

Cost Comparison – In-house vs Office365

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Office365 E3 Plan VS Licensing Microsoft Exchange & Microsoft Office Pro

Notes & Assumptions:

- There are 20 users to be licensed
- US dollar values are used for simplicity
- Software licenses are purchased with Software Assurance
- Extended costs over 5-years are used. It is assumed that prices will remain unchanged during this period
- Licensing scenario does not include following costs that are **included** in the Office365 service:
 - Server hardware and operating systems
 - E-mail anti-virus and anti-spam
 - The cost to manage & maintain the in-house server and Exchange software
 - Backup and disaster recovery
 - SharePoint Server and Lync software

Office 365 E3	
Monthly per user cost of Office365 E3 plan:	\$24
Annual cost for 20 users	\$5,760
Cost over 5-years	\$28,800
Microsoft Exchange & Office Pro	
<i>Initial Costs</i>	
Exchange Server software	\$1,127
Exchange Server Client Access License	\$2,148
<u>Office Professional Plus</u>	<u>\$17,052</u>
Total Initial Costs	\$20,327
<i>Year 3 & 5 Costs (Software Assurance)</i>	
Exchange Server software	\$376
Exchange Server Client Access License	\$716
<u>Office Professional Plus</u>	<u>\$5,684</u>
Total Year 3/5 Costs	\$6,776
Cost over 5-years	\$33,879

Office365 Microsoft Office Pro Plus Standalone VS Licensing Microsoft Office Pro

Notes & Assumptions:

- There are 20 users to be licensed
- US dollar values are used for simplicity
- Software licenses prices are from the volume licensing program and are purchased **without** Software Assurance which shows the typical purchase method seen in this market
- Extended costs over 5-years are used. It is assumed that prices will remain unchanged during this period

Office365 Standalone Office Pro Plus paid annually	
Monthly per user cost of Office365 E3 plan:	\$12
Annual cost for 20 users	\$2,880
Cost over 5-years	\$14,400
Office365 Standalone Office Pro Plus paid monthly	
Monthly per user cost of Office365 E3 plan:	\$15
Annual cost for 20 users	\$3,600
Cost over 5-years	\$18,000
Office Pro	
Office Professional Plus	\$10,794
<i>Year 5 Costs (Re-Purchase Latest Version of Software)</i>	
Office Professional Plus	\$10,794
Cost over 5-years	\$21,588

Summary

When comparing the Office365 to Licensing and maintaining in-house Exchange over a 5-year period, Office365 is 15% less expensive. If all the services, SharePoint and Lync, which are included in the Office365 service are considered then the savings is in excess of 40%.

Licensing Microsoft Office using this method has an excellent saving rate ranging from 16% to 33% over a 5-year period. Added to which, you always have the latest software available to you and each user can use the software on up to 5 devices.