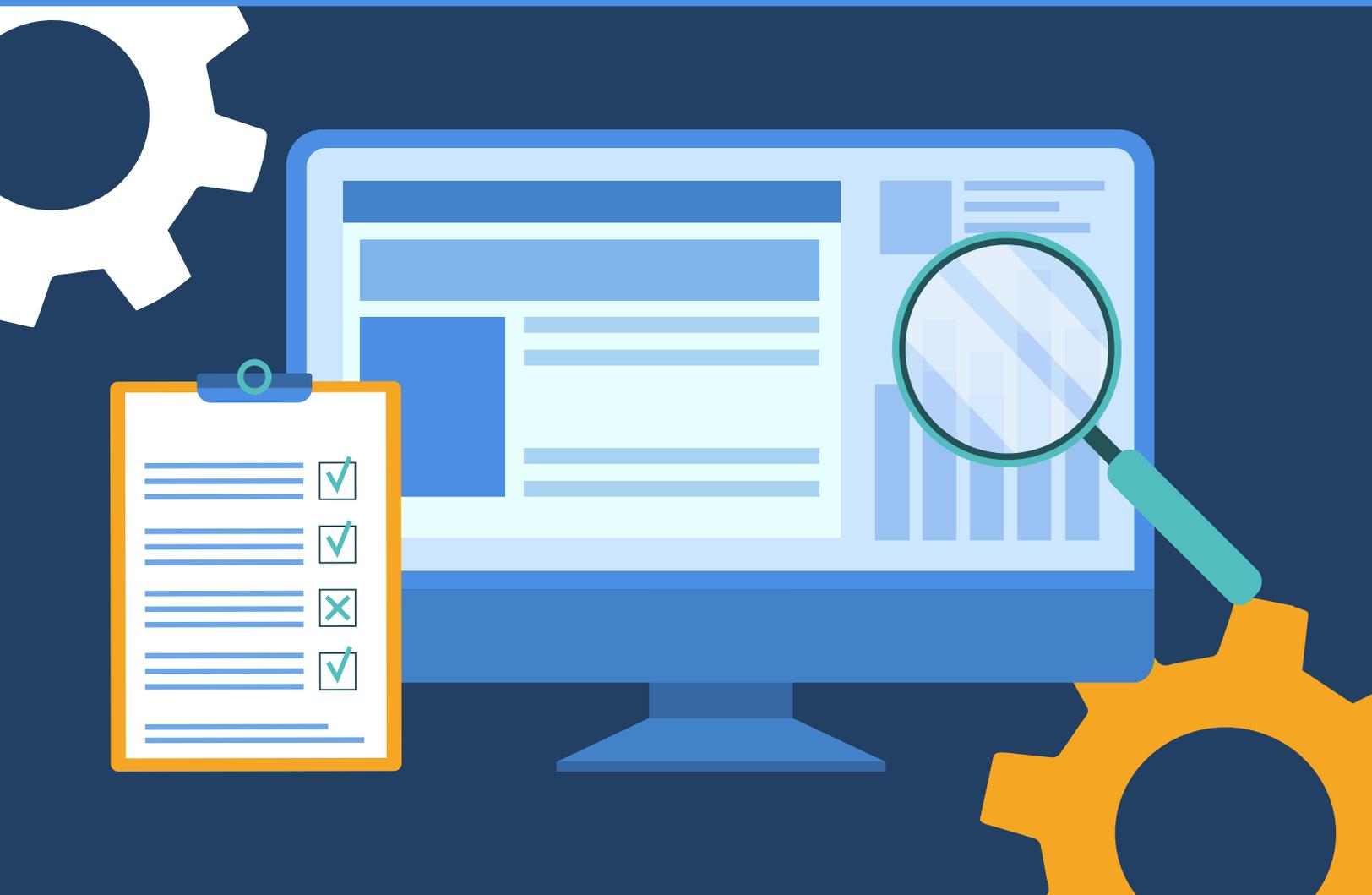




Everything you need to know
**About Microsoft 365
License Management**



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Introduction

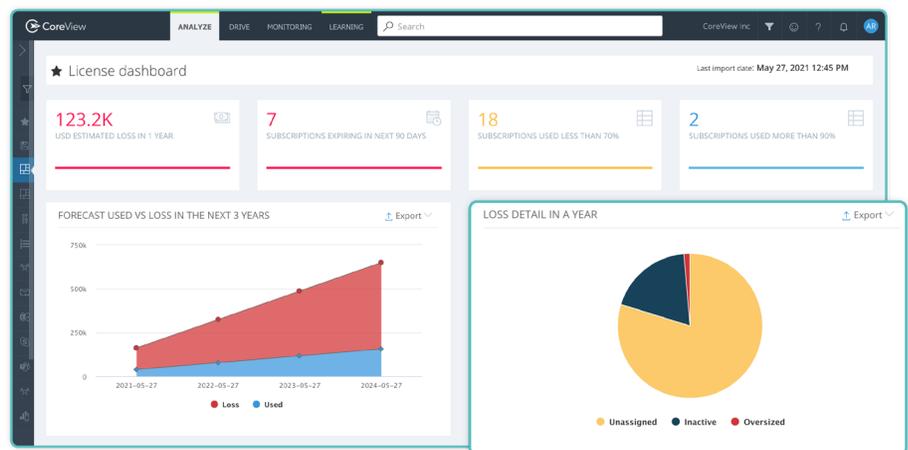
Microsoft 365 License Lifecycle Management is a complicated beast that can get out of hand quickly. With IT operators questioning - "How many licenses do you have? How are they being used? Are they the right licenses to do the job?"



Proper license management means that all users are equipped with the right level of functionality and new licenses are brought in when they are needed – at the right size and level.

To tame this beast, you must understand the complete state of your M365 licenses and their usage. [Proper license management](#) means that all users are equipped with the right level of functionality and new licenses are brought in when they are needed – at the right size and level.

CoreView License dashboard



Benefits of Microsoft 365 License Management

Visibility

Visibility is one of the top issues – seeing license counts, usage, and costs. Finance departments, for instance, send out bills — a chargeback to each of the departments or business units. Unfortunately, these departments cannot reconcile or see what they are being billed for and why. With the right [SaaS Management Platform \(SMP\)](#) you can:

Get Detailed, Action-Enabled License Reports

The key to understanding Microsoft SaaS economics are license reports showing the exact counts and precise usage. This should include inactive, unused, duplicate, and disabled licenses – along with the license levels such as E1, E3, E5, etc. You can convert those reports and findings into KPIs and build custom licensing dashboards. These KPIs are, in essence, your reporting tool, and the resulting reports can be scheduled regularly or whatever cadence the organization prefers. This way it is a much easier push rather than a pull. You can customize these for each department, each business unit, whatever works best.

