



## Buying Guide Series | Microsoft Office 365

This Buying Guide developed by Phil Clark provides CIPS members with a checklist of questions to ask in order to create a requirements specification for buying Office 365 (Technical, Operational and Commercial), as well as a series of questions to ask that validate a supplier's proposals. It also provides you with suggestions on how to review the supply market to source the most suitable supplier of services for your business requirements.



This knowledge paper is supportive of Procurement professionals operating at operational of the CIPS Global Standard



CIPS members can record one CPD hour

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# Buying Office 365

## Introduction

Office 365 is one of the most commoditised cloud services on the market, now delivering a significant portion of the email services in the marketplace. It is however a broad suite of software services that extend way beyond Email and Word/Excel, and to ensure true value is derived from your investment it would be sensible to engage with a supplier who understands how to achieve this. Licensing can be complex in terms of choosing the right combination and level of licenses for users, so ensuring you engage with a supplier who tailors the license model to your precise requirements can save large amounts of money.

This guide intends to help the reader create a specification for procuring Office 365 services and issue to multiple suppliers to secure a price. The below gives a good indication of the levels of detail you will need to provide and the questions you should ask to get suppliers in a similar ballpark regarding solution and price.

Beyond the license costs, Office 365 can be a complex product to deploy, and has challenges in terms of user adoption, especially with the more complex products such as SharePoint, OneDrive, Teams, etc. It may be sensible to consider not just the cost of licensing, but also the cost of deployment, migration, adoption and other services. Microsoft, for instance, rewards partners who support a broader portfolio of services such as full change management governance, and this could be reflected in proposals from providers.

Office 365 suppliers are varied in terms of quality and services offered, which can make the marketplace difficult to navigate (and subsequently compare).

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## Understanding the Terminology

Within the industry, much of the terminology used within these areas have blurred in terms of definition, however the most commonly accepted terminology would be as follows:

- **“CSP” – Cloud Solution Provider**  
A type of Microsoft partner that is able to resell Office 365 (and other) licenses as part of broader services they offer (such as helpdesk).
- **“EA” – Enterprise Agreement**  
A type of Microsoft license which offers a bundled approach to software licensing, giving significant discounts for high volumes of users. Not suitable for all situations, especially if you are a smaller client or your usage varies substantially.
- **“E1/E3/E5 licenses”**  
License levels for Office 365 which derive different functional levels.
- **“EMS” – Enterprise Mobility Suite**  
One of the Microsoft products that offer a suite of security and management tools particularly focussed on mobile (e.g. Mobile Device Management).
- **“Teams”**  
The latest version of Microsoft’s collaboration suite, which consolidates previous products such as Lync and Skype into a single platform. Teams also provides rudimentary telephony and video conferencing services, and integrates with “social” type services such as Yammer.
- **Office 365 vs Microsoft 365**  
Office 365 is the core product that provides licensing and functionality akin to the Office suite of applications (Word, Excel, Outlook etc). Microsoft 365 consolidates Office 365 licensing with Windows Operating System and EMS licensing to provide a single user license across all products – this may not be the best commercial model for buyers who already license for operating system and mobile device management platforms separately.

## Developing Your Specification

The information you could provide in your specification can be split into three main areas, technical, operational, commercial and the sourcing process.

### 1. Technical

- What is your current inventory of Microsoft services, specifically:
  - ☐ Users, by location, with licensing and versions of Office / Windows
  - ☐ Any known changes to the estate (such as new users joining / leaving in the coming 6-12mths), or estimates on growth volumes over three years
- What does your current email service look like, specifically:
  - ☐ Where is it hosted / delivered from?
  - ☐ How many users / how much data?
  - ☐ Where do users / how do users access their email (all from one office, mobile / laptop users)?
- How many mobile users do you have, listing specifically:
  - ☐ Number of users and their use cases for mobile (e.g. they edit Word documents on their phones)
  - ☐ Volume, make and model of mobile phone
  - ☐ Any current security / remote access services you use or require?
- What are your broader application requirements, to allow discussion around integrations, specifically:
  - ☐ CRM
  - ☐ Voice / telephony
  - ☐ Instant messaging
  - ☐ Document management / sharing
- Who are your current connectivity providers (e.g. BT) and what services are you using (e.g. MPLS)? How do you break out to the Internet from each location?
- What are you looking to functionally achieve with your Office 365 deployment, immediately and over time, across:
  - ☐ Document management and sharing
  - ☐ Video / voice collaboration
  - ☐ Desktop applications
  - ☐ Social engagement (using Yammer)
  - ☐ Other

## 2. Operational

- Current process for users to log faults / queries associated with Office, email or other desktop applications. Any other third parties involved in this process. Hours of operation for the helpdesk, and approximate call volumes / call types (e.g. 65% password resets). Ideally a typical user profile (e.g. proficient in basic Office functions but need assistance with formulas on a frequent basis).
- The level of data protection (backup, archive) for email / documents you need.
- Security services you need (e.g. anti-virus / anti-spam). Are there any compliance requirements you need to adhere to that the provider will need to take responsibility for?
- Are there any data sovereignty considerations for your data (needs to be UK, EU, elsewhere)?
- How are you going to manage the project to migrate from a current to a new service provider, or are you expecting the provider to manage it entirely (including your internal resources / other third parties)? Are there any good windows to achieve this when users are offline? Do users regularly come “back to base” for any device re-configuration requirements?
- What is the level of user technology literacy, and will there likely be a resistance to change / adoption of the new platform should it be deployed? How are you going to manage this change through in-house (or third party provided) governance?

