

## The 5 Microsoft 365 Licenses Your Business Actually Needs

Month-to-month (M2M) pricing shown first — no commitment, cancel anytime. Annual commitment (paid monthly) saves ~15%, but includes a 5% billing surcharge over annual prepaid. Most businesses use 2–3 of these across their team.

LICENSE	M2M PRICE	ANNUAL PRICE (PAID MONTHLY)	WHAT IT IS	WHO NEEDS IT
<b>Exchange Online Plan 1</b>	<b>\$4.80</b> /user/mo	\$4.20/user/mo	Email only. 50GB mailbox. Full Outlook on desktop, web, and mobile. No Office apps, no Teams, no SharePoint.	Staff members who only need email and calendar — no desktop apps or collaboration tools. Receptionists, part-time staff, mailbox-only roles.
<b>M365 Business Basic</b>	<b>\$7.20</b> /user/mo	\$6.30/user/mo → <b>\$7.35 on 7/1/26</b>	Email + Teams + SharePoint + OneDrive. Web and mobile Office apps only — no desktop Word, Excel, or PowerPoint. <b>Copilot-eligible.</b>	Staff members who work primarily in a browser. Remote or field workers, organizations already using Google Workspace for desktop apps.
<b>M365 Business Standard ★</b>	<b>\$15.00</b> /user/mo	\$13.13/user/mo → <b>\$14.70 on 7/1/26</b>	<b>The one most businesses need.</b> Everything in Basic plus full desktop Office apps (Word, Excel, PowerPoint, Outlook). <b>Copilot-eligible.</b>	<b>Your default for most employees.</b> Professional services, general office workers — anyone who needs real desktop apps plus email and Teams.
<b>M365 Business Premium</b>	<b>\$26.40</b> /user/mo	\$23.10/user/mo No increase planned	Everything in Standard <b>plus security and compliance:</b> Conditional Access, Azure Information Protection, eDiscovery, DLP, Intune device management. 100GB mailbox. <b>Copilot-eligible.</b>	Leadership, finance, legal, HR — anyone handling sensitive data. <b>Required if you need cyber insurance compliance</b> or plan to deploy Microsoft Copilot securely.
<b>Microsoft 365 F1</b>	<b>\$2.70</b> /user/mo	\$2.36/user/mo → <b>\$3.15 on 7/1/26</b>	Frontline worker license. Mobile-first: Teams, SharePoint, Shifts app. 2GB mailbox (not a full email). No desktop apps.	Warehouse, manufacturing, retail, construction crews — shift-based workers who need communication tools but not a full desktop setup.

### Quick Decision Guide

IF A STAFF MEMBER...	GIVE THEM	MONTHLY COST (M2M)
Needs desktop Office apps + email + Teams (this is most of your team)	<b>Business Standard</b>	<b>\$15.00</b> /user
Handles sensitive client data, financial records, or legal files — or you plan to deploy Copilot with proper security controls	<b>Business Premium</b>	<b>\$26.40</b> /user
Only needs email and calendar — doesn't use Teams, doesn't need desktop Word or Excel	<b>Exchange Plan 1</b>	<b>\$4.80</b> /user
Works in a browser all day and doesn't need desktop Office apps installed on their computer	<b>Business Basic</b>	<b>\$7.20</b> /user
Is a frontline or shift-based worker who just needs Teams for communication and the Shifts app for scheduling	<b>F1</b>	<b>\$2.70</b> /user

## How to Stop Overpaying for Microsoft 365

### ✗ What Most Companies Do

50 users × Business Standard @ \$15.00 M2M

- Same license for everyone — CFO and warehouse worker alike
- 100% annual commitment — empty seats after departures
- No flexibility for contractors or seasonal staff

Annual cost:  $50 \times \$13.13/\text{mo} \times 12 = \$7,878/\text{year}$

### ✓ The 80/20 Approach

35 Standard

8 Premium

4 F1

3 Exch

- Licenses matched to actual roles and needs
- 80% annual (stable workforce) + 20% M2M (flex seats)
- Cancel M2M seats instantly when someone leaves

Annual cost: Mixed licenses + 80/20 terms = **\$6,946/year**

**Savings: \$932/year** — A 12% reduction just from right-sizing licenses and using the 80/20 commitment mix. No downgrade in features. Just smarter allocation.

### 5 Signs You're Overpaying

- 1. Enterprise licenses under 300 users.** Business Premium covers the same security and compliance for less.
- 2. Everyone on the same license.** Your warehouse team doesn't need the same setup as your CFO.
- 3. Paying for unused Copilot seats.** At \$30/user/mo, start with 5–10 power users — not company-wide.
- 4. 100% annual with empty seats.** Departed employees = wasted budget. The 80/20 mix fixes this.
- 5. No line-item breakdown.** Bundled fees can hide \$1–5/user markups (8–40% above MSRP).

### ■ July 2026 Price Increases

- Basic: \$6 → \$7 (+17%)
- Standard: \$12.50 → \$14 (+12%)
- F1: \$2.25 → \$3 (+33%)
- Premium: **No change** (\$22)

Annual paid monthly adds 5% surcharge on top.  
Right-size *before* July to offset the impact.

### The Copilot Question

Microsoft Copilot costs **\$30/user/month** on top of your base license. Our honest take: standalone AI platforms currently offer broader capabilities at lower cost. Start with 5–10 power users on Business Premium (for data access controls) and measure ROI before expanding.

### What About Enterprise?

Enterprise licenses (E1, E3, E5) are for **300+ user** organizations. If your provider has you on E3 (\$36–\$43/user) with under 300 employees, Business Premium (\$22–\$26/user) covers the same ground for significantly less.

### What Good Licensing Looks Like

- **Right-sized licenses** — different roles get different plans
- **80/20 commitment mix** — annual for stable staff, M2M for flexibility
- **MSRP pricing** — no markup, line-item transparency
- **Quarterly reviews** — licenses adjusted as your team changes
- **Security-first AI** — Premium base before Copilot deployment

### Want a free licensing audit?

We'll review your M365 setup, identify waste, and show you exactly what you should be paying — no obligation, no markup.

[fourwindsit.com/contact](https://fourwindsit.com/contact)

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