

SoftWatch Benchmark: Real Usage of MS Office Applications

Purpose

The purpose of this document is to present an updated benchmark of MS Office applications usage following the benchmark that was published in 2015. The benchmark is based on data collected from a significantly larger sample of organizations and end users, thus enabling further segmentation and providing additional insights regarding actual usage of MS Office applications in commercial and public enterprises.

Scope

The scope of this report is:

- Usage benchmark of MS Office applications for the entire population
- Usage benchmark of MS Office applications per company size, region and industry
- Usage benchmark of macros in Excel
- Usage benchmark of MS Project and MS Visio

Benchmark Population

The benchmark is based on data collected from 910,000 users in 274 companies, representing an average size of 3300 users per company.

The companies are from different regions: North and Central America, UK, Western Europe, Israel, ANZI, and APAC. Some companies are large global companies. The largest company has 70000 users and the smallest has 200 users.

The companies belong to different industries: Retail, Manufacturing, Media, Healthcare, Transportation, Professional Services, Government Agencies and others.

The analysis was done on all windows based machines: desktops, laptops, terminal servers and Citrix. Apple computers were not included in this study.

The analysis is done on the three main components of the MS Office package: PowerPoint, Word and Excel. Please note that Outlook, which is commonly used by all users, is excluded from the user segmentation analysis.

Background

The evolving hybrid cloud environment presents huge opportunities for enterprises but at the same time presents significant organizational challenges. While cloud based solutions such as Salesforce ,Office 365 and G Suite bear significant benefits of increased productivity, collaboration and reduced costs, the transition to such services involves considerable effort; and while phenomena like BYOD (bring your own device) and mobile computing also serve as a strong driver to move to the cloud, CIOs still feel that they are lacking vital information, tools and methodologies that will enable them to make informed decisions, plan the migration, effectively manage the transition and slash excessive software licenses budgets.

SoftWatch services are designed to help executives with their decision making and planning processes. The services provide essential information about the real usage of the different business applications within the enterprise. By uncovering the real usage of applications, IT executives get better insights to their users' needs, understand the economics involved and can make informed decisions regarding moving to cloud based solutions and optimizing their investments in software applications.

Since 2013, SoftWatch services were embraced by many companies and helped them assess their MS Office usage patterns and make decisions regarding the possibility to move to Office 365 or G Suite, as well as rightsized their MS Office licenses investments. SoftWatch also provided usage information for additional on premise and browser based applications that enabled enterprises to significantly reduce licensing costs.

The purpose of this study is to present a benchmark of MS Office applications, MS Project and MS Visio usage based on the information collected. While this information cannot serve a specific decision, it provides insights and visibility that should enhance decision making regarding transition to cloud based solutions and software license optimization.

SoftWatch Optimization Services

SoftWatch Optimization Services help companies manage the move to cloud based solutions (e.g. G Suite or Office 365) delivering the data needed to make more informed, more confident transition and optimization decisions.

The services help organizations to profile their users' Microsoft application usage to:

- Understand the real usage of each MS Office application and assess the real magnitude of change in moving to the cloud
- Assess the potential cost savings by transitioning to the cloud and reduce their on-premise Microsoft Office usage
- Identify users and departments with limited creation or editing of Office documents who can rather easily be migrated to the cloud
- Identify users who only view documents, whose needs will be met with free viewer licenses
- Identify inactive users of Microsoft Office, whose software can be removed to reduce license costs
- Identify unused licenses of MS project and MS Visio to enable reuse of these licenses

Users' segmentation as described below is made possible thanks to SoftWatch's unique patented IP that enables the detection of three distinct application usage activities:

1. Opening an application
2. Focusing (viewing) on a document/email
3. Editing a document/email

Methodology

The analysis is based on the following segmentation of users:

1. **Inactive Users** – users who have the application installed on their device but never execute it
2. **Viewers** – users who view documents/presentations/Excel sheets/emails but don't do any editing activity
3. **Light Editors** – users who do some editing

[The accumulation of the above segments is considered as **Light Users**]

4. **Heavy Users** – users who do substantial editing

The distinction between Light Editors and Heavy Users is done by setting a time threshold representing the average daily amount of time a user is editing a document/email. Thus, a user is defined as a Heavy User when the aggregated editing time throughout the assessment period divided by the number of days exceeds the daily threshold. The underlying assumption is that the less time you use the application, the lower the probability of using advanced editing capabilities.