## 3. Commercial

- Any current active commercial / licensing agreements you have with Microsoft along with spend levels/ commitments. Term, commitment levels, usage.
- Any critical dates that the provider needs to consider (contract end dates, peak processing dates) when designing their migration plans.
- What are you looking to achieve by moving to Office 365 (cost savings, functional improvements, flexibility, etc.) and how do you intend to measure the success of this?

## 4. Sourcing Process

- What are the timelines that the supplier has for:
  - ☐ Reading and asking questions in the specification
  - ☐ Providing their written proposal
  - ☐ Coming in to present their proposal if appropriate
  - ☐ Receiving a decision on whether they have been awarded or not

- What are your time expectations for the project delivery?
  - ☐ Supplier commencement date after being awarded
  - ☐ Completion of transition project to new services

## Verifying the RFP/RFQ

When verifying the proposals there are a number of questions to consider and these can be split into technical, operational, commercial and other questions.

### 1. Technical

- What levels of capability does the supplier have regarding Office 365 and associated technologies (number of staff, partner levels/accreditations)? Do they have any specialist skills in some of the peripheral products (e.g. SharePoint, Exchange, Yammer, Teams)?
- How many other customers does the supplier have of a similar size and requirement to you, and are any of them referenceable?
- How will connectivity work to access the cloud services and how have they been sized to ensure performance isn't an issue?
- What constraints are there with the technical solution in terms of future growth and performance? How will services be deployed (remotely, visit required, etc.)?

### 2. Operational

- What reporting / monitoring and management will the service come with? How will you be notified of a fault or potential fault?
- How are new versions / updates managed, and what processes does the supplier have in place for communicating changes / impacts to users?
- What are the expected turnaround times on a change / problem in terms of response and resolution? For cloud services, how quickly is expansion and contraction of services achieved? Who is running the "admin portal" and how quickly can license / configuration changes be performed?
- What are the hours of service, in terms of core hours and any extended support hours?

- What documentation will be provided as part of the service in terms of:
  - ☐ Design / architecture
  - ☐ Processes and procedures
  - ☐ Service user information (“How to” guides, etc.)
- How will changes to the platform be communicated to the users / operations teams? Who will be the main contact points between you and the supplier:
  - ☐ Helpdesk touchpoints
  - ☐ Management / review touchpoints, and frequency / format
  - ☐ Executive level escalation touchpoints, and triggers
- Are the services regulated / certified to any ISO standards and if so, on what scope and when was the most recent audit?
- Does the provider have any examples of successful user adoption for recent implementations of a similar size and complexity to this one? Do they use the full Office 365 suite internally and how has this benefited their business?

