OFFICE 365 VS. GOOGLE APPS
WHICH IS RIGHT FOR YOUR BUSINESS?

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INTRODUCTION

Both Microsoft Office 365 and Google Apps for Business are cloud-based services that provide small, medium and enterprise businesses with cost-effective communication tools, office productivity applications and much more. However, Google Apps and Microsoft Office 365 have significant differences that make choosing between them a difficult task. In this white paper we'll go over key factors that will help guide you to the right decision for your business.

THE REAL DIFFERENCES: UNDERSTANDING YOUR BUSINESS NEEDS

A cloud-based infrastructure is attractive for obvious reasons – it's a less expensive way of managing your business's data. Someone else is handling the server and application setup, configuration, and management. All of the items I've just mentioned are simply cost-savings (personnel savings for the most part). But cost-savings are just one face of the argument.

Deciding between Google Apps and Microsoft Office 365 is the difference between *business process improvement* (BPI) and *business process engineering* (BPE). BPI is about tweaking existing business practices to make them more efficient while BPE is more revolutionary than evolutionary; it involves dissecting a business' existing workflows and redesigning them from the ground up. Google Apps is a top-down BPI approach; Google Apps will likely replace some of your business' existing systems and improve their functionality and efficiency. Google Apps certainly *can* enact BPE but isn't an ideal platform for that purpose. Microsoft Office 365, on the other hand, is a BPE tool; it's a more in-depth and customizable software platform with greater enterprise-level capabilities.

To begin the decision-making process, ask yourself about the real purpose behind replacing or augmenting your existing systems. Are you happy with your existing systems and want to replace them primarily to reduce costs, or is the motivation more along the lines of providing workers with new tools that can make them more efficient? The answer should be a result of careful analysis of existing communication within your business.

PRICING

Leader: GOOGLE APPS

Naturally there's a difference in pricing between the two products; Office 365 is up to 120% more expensive than Google's most expensive plan. Pricing isn't always the best indicator of which solution is best for your business but budgeting is always an important factor.

About the only thing Microsoft Office 365 and Google App plans have in common is the fact that they're billed monthly and include a certain amount of storage space for each user (25GB across the board for both of them, as a matter of fact). We'll take a look at each product separately.

Google keeps it simple and offers two plans for businesses with no user maximum on either. The available plans are as follows (note that the prices are per user):

Table 1: Google Apps Pricing Plans

	Google Apps for Business	Google Apps for Business with Vault
Price/User	$5/month or $50/year	$10/month
Maximum Number of Users	Unlimited	Unlimited
Email Storage per User	25GB	25GB
Google Drive Storage	1GB	1GB
Email Attachment Size Limit	50MB	50MB
Archiving Support	NO	YES

Google's offered plans are almost identical – so what is Vault and why does it cost twice as much? Google Apps with Vault provides businesses with e-discovery – that's marketing speak for the ability for admins and auditors to search through your organization's entire Gmail and chat history. You're paying Google to archive all of your company's email and chat logs in case your business communications are ever subpoenaed, either by a court or a regulatory body. Managing thousands of user records isn't an easy task and the ability to sift through mounds of data with relative ease is worth something. Vault is the successor to Postini Message

Discovery (also known as Google Message Discovery) and, despite what you may have heard, is *not* a disaster recovery tool.

Microsoft's plans range in price from $4 to $22 per month, per user; five out of the six plans support for 50,000+ users (practically unlimited, in other words). For the purposes of this analysis we're only going to look at the four midsize and enterprise-level plans; Microsoft designates them by a plan code. Here's the breakdown:

Table 2: Office 365 Pricing Plans

	E1	E2	E3	E4
Price/user	$8/month	$14/month	$20/month	$22/month
Email Storage per User	25GB	25GB	25GB	25GB
Online File Editing?	NO	YES	YES	YES
Active Directory Integration	YES	YES	YES	YES
Email Archiving Support?	NO	NO	YES	YES
Subscription to Desktop version of Office 2010