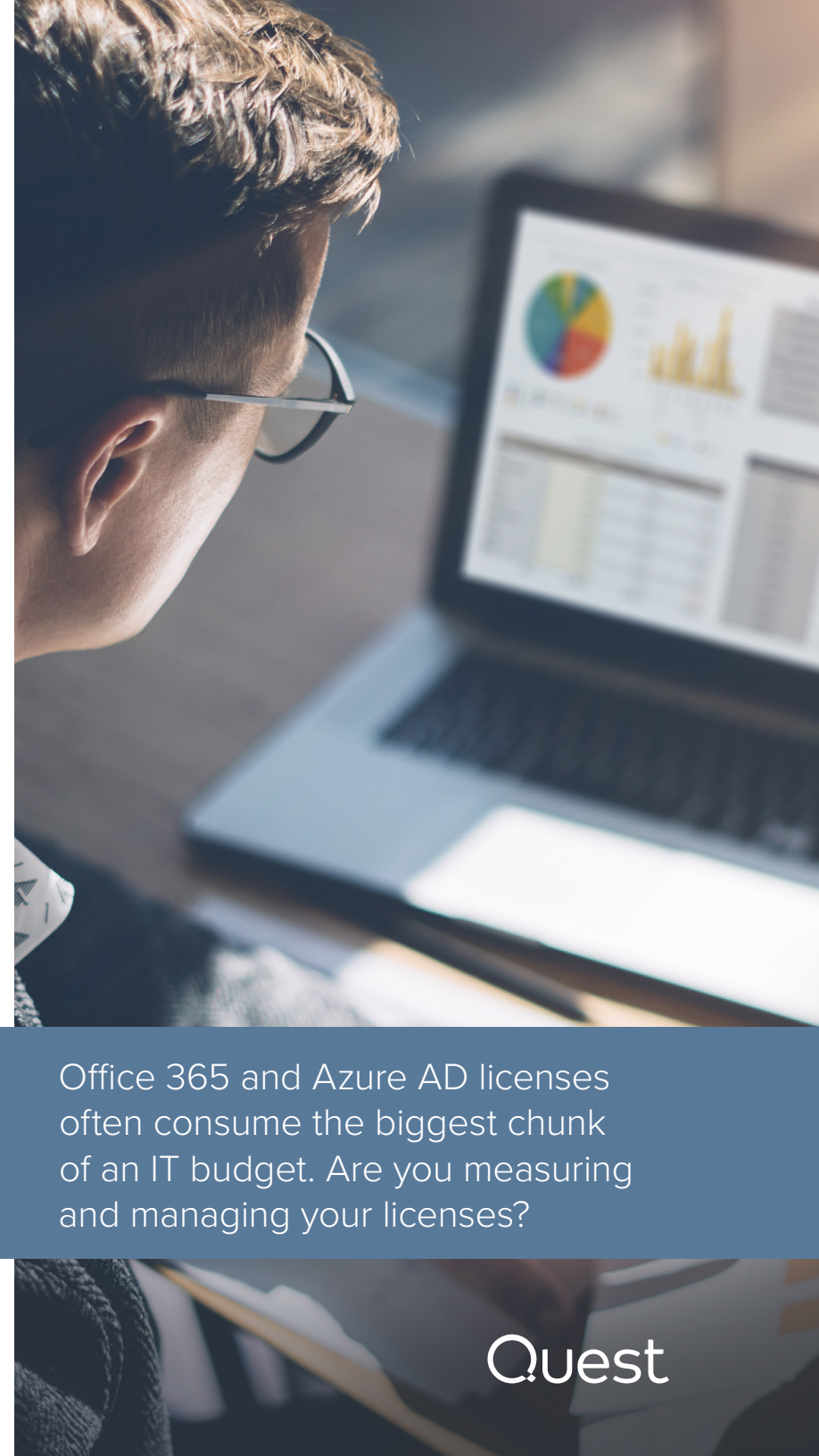
Peter Drucker, one of the most widely known and influential thinkers on management, is credited with coining the principle that what gets measured gets managed. The inverse is equally true: What isn't measured does not get managed.