### 3. Commercial

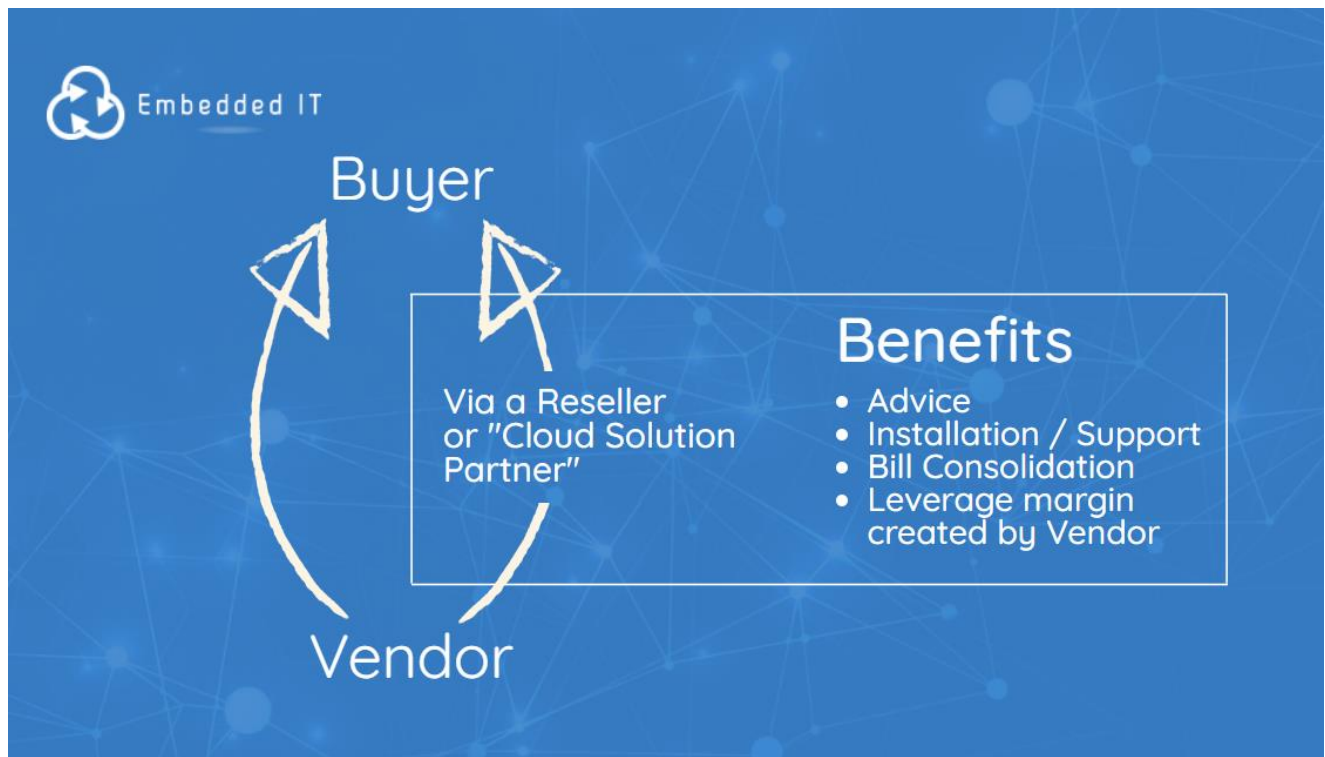
- Are all prices fixed, or will they vary over time with usage / inflation / currency fluctuation? If so, how is this controlled through the contract?
- What is the expected payment profile (in advance, arrears / payment terms) and is a Direct Debit required? Does this fit with finance policy? Is the proposed license a “CSP” license or another combination of license models?
- If CSP, identify the supplier's supply chain (are they “Tier 1” [buying direct from Microsoft] or “Tier 2” [buying from a distributor who buys from Microsoft]?) If Tier 2, how stable is the distributor / who is it? Who is billing who?
- If additional work is required, what is the day rate per skill set required, and will this be set in the contract at the outset?
- What is the term of the commitment / contract to the supplier? The Office 365 licensing should be flexible by month.
- What are the termination rights for cause / convenience / other scenarios? Is there any expectation of fees on termination / expiry?
- On termination / expiry, what support is the provider going to give to transition away?

## 4. Other

- Core supplier demographics:
  - ☐ Turnover / profit for the last three years
  - ☐ Ownership structure
  - ☐ Number of customers overall
  - ☐ Number of customers in the industry
  - ☐ Percentage of revenues that could be associated with this style of service or contract
  - ☐ Provide reference clients who take a similar service, ideally in a similar industry and company size

## Understanding the Market

There are over 30,000 registered Microsoft partners within the UK, all of whom have different technical specialities and biases. Many partners claim to provide Office 365 services, but lots have limited experience of complex or high function deployments and tend to focus on pure email migration from Exchange to Office 365 in the cloud. Consideration regarding the broader functions available are often missed.



Microsoft provide a partner solution centre, which lists all accredited partners in the UK. However, the search functionality and results can depend entirely on the quality of search terms. Many partners do not maintain their partner portal entry, and this can lead to poor engagement or misleading quality of information.

Embedded IT provide a free of charge “supplier matching” service, which takes your company details and matches suppliers by capability, location, company size, target industry, and industry experience. Simply enter “Office 365” and your location on the home page, and all suppliers with this capability will be provided. Through registration and entering company details, suppliers will be ranked in order of appropriateness to your specific company. To find out more, visit [www.embedded-directory.com](http://www.embedded-directory.com).

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[Phil Clark](#) is the Treasurer of the CIPS South of England branch and actively supports CIPS events in the region to promote technology procurement with local students.

[Phil](#) is also the founder of the free [Embedded Directory](#); a website designed to help technology buyers find the right technology suppliers. Over the past 25 years, Phil has overseen numerous senior commercial management roles within Client, Vendor and Service Provider organisations, and now focusses on supporting technology sourcing and procurement projects for UK clients.

The primary purpose of developing the Buying Guides is to collectively develop tools and resources that support the technology buying community. If you feel there were any questions missing from this checklist or have any information or guidance that should be included, please get in touch so that we can continually improve this free resource. All feedback is gratefully received.

For further commentary on technology supply chain and trends connect on LinkedIn.



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## Further Reading

If you found this useful, throughout 2020 Phil Clark and CIPS will be working on a series of IT Buying Guides for a range of Technology Projects which can be found [here](#).