Track Consumption

Most finance and M365 professionals have no idea what licenses are being used, and how many of the apps and services are consumed – and to what degree. Here is where a consumption dashboard comes in which includes all this detail – as well as the costs. IT and department heads can see inactive and active user counts, then drill down into any department or user set to find out exactly who is using what — and what that activity has been.

Look Deep into Dashboards

Not all people managing licenses are IT pros. That’s why dashboards are such a nice way to keep all the details in one easy-to-read place. We recommend looking at the dashboard weekly if you are looking to add more licenses — but at a minimum every month to make sure groups are utilizing the licenses they have as proactively as possible.

Management

By successfully targeting and delegating the right permissions you can free time and resources. Here are some suggestions on how to effectively manage with licenses:

Combine Role-Based Access Control (RBAC) and License Management

When an enterprise has global administrators managing many thousands of licenses, much can fall through the cracks. One solution is to designate a local group, or departmental administrators to keep an eye on licenses. This Role-Based Access Control ([RBAC](#)) approach implements local operators, combines process and workflow automation, close and careful license management, and produces deep savings and total license optimization.

Jump Into License Pools

Most M365-based enterprises have licenses in one big jumble. A better idea is to segment licenses – and license management – through pools. Once organized this way, management can examine – and tightly control – license pool costs including price per user.