These principles are especially important for Office 365 and Azure AD licenses, since they often consume the biggest chunk of your annual IT budget. Not actively measuring and managing these licenses often results in a huge unnecessary cost to the business.

But how many organizations have a good handle on their Office 365 and Azure AD licenses and their usage? Do you have an accurate current — and historical — inventory of all your license types and how many licenses are used and unused? Do you know how much money you are spending on licenses and how much of your budget is being wasted on unused licenses? Do you understand your licensing trends well enough to enable the most cost-effective license renewal?

Very few organizations have this insight. And this lack of actionable knowledge and effective management has a very real cost — in terms of both budget and lost return on investment (ROI) — especially as your remote workforce changes rapidly.

Let's drill into some areas where measuring and taking action can save you a lot of money and increase the value of your Office 365 and Azure AD license investment.



Office 365 and Azure AD licenses often consume the biggest chunk of an IT budget. Are you measuring and managing your licenses?



If you have 5,000 users, maintaining a 15-percent pool of basic Enterprise E3 licenses could be costing you \$200,000 a year.

The untold cost of unused licenses

The feeling of buying something and not using it haunts us all, in both our personal lives and our professional careers. Office 365 tenant licenses are no different. Often the lack of visibility into license usage and multi-year enterprise agreements hide the reality of unused licenses, but they are just as costly to a business as an expensive piece of hardware sitting on a shipping pallet.

Your license pool could be costing you half a million dollars a year.

The most common root cause of unused licenses is the infamous license pool. Since the demand for licenses ebbs and flows as employees are hired or leave and the roles of individual users evolve, many organizations maintain a pool of unused Office 365 licenses. This pool is sometimes as high as 15 or 20 percent of the total number of licenses they have purchased.

For a medium-sized organization with 5,000 users, maintaining a 15-percent pool of basic Enterprise E3 licenses can cost close to \$200,000 a year in unused licenses. Tack on the cost of additional licenses, such as security and collaboration products like Microsoft Visio or Power BI Pro, and that number can easily exceed \$500,000. That's a huge cost just to manage the ebb and flow of users in an organization.



Better visibility can save you money — without hurting productivity.

Two strategies can enable you to plug that massive leak in your budget, without putting user productivity at risk.

First, you need to gain good visibility into the license usage in each area of the business (department, office and so on). That way, you can reduce the size of the license pool you need to safely maintain the ebbs and flows of the organization.

Second, you need to be able to identify licenses that are assigned to users but that are not being used. Unused licenses are more common than you might think. For example, the user account might be disabled because it belongs to a seasonal worker or an employee on a leave of absence, or the user might not need the license anymore because of a change in job function. If you can quickly identify licenses that are not being used and see which business area is responsible for them, you can work with your business counterparts to reclaim and re-use those licenses, thereby reducing costs.

Getting more bang for your buck

Effectively managing your license pool and controlling unused licenses is just the first step. Have you ever spent hundreds of dollars on an exercise bike or other equipment that never ends up getting used? The next step in effective license management is to get more out of what you are paying for.

If you're not using all the products in your license, you're missing out.

Microsoft Office 365 licenses typically include many core Office 365 products. If you're not using those products, you're underutilizing the licenses you're paying for. Moreover, using multiple Office 365 products together enables higher productivity and better collaboration than using just one or two of them separately. Therefore, by increasing the adoption of unused Office 365 products, your organization will realize ROI in two ways: More users will be consuming what you've already paid for, and users and groups will realize a productivity benefit.

Drive adoption of Office 365 tools with insight into license usage.

