

FREE RESOURCE — MICROSOFT 365 GUIDE

Microsoft 365 Licence Comparison

Side-by-side comparison of Business Basic, Standard, and Premium plans. Choose the right Microsoft 365 licence tier for each user role — right-size your subscriptions, close security gaps, and stop paying for features your team does not use.

3

BUSINESS
PLANS
COMPARED

£4.60

CHEAPEST PLAN
PER USER / MO

15+

FEATURES
SIDE-BY-SIDE

UK

PRICING IN
GBP, EX VAT

FEATURE MATRIX

ROLE MAPPING

ADD-ONS

COST OPTIMISATION

PREPARED FOR

Cloudswitched Knowledge
Library

PREPARED BY

Cloudswitched Ltd.

VERSION

2026 Edition

FORMAT

Interactive PDF

00

Why licence choice matters

Choosing the wrong Microsoft 365 tier either wastes money or leaves real gaps in functionality and security. The three Business plans share the same email, Teams, OneDrive and SharePoint foundation — but diverge sharply on desktop Office apps, on conditional access, and on the device-management and threat-protection layers that meaningfully reduce risk.

Most UK SMEs do one of two things wrong. They put every user on Business Premium “to be safe” and pay three times the necessary rate for frontline and reception staff. Or they put every user on Business Basic and discover, after the first phishing incident, that there is no Conditional Access, no Defender for Office 365, and no Intune to remotely wipe a stolen laptop. This guide helps you avoid both ends of that spectrum by matching tier to role.

WHAT THIS GUIDE COVERS

A four-section walkthrough — **Feature Comparison**, **Recommended Licence by Role**, **Common Add-Ons** and **Cost Optimisation Tips** — followed by a short selection worksheet you can fill in for your own tenant. All UK pricing in GBP, ex VAT, at June 2026 rates.

SECURITY GAP WARNING

Business Basic and Business Standard do **not** include Defender for Office 365, Conditional Access, Azure AD Premium P1 or Intune. If you stay on either plan, you need third-party tooling to fill those security gaps. For many SMEs — especially after Cyber Essentials v3.3 — the Premium security stack alone justifies the price difference.

The four sections

- **01 Feature Comparison** — the three Business plans, side-by-side, with the lines that actually decide it.
- **02 Recommended Licence by Role** — which tier fits which user type, from executives to frontline shift workers.
- **03 Common Add-Ons & Extras** — Defender P2, Teams Phone, Copilot and the Enterprise plans (E3 / E5).
- **04 Cost Optimisation Tips** — how to mix tiers, reclaim unused seats and unlock charity / education pricing.

01

Feature comparison

The three Microsoft 365 Business plans side-by-side. All UK SME pricing is per user, per month, ex VAT, on an annual commitment. Prices shown reflect Microsoft list price at June 2026 — CSP partners may offer modest discounts on top.

FEATURE	BUSINESS BASIC	BUSINESS STANDARD	BUSINESS PREMIUM
Price per user / mo (annual)	£4.60	£9.40	£16.60
CORE PRODUCTIVITY			
Exchange Online mailbox	50 GB	50 GB	50 GB
Microsoft Teams	Full	Full	Full
OneDrive storage	1 TB	1 TB	1 TB
SharePoint	Full	Full	Full
DESKTOP APPS			
Word, Excel, PowerPoint desktop	Web & mobile only	Full desktop	Full desktop
Outlook desktop	Web only	Full desktop	Full desktop
Publisher & Access (PC)	No	Yes	Yes
Webinar hosting (to 300)	No	Yes	Yes
SECURITY & DEVICE MANAGEMENT			
Defender for Office 365 (P1)	No	No	Yes
Intune (MDM & MAM)	No	No	Yes
Azure AD Premium P1	No	No	Yes
Conditional Access	No	No	Yes
Azure Information Protection	No	No	Yes
Intune App Protection	No	No	Yes

THE DECISION LINE IS SECURITY, NOT OFFICE

Standard vs Premium is rarely about Word and Excel — Standard already gives you those. The real Premium step-up is the security and device-management stack (Defender, Intune, Conditional Access, AAD P1). For Cyber Essentials and any role handling client data, that stack is the difference between “we hope” and “we can show you”.

02

Recommended licence by role

Match licence tiers to user roles for the right balance of cost and functionality. Most organisations end up with a blend — not one tier for the whole tenant. Use the table below as a starting point and adjust to your sector and risk appetite.

USER ROLE	RECOMMENDED LICENCE	WHY THIS TIER
Executive / Director	Business Premium	Full desktop apps plus Conditional Access and Defender on the highest-value accounts in the tenant.
Office-based knowledge worker	Business Standard	Needs full desktop Word / Excel / Outlook for daily work but does not handle the most sensitive data.
Finance / HR / Legal (sensitive data)	Business Premium	Azure Information Protection, DLP and Conditional Access are essential when payroll, PII or contracts are in the inbox.
IT administrator	Business Premium	Intune, Conditional Access, AAD P1 and PIM-ready posture are non-negotiable on any account with admin rights.
Frontline / shift worker (own device)	Business Basic	Email and Teams on web or mobile is enough — no desktop Office needed, and per-user cost stays at £4.60.
External contractor (temporary)	Business Basic	Minimal cloud access for the project duration. Disable on last day — ideally automated through the leaver workflow.
Shared reception / kiosk device	Microsoft 365 F3	Purpose-built frontline licence at £2.10 / user / mo — ideal for shared devices and shift-based staff.