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Optimize

After analyzing 5 million users – we discovered 40% of [Office 365 licenses are unassigned](#), inactive, or oversized. That number roughly equates to 30% of your Office 365 subscription – yikes! With this sizeable delta between number of licenses available and those that use them - it's important to ensure your organization is best using those resources.

User Adoption

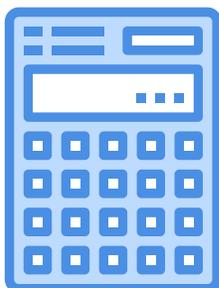
A key part of M365 license lifecycle management is making the best use of the licenses you have, which comes from adoption. In many cases, a license, say an E3 or E5, is not fully used – but should be. Here you can train those users to fully utilize paid for applications, and thus dramatically boost productivity. Similarly, you may identify low-level licenses, especially E1s that should be upgraded so the users can more fully contribute to the financial health of your organization.

Using the Right License

There are many Microsoft Office 365 licenses to choose from, with the high-end E5 standing out as the Cadillac of offerings. At \$35 a month or \$420 annually, an E5 is not cheap. However, if you maximize the value of an E5, it pays for itself easily.

Microsoft believes in the value of E5 and has an E5 ROI calculator to prove it. “On average, organizations that implement Microsoft 365 E5 can achieve an ROI of 123% and a payback of 10 months after they “go live” according to a 2018 Forrester Consulting TEI study,” Microsoft argues.

Getting this kind of payback is not as easy as just buying the license. You must put it to full, productive use, which is where the adoption we talked about earlier comes into play.



Organizations can achieve

123%

Return on Investment

After implementing
Microsoft 365
E5

3 Ways SaaS Management Platforms Provide Better Microsoft 365 License Management

The right tools AND the right practices = better management of M365 licenses! Here we have identified our top best practices to make your life, a whole lot simpler.



1. Assigning License Pools to Business Units

The first way is to assign ownership of a set number of licenses to each department or business unit by leveraging the SMP. These license pools will effectively delegate the responsibility for license distribution and recovery to the business unit managers and allow you to set hard limits on the number of licenses that a business unit can distribute. When they reach their full allotment of licenses, they won't be able to take licenses from the general, corporate tenant account any longer. Instead, they must purchase additional licenses from central IT, or more importantly, recycle inactive licenses from old user accounts under their license pool. This puts the central IT group in complete control over what licenses are distributed and who is paying for them.

These SMP license pool control mechanisms are extremely useful for large, distributed organizations, or government entities that have many different agencies. Once you have configured the license pools it is easy to promote the ownership to the different business units, or agencies, so they can maintain their independent subscription models.



2. Implementing Chargeback Accounting

The second method involves using your SMP to setup internal IT chargeback for distributed licenses. This can be a very effective model to promote responsible, fiscal accountability for license management at the department level. In recent years, IT chargeback systems have attracted more interest to fairly distribute costs for IT services. And with the direct Microsoft 365 license model assigned to individual accounts, it provides a straightforward one-to-one mapping for associated costs that can be billed to a business unit monthly.

The simplest model to implement chargeback for M365 is to assign department billing codes to each user account and then crossmatch the licenses utilized by those accounts. Then you must create an editable pricing table for the different types of licenses, and you're in business. If a user switches to a new business unit, they will have their billing code updated accordingly.

These billing reports can be setup to run on a regular basis and you can automatically send them to the department managers to keep them informed of their chargeback commitments. These reports can easily be exported and made available for corporate billing systems to process.