To drive adoption of the Office 365 solutions you're paying for, you need to understand which specific users and groups have and have not adopted specific products and use that information to create targeted adoption campaigns. Even simple actions, like letting users and groups know which products they have access to and the benefits they could reap from them, can boost product usage significantly. After all, most users are familiar with the self-service model of consumer apps, so they can quickly start benefiting from new tools without much training or hand-holding from IT. It's been well established that if users see the benefits, they will adopt. This is very much true for Office 365.



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How can you take advantage of the benefits of users purchasing their own licenses without losing central control?

Helping yourself to the buffet — responsibly

Microsoft's embrace of the consumer app model entails risks for your business.

Microsoft has recognized the benefits of the consumer app model and has continually moved the Office 365 needle in that direction. In particular, Microsoft now allows end users to self-purchase the three products in the Microsoft Power Platform: Power BI, Power Apps and Power Automate.

This platform is truly powerful, since it enables business users to quickly create custom business solutions that leverage the capabilities of Office 365 to solve specific business issues. Therefore, allowing your business users to access Power Platform capabilities by purchasing their own licenses can offer tremendous benefits to your organization.

However, it also means these licenses are no longer under the central control of your procurement and IT teams. How can you properly control costs, maintain compliance and ensure effective management of licenses when users can feed themselves from an open-ended buffet?



You need control and visibility.

The details of an effective approach will be business-specific, but every organization needs to establish some fundamental guardrails. For starters, the self-service license purchase capability can be turned on or off per Power Platform product — and is on by default. Organizations need to monitor whether the feature is enabled or disabled in their Office 365 tenant, and ensure that setting is aligned with their business licensing requirements.

Second, if this capability is turned on, the organization should have ongoing insight into exactly what licenses have been purchased and which business unit or department is responsible for them. Knowing what people are doing at the buffet is essential to ensuring they are consuming responsibly given your organization's established boundaries.

Take action and reap the benefits

Your best opportunities for business optimization are areas that are not measured and therefore not managed. Office 365 and Azure AD license management often fall into this category due to the nature of multi-year license agreements, the ever-changing options and your own evolving business needs.

To control license costs, increase adoption and reap more business value from Office 365, you need deep, ongoing visibility into how licenses are allocated to different individuals and groups, and which licenses and specific Office 365 products are being used.

QUEST ON DEMAND LICENSE MANAGEMENT

Quest® On Demand License Management is your complete SaaS platform for managing Microsoft challenges in a hybrid world. It goes beyond the native capabilities of Office 365 to provide the visibility you need for truly effective license procurement and management. In fact, you can slash your license costs by 30 percent and greatly amplify ROI with increased adoption and productivity gains.

Beyond enabling you to effectively manage your basic Office 365 licenses, On Demand License Management gives you the insight required to control the costs of add-on licenses. For example, many organizations are already using Microsoft Teams, and others are rapidly adopting it, especially since Microsoft is offering a free, 6-month subscription to Microsoft Teams to support remote workers during the COVID-19 pandemic.



On Demand License Management provides the deep visibility you need to support workers — while slashing license costs by 30 percent and amplifying the ROI on your Office 365 investment.



If you're taking advantage of the offer, at the end of your 6-month subscription, you will want to know which of your users have licenses for Teams, how much will it cost to continue your subscription and whether usage is high enough to justify that cost. On Demand License Management will provide that insight in just a few clicks.

If your organization is already a paying subscriber or will be in the future, you need to know even more details, including:

- Whether Teams is turned on for everyone or just certain people, such as remote workers
- Which users are actually using the product and how often
- Who is licensed for advanced Teams features, such as Audio Conferencing and Phone System, and how much those features are being used
- Whether you are managing your licenses in a cost-effective fashion as you hire more people or reduce your workforce

With On Demand License Management, you'll have all this information and more at your fingertips, thanks to clear, actionable dashboards and reports.

To learn more about how you can ensure you have the optimal number of licenses are available to support your business today and into the future — without spending your limited IT budget on more licenses than you really need — please visit quest.com/products/on-demand-license-management.

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