The threshold is configurable, thus allowing the organization to decide its own policy, being conservative or bold. Setting a low threshold will yield high number of Heavy Users, where in the extreme case of 0 there will be no Light Editors and all the editors will be identified as Heavy Users. Setting high value to the threshold will yield higher number of Light Users, representing a more aggressive, bold risk taking approach.

The analysis presented herein is done with the following values of the threshold: 12 minutes per day for Word and PPT, 18 minutes per day for Excel

The use of a higher threshold for Excel is derived from the fact that it takes considerably more time to create complex Excel sheets vs. Word documents or PPT presentations. Also, the nature of using Excel is less intuitive and therefore more time consuming.

While it is obvious that moving Inactive Users and Viewers to cloud based solution is rather easy, the decision regarding moving Light Editors is less trivial. One can argue that some users may use advanced editing capabilities even in a relatively short period of time. While this may be true it is still a marginal phenomenon. Moreover, the opposite is also true: one can use the application extensively by using basic functions only. We argue that for the sake of understanding the magnitude of change for the entire organization these marginal cases are immaterial.

An additional important information is the number of Excel users in an enterprise who use Excel files that contain macros. This is important since many enterprises embed macros into corporate applications and this complicates the migration to cloud solutions that do not support this functionality. This means that this segment needs to be given special consideration.

The usage metrics are collected for each company and the benchmark results are generated through calculating the average usage of all the companies participated in the study. No weight is applied to the company when calculating

the average number. Thus, companies with 200 seats (which are the smallest in this study) have the same impact on the outcome as companies with 10000 seats. The question which is being addressed by this study is "what is the average usage of MS Office Applications in companies above 200 seats"?

Key Findings

The following tables present the major findings of the study.

1. Average daily editing time by employee

Application	Daily time spent (Minutes)	Time spent (%)
Outlook	31.2	72
PowerPoint	0.6	1
Word	3.1	7
Excel	8.5	20
Total	43.4	100

2. User Segmentation: threshold=12 minutes/day for Word and PPT, 18 minutes/day for Excel

Application	Heavy Users (%)	Light Users (%)
PowerPoint	1.7	98.3
Word	6.7	93.3
Excel	17.9	82.1

3. Segmentation of Light Users

Application	Inactive Users (%)	Viewers (%)	Light Editors (%)
PowerPoint	50.7	17.2	30.4
Word	19.0	8.0	66.3
Excel	17.6	8.1	56.4

4. Segmentation of Heavy Users by company size

Company Size	PPT (%)	Word (%)	Excel (%)
SMB	1.6	7.3	19.6
LCS	1.7	6.7	16.8
VLCS	2.3	5.1	15.6

SMB – 200-1000 seats, 109 companies

LCS – 1000-10000, 128 companies

VLCS – above 10000 seats 37 companies

5. Segmentation of Heavy Users by regions

Region	PPT (%)	Word (%)	Excel (%)
North America	1.4	5.2	12.6
Latin America	1.2	5.7	27.7
Europe	2.1	7.8	17.9
APAC	1.9	9.6	18.3

Number of companies: North America – 98, Latin America – 52, Europe – 96, APAC – 28

