M365 License Optimization Report

Executive Summary & Methodology

This report analyzes your Microsoft 365 usage data to identify cost-saving opportunities, reduce waste, and mitigate security risks. The analysis categorizes every user into one of three buckets based on a strict hierarchy of rules:

- **Inactive/Ghost Users:** Users with no recorded activity across any core M365 service (Exchange, OneDrive, SharePoint, Teams, Skype, Yammer) in over 180 days. These licenses are marked for immediate removal. Savings calculated as full license cost.
- **Functional/Non-Human Accounts:** Active accounts exhibiting non-human characteristics (e.g., UPN starts with 'svc', display name indicates a room or equipment). These are candidates for downgrade to Exchange Online Plan 1 ($4/mo) which provides mailbox functionality without the full M365 suite. Savings calculated conservatively as (current license cost - $4).
- **Frontline Worker Candidates:** Active users who exclusively use the Web or Mobile versions of Office apps, making them ideal candidates for lower-cost 'F-series' licenses.

The following sections provide a high-level dashboard, a detailed financial breakdown of the potential savings, and sample lists of the users identified in each category.

EXECUTIVE DASHBOARD

INACTIVE USERS

1542

Users with no activity in over 180 days across all services.

FUNCTIONAL ACCOUNTS

615

Non-human accounts that can be converted to shared mailboxes.

FRONTLINE PROFILES

189

Users suitable for lower-cost Frontline licenses.

EST. MONTHLY SAVINGS

$82,140.00

Potential savings from license optimization.

LICENSE HEALTH

Critical

Overall status of license allocation.

OPTIMIZATION SCORE

84.2

A measure of how well licenses are optimized (100 is best).

💰 Estimated Monthly Savings Breakdown

CATEGORY	MONTHLY SAVINGS	PERCENTAGE
Inactive Users	$51,800.00	63.1%
Functional Accounts	$24,280.00	29.5%
Frontline Right-Sizing	$6,060.00	7.4%
TOTAL	**$82,140.00**	**100%**

📊 Savings by License Type

LICENSE TYPE	AFFECTED USERS	MONTHLY SAVINGS
Microsoft 365 E5	1345	$73,975.00
Microsoft 365 F3	1001	$8,165.00

SECTION 1: INACTIVE & GHOST ACCOUNTS

USER PRINCIPAL NAME	LAST ACTIVITY	STATUS	HIGHEST COST LICENSE	LICENSE RRP
employee.one@sampleclient.com	Never	**NO ACTIVITY**	Microsoft 365 F3	$8/mo
employee.two@sampleclient.com	Never	**NO ACTIVITY**	Microsoft 365 F3	$8/mo
employee.three@sampleclient.com	2020-08-31	**INACTIVE > 180 DAYS**	Microsoft 365 F3	$8/mo
employee.four@sampleclient.com	2020-07-10	**INACTIVE > 180 DAYS**	Microsoft 365 E5	$57/mo
employee.five@sampleclient.com	Never	**NO ACTIVITY**	Microsoft 365 F3	$8/mo
sales.temp.01@sampleclient.com	2021-02-01	**INACTIVE > 180 DAYS**	Microsoft 365 E5	$57/mo
employee.six@sampleclient.com	Never	**NO ACTIVITY**	Microsoft 365 F3	$8/mo
admin.legacy@sampleclient.com	2016-08-29	**INACTIVE > 180 DAYS**	Microsoft 365 F3	$8/mo
employee.seven@sampleclient.com	2023-08-09	**INACTIVE > 180 DAYS**	Microsoft 365 E5	$57/mo
contractor.09@sampleclient.com	Never	**NO ACTIVITY**	Microsoft 365 F3	$8/mo

Showing 10 of 1542 total users.

ANALYSIS

This table lists a sample of users who have not shown any M365 activity in the last 180 days across ALL services (Exchange, OneDrive, SharePoint, Teams, Skype for Business, and Yammer). These accounts represent significant waste and a potential security risk.

RECOMMENDATION

- Immediately reclaim licenses from these inactive users.
- Implement a policy to automatically retire licenses after a set period of inactivity.

SECTION 2: FUNCTIONAL ACCOUNTS

USER PRINCIPAL NAME	HIGHEST COST LICENSE	LICENSE RRP	LAST ACTIVITY	LIKELY TYPE
svc.test.account01@sampleclient.com	Microsoft 365 E5	$57/mo	Never	SERVICE ACCOUNT
logistics.tracking@sampleclient.com	Microsoft 365 E5	$57/mo	2024-04-19	SERVICE ACCOUNT
store.room.477@sampleclient.com	Microsoft 365 E5	$57/mo	2026-02-08	SERVICE ACCOUNT
svc.data.transfer@sampleclient.com	Microsoft 365 E5	$57/mo	2026-02-08	SERVICE ACCOUNT
cs.carderrors@sampleclient.com	Microsoft 365 F3	$8/mo	Never	SERVICE ACCOUNT
svc.apac.it@sampleclient.com	Microsoft 365 E5	$57/mo	2026-02-06	SERVICE ACCOUNT
ap.invoices.auto@sampleclient.com	Microsoft 365 E5	$57/mo	2021-06-14	SERVICE ACCOUNT
brand.management@sampleclient.com	Microsoft 365 F3	$8/mo	2026-01-30	SERVICE ACCOUNT
store.room.812@sampleclient.com	Microsoft 365 E5	$57/mo	2026-02-08	SERVICE ACCOUNT
consumer.care.auto@sampleclient.com	Microsoft 365 F3	$8/mo	Never	SERVICE ACCOUNT

Showing 10 of 615 total users.

ANALYSIS

These accounts appear to be used for services, testing, equipment, or other non-human functions. Assigning them a full E3/E5 license is not cost-effective.

SECTION 3: LICENSE RIGHT-SIZING

USER PRINCIPAL NAME	HIGHEST COST LICENSE	LICENSE RRP	USAGE PROFILE	RECOMMENDATION
mobile.user.01@sampleclient.com	Microsoft 365 E5	$57/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.02@sampleclient.com	Microsoft 365 F3	$8/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.03@sampleclient.com	Microsoft 365 E5	$57/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.04@sampleclient.com	Microsoft 365 E5	$57/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.05@sampleclient.com	Microsoft 365 E5	$57/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.06@sampleclient.com	Microsoft 365 E5	$57/mo	MOBILE/WEB ONLY	Downgrade to F3
location.mgr.shelbyville@sampleclient.com	Microsoft 365 E5	$57/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.07@sampleclient.com	Microsoft 365 F3	$8/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.08@sampleclient.com	Microsoft 365 E5	$57/mo	MOBILE/WEB ONLY	Downgrade to F3
mobile.user.09@sampleclient.com	Microsoft 365 F3	$8/mo	MOBILE/WEB ONLY	Downgrade to F3

ANALYSIS

These users are active but do not use the desktop Office applications (Word, Excel, etc.), relying solely on web and mobile versions. Their usage pattern aligns perfectly with the lower-cost Microsoft 365 F3 license ($8/mo).

RECOMMENDATION

- Downgrade these users from E3/E5 to F3 to realize significant cost savings without impacting their productivity.

This report was generated by NEO, an AI-powered M365 License Optimization Consultant. The findings and recommendations are based on the provided data and should be reviewed by a human before taking action.