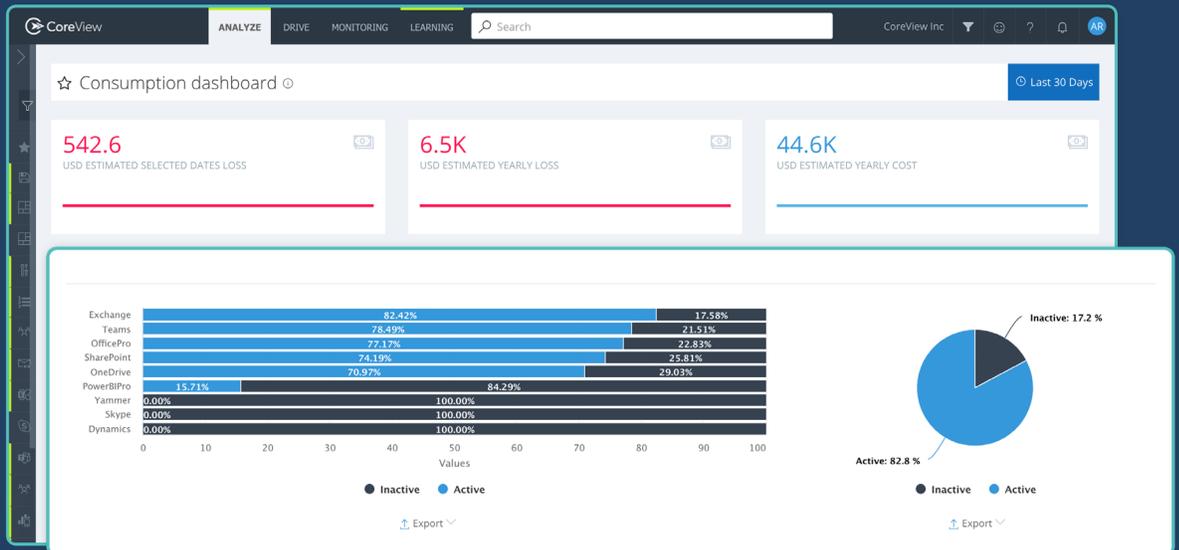


3. Recovering Licenses from Inactive Accounts

By accurately monitoring user activity in M365 and identifying inactive accounts through a prescriptive process, those registered M365 licenses can be reclaimed and repurposed to new employees as needed. This process should be performed consistently, and notifications sent to the department leaders who are responsible for cleaning up those inactive user accounts.

Below is a screenshot of CoreView’s Consumption Dashboard report. Reports like this empowers organizations to quickly identify inactive accounts across all M365 workloads by business unit, department, or geographic location.

Example: Consumption Dashboard Showing Inactive Accounts and Associated Costs



Final Thoughts on License Management Using an SMP

License Management is one of the most important pain points we solve for IT administrators today. The Microsoft admin center portal was not built for proactive license management purposes. It requires an enormous amount of development effort to create an effective license management system for M365 using PowerShell scripts and custom spreadsheets, not to mention the countless hours to perform the processing cycles each month. Today, CoreView is the only SMP solution for M365 that can help organizations perform proactive license management.

If you are interested in finding out more about CoreView's SaaS Management Platform (SMP) and how it can help you optimize license management for your Microsoft 365 environment, you can speak with one of our experts, [here](#).

Additional information

The User View



Tobin M. Cataldo

Users who get license lifecycle management, and adopt the right solution, reap immediate rewards. "We could see we were not allocating licenses correctly, not provisioning accounts correctly, and then we found ourselves asking 'what are all these other accounts doing here?' It was hard to get to that data from within the native O365 Admin Center. It was much easier to get to that data view in CoreView," said Tobin M. Cataldo, Executive Director, Jefferson County Library Cooperative, Inc., Birmingham, Alabama



Stephen Chris

That deep license visibility drives long-term license allocation and optimization. "We can hand our offices, effectively, a spreadsheet that shows their current consumption, and ask them to put a yes or no as to whether we need to decrease or increase licenses. CoreView is a very handy tool showing offices what they have today, what they can drop, or what they are committing to for the next 12 months," argued Stephen Chris, COO for Baker Tilly Canada Cooperative.

CoreView provides the most powerful SaaS Management Platform for enterprise organizations with Microsoft 365 at the heart of their SaaS Ecosystem. The Company gives enterprises visibility into their SaaS environment through action-enabled reporting, management capabilities through delegated administration, and the ability to automate cross-SaaS workflows. CoreView is an Insight Portfolio company with US headquarters in Atlanta. Notable customers include Kaiser Permanente, iHeart Media, and The Commonwealth of Massachusetts. Learn more at [CoreView.com](https://www.CoreView.com) and follow us on [Twitter](#) and [LinkedIn](#).