REALITY CHECK: MOST SMES RUN 30 / 50 / 20

A typical 50–100 user UK SME ends up around **30% Business Premium** (leadership, finance, IT, client-facing), **50% Business Standard** (general office staff) and **20% Business Basic or F3** (frontline, kiosk, contractors). If you are 100% Premium today, there is almost certainly meaningful saving available — and if you are 100% Basic or Standard, you are running without Conditional Access on every account that handles sensitive data. Plan tier scopes by Entra ID security group so the mix is intentional, not accidental.

03

Common add-ons & extras

Additional Microsoft licences and add-ons you may need alongside a Business plan. Pricing below is indicative UK list price per user / mo at June 2026 — CSP partners often package these into a single monthly per-user line.

ADD-ON	INDICATIVE PRICE	WHEN YOU NEED IT
Microsoft 365 Defender P2	£3 / user	Advanced threat hunting, automated investigation and response — sits on top of the Defender P1 included in Premium.
Microsoft Teams Phone	£6-£10 / user	Replace traditional PBX with Teams calling. With PSTN switch-off live, this is the most common 2026 add-on for SMEs.
Azure AD Premium P2	£7 / user	Identity protection, access reviews and Privileged Identity Management (PIM) — the right add-on for IT and exec accounts.
Microsoft 365 E3 / E5	£27-£47 / user	Enterprise tier — advanced eDiscovery, full compliance suite, Defender XDR. The right step beyond Premium for larger / regulated SMEs.
Viva Learning / Insights	£2-£6 / user	Employee experience platform — learning paths, workplace analytics, manager insights. Optional, not foundational.
Power BI Pro	£7.50 / user	Advanced data analytics and dashboards. Often the cheapest BI uplift for an SME already on Microsoft 365.
Copilot for Microsoft 365	£25 / user	AI assistant across Word, Excel, Outlook, Teams and PowerPoint. Currently per-user, annual commit; default model since 4 May 2026 is Anthropic Claude in Excel and PowerPoint — UK tenants must opt in.

BEWARE THE “PREMIUM PLUS EVERYTHING” STACK

Add Defender P2, AAD P2, Teams Phone and Copilot on top of Premium and the all-in per-user cost lands close to E3 territory — sometimes higher. When add-ons start stacking up, run the maths against Microsoft 365 E3 (or even E5) before signing the next renewal — the Enterprise tier may genuinely be cheaper for senior accounts.

04

Cost optimisation tips

Six levers that consistently bring the per-user run-rate down without sacrificing functionality or security. Most SMEs find at least three apply to their tenant today.

Mix and match tiers. You can assign different Business plans to different users in the same tenant. There is no requirement to standardise — and almost no benefit to doing so above ~25 users.

Annual commit over monthly. Annual billing is typically **15–20% cheaper** than the monthly commitment. Only stay on monthly if headcount is genuinely volatile.

Reclaim unused licences quarterly. Review assignments every three months. Remove licences from leavers within 48 hours — not at the next renewal — and reassign instead of buying new seats.

Avoid over-licensing. If a user only needs email and Teams on their phone, Business Basic at £4.60 is enough. Premium on a kiosk login is wasted spend.

Use F3 for frontline. At **£2.10 / user / mo**, Microsoft 365 F3 is purpose-built for shift workers and shared devices — meaningfully cheaper than Basic for the same use case.

Check charity / education pricing. Registered UK charities and educational institutions qualify for significant discounts — including **free** Business Basic for eligible charities — with Microsoft Tech for Social Impact.

WORKED EXAMPLE — 50-PERSON COMPANY

A 50-user SME on **all-Premium** pays **£9,960 / year**. The same headcount mixed **10 Premium + 30 Standard + 10 Basic** pays **£5,496 / year** — a **£4,464 annual saving**, with no loss of functionality on roles that genuinely need Premium. Run the same calculation against your own headcount before the next renewal.

DON'T DOWNGRADE WITHOUT A SECURITY PLAN

Stepping users down from Premium to Standard removes Conditional Access, Intune, AAD P1 and Defender for Office 365 on those accounts. Map who needs which control before you change the assignment — particularly for any user who handles client data, payroll, or admin functions.

05

Your Microsoft 365 selection worksheet

Capture where you are today and where you intend to land. The fields below are interactive — tick the boxes and type your numbers directly in any modern PDF viewer, then share with your finance and IT leads.

Which plans are you considering?

- ☐ **Business Basic** (£4.60 / user / mo) — web & mobile Office, Teams, OneDrive, Exchange.
- ☐ **Business Standard** (£9.40 / user / mo) — adds full desktop Office, Outlook, Publisher, Access, webinars.
- ☐ **Business Premium** (£16.60 / user / mo) — adds Defender for Office 365, Intune, AAD P1, Conditional Access, AIP.
- ☐ **Microsoft 365 F3** (£2.10 / user / mo) — frontline / shift / kiosk staff on shared or own devices.
- ☐ **Microsoft 365 E3 or E5** (£27–£47 / user / mo) — enterprise tier for larger or regulated organisations.

Your numbers

CURRENT TIER(S)	TARGET TIER(S)	TOTAL USERS	RENEWAL DATE

Notes & decisions

PREPARED BY

DATE

APPROVED BY

Need help right-sizing your Microsoft 365 licences?

Cloudswitched audits and optimises Microsoft 365 licence assignments for UK SMEs — mapping every user against role, security need and cost — with a fixed-price 30-day savings report.

info@cloudswitched.com

cloudswitched.com/solutions/cloud-email



CLOUDSWITCHED

MICROSOFT 365 & CLOUD EMAIL

info@cloudswitched.com

New London House, 6 London St
London EC3R 7LP · United Kingdom