

# Top 5 Hidden Costs of SharePoint Online

If you're like many organizations that have heavily invested in O365, you may be considering or already attempting to use SharePoint Online as your company file server.

After all, it's "free" since it's included in the service right? While Microsoft has made improvements on the front-end with OneDrive for Business and now Teams, the many challenges and hidden costs associated with trying to use SharePoint as your primary company file system remain.

The following Top 5 list outlines the main reasons why with SharePoint, the old phrase "nothing in life is free" once again rings true.

# 5 Network & Productivity Impact from Sync Performance

In their [Evaluation Guide to Enterprise File Synchronization and Sharing: Sync Performance](#), renowned independent market intelligence firm IDC ranked Microsoft lowest in sync performance compared to the top 7 market leaders in enterprise file sync. This performance challenge translates to increased spend for internet bandwidth as well as major impacts on the productivity of end users.

The recent SharePoint integration with the newer OneDrive for Business sync engine didn't improve things much as it too lacks delta sync for non-Office file types. Quite often business users are left waiting for their updates to propagate costing them time and money in the process.

On average, the costs of lost productivity from access latency and/or sync performance is between \$60,000-\$150,000 annually for a company with 500 users or less. These costs can skyrocket once you introduce larger file types and remote offices with limited bandwidth.

File sync performance is a critical part of the success and adoption of any new content management strategy. One should carefully consider the real financial impacts of poor performance on a system touched by nearly every user on a daily basis.

# 4

## Consulting & Customization

It's no secret that most organizations lack the specialized skills and staffing to successfully configure and launch a customized, user-friendly SharePoint site. This becomes even more apparent when it's intended to be used as a primary file services platform. As a result, it's a common practice to hire a Microsoft certified consulting provider to help get the project off the ground and ensure alignment with deployment best practices.

While it's always beneficial to have an expert in the room with something as complex as a full SharePoint site deployment, this level of expertise commands a high price. Year one consulting costs typically fall within the range of \$100,000-\$250,000, often far exceeding the licensing cost of alternative solutions, which were designed to be easily deployed out of the box.

Although it's true that Microsoft includes SharePoint Online with most Office 365 subscriptions, it's a relatively blank slate that will require you to invest many hours turning it into something organized and usable by your business. These hidden development costs trying to "make it work" should be seriously considered before comparing a bundled SharePoint offering with other enterprise-ready solutions.

# 3

## Complex Administration

Imagine you've finally launched your SharePoint Online tenant and the consultants you hired to ensure a successful deployment have all moved on to other clients. Now What? Was the day of cross-training between your internal staff and these experts enough for them to be able to effectively manage this critical part of your business? Are they dedicated exclusively to SharePoint or was a decision made to utilize a portion of time from resources already managing other IT services?

These are all important questions to consider prior to diving into the management intensive and highly specialized world of maintaining an enterprise SharePoint environment. The costs of keeping staff continuously educated on a platform with as many varied features as SharePoint can be significant.

Furthermore, most organizations find that in order to keep their environment from descending into disorganized chaos, they need to maintain a small group of highly paid SharePoint admins and developers. This staff is necessary anytime new integrations or complex issues arise as well as when Microsoft decides to launch major changes to the product.

Using a small portion of a larger platform, such as SharePoint document libraries for your file services, can carry with it many unintended expenses that must be considered. Even if an organization isn't using all of the features of SharePoint Online, it must still manage the platform as a whole and incur the costs associated with doing so.

# 2

## No Effective Hybrid Option

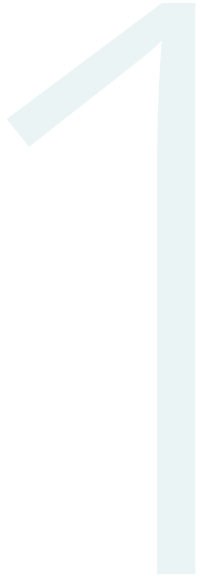
For any organization looking to move something as important as its unstructured file content to the cloud, it's vital to have alternative options available if things don't perform as expected or performance needs change over time. While housing all of your data in a single highly available repository hosted in the cloud may sound like a perfect solution, often the reality of large file sizes and groups accustomed to LAN speed performance often makes this impossible.

With SharePoint Online, organizations don't have many options if their performance needs exceed the capabilities of their Office 365 tenant. The file caching features of SharePoint and OneDrive for Business are architected at the client level and require users to store files on their local machines to provide some level of hybrid performance.

The lack of an efficient file locking capability adds additional frustration to this client-based approach.

To provide something similar to a local high performing file server with SharePoint Online, it often requires an expensive, admin intensive SharePoint on-premise hybrid configuration. This setup effectively eliminates the cost savings associated with moving to hosted services and returns to the old world of local clusters, backup, and hardware management.

When considering an investment in a modern file platform, it's important to keep hybrid options in mind and have a plan for being able to handle these very real file performance needs.



## Difficult User Experience

A critical factor for many organizations selecting new technology is the user experience. More specifically, how easy is it to use and integrate into other solutions as well as train on for those new to the solution or the company. If the solution closely resembles what they are using today, it can greatly increase the speed of adoption and ease the transition to the new platform.

This is often not the case for organizations trying to replace their file services with SharePoint Online, as it was designed primarily around the concept of websites and web parts to serve a host of collaborative business needs. Its use of site or team-based document libraries does not closely resemble the standard hierarchical structure of a traditional Windows file server nor does it offer a local mapped drive that closely matches what most business users are familiar with.

These structural changes, paired with the added complexity of needing different interfaces to work with their business content, e.g., The OneDrive for Business client, Teams, overlapping mobile apps, and SharePoint on the web, can end up creating a lot of confusion and loss of productivity for users.

Research conducted on the impact of effective social collaborative technologies on businesses and their workers reveals that losing just a few hours per employee per week due to performance issues or task switching (having to work with multiple systems to complete a single task) can easily add up to millions of dollars in lost productivity each year.

The ease at which users are able to work with and share data should be weighed heavily when evaluating the introduction of new file solutions. This usability factor carries major cost implications and often dictates the level of adoption, satisfaction, and production from an organization looking to modernize its file services platform.