6. Segmentation of Heavy Users by industries

Industry	PPT (%)	Word (%)	Excel (%)
Government	0.7	14.1	7.0
Professional Serv.	2.0	6.4	15.1
Manufacturing	1.7	3.8	22.7
Media & Ent.	1.5	8.0	11.3
Retail	2.7	4.6	16.8
Transportation	1.4	4.9	20.6
Health Care	1.2	7.4	13.9

Number of companies: Government – 27, Professional Serv. – 54, Manufacturing – 44, Media & ENT. – 18, Retail – 35, Transportation – 15, Health Care – 17

7. Additional findings:

- The percentage of users segmented as Light Users on all 3 MS Office applications is 68% (with the recommended threshold).
- The number of employees using two applications heavily was very small – less than 2%. The number of employees using all the three applications heavily is virtually zero.
- The percentage of Excel users using Excel files that contained macros is 8%.

8. MS Project and MS Visio usage – 183 companies:

- The percentage of unused MS Project licenses is 73%
- The percentage of unused MS Visio licenses is 68%

Observations and conclusions

When examining the data, a clear observation is that **the overall usage of the different MS Office applications is relatively low**. This is extremely true with PowerPoint who is hardly being used. From our engagements with customers we found out that in most cases, these numbers are far below what they perceived before using the service. As a general statement, these results indicate that **around 80% of Office users can move to alternative cloud based solutions**.

The fact that 68% of the users don't use any application heavily, leads to a conclusion that this population can be moved to alternative cloud based solutions rather easily. Specifically, the Inactive and Viewers populations which account to 26% in Excel, 27% in Word and 68%(!) In PowerPoint are identified as low hanging fruits for that matter.

It should be noted that Excel is, in general, the most popular application with a considerable higher usage metrics than Word. One of the reasons for the high use of Excel is attributed to corporate applications that integrate with Excel (e.g. ERP systems) or export data to Excel.

In General, the usage metrics across different sizes of companies are quite similar. Except for PPT (which in any case shows very low usage across the board), It is worth noting that on average, the larger the company the lower the usage. However, for predicting the impact of moving to alternative cloud based solutions these differences are immaterial.

When looking at geographies, it is notable that usage of Excel in North America is considerably lower than in other regions. This is in line with the high representation of large companies in NA compared to other regions as well as higher representation of Government and Health Care industries which show low usage of Excel. On the other hand, the relatively high usage of Excel in Latin America is in line with the high representation of SMBs and manufacturing companies who show high usage metrics for Excel.

There are some material differences when looking at industries. Government agencies show substantially high use of Word and low use of Excel. Manufacturing and Transportation show exactly the opposite: very high use of Excel and very low use of Word.

The low usage, and the fact that many employees mainly use one MS Office application, should draw the attention to the excessive investment in MS Office licenses. Now, that alternatives to MS Office are available (e.g. Office 365 or G Suite), we believe that enterprises should consider these alternatives seriously as the magnitude of change in transitioning to the cloud is less than perceived and the ROI is high.

The huge number of unused licenses of MS Project and MS Visio can point to a wider problem of excess licensing of software, especially in large organizations. Enterprises should acknowledge this wide spread phenomenon and improve their purchasing processes, asset management and software license optimization (SLO) tools to reduce this waste.

To summarize, the two main conclusions from this study are:

- **The magnitude of change when moving to cloud based solutions is less than perceived and should encourage decision makers to seriously evaluate alternative cloud based solutions.**
- **Companies should realize significant savings on their MS Office, MS Project and MS Visio licenses spending by renegotiating new licensing agreements with Microsoft based on their real usage analysis and by migrating light users to cloud based solutions.**

Summary

This study shows that the 20/80 rule applies regarding the extent of MS Office applications' usage. Most employees don't use advanced editing capabilities and organizations are simply wasting a lot of money on excessive licenses. SoftWatch believes that usage information is becoming mandatory in optimizing the evolving hybrid cloud environment. Considering the findings, we reaffirm our recommendation to decision makers is to adopt available cloud based solutions as the economical, operational and business benefits are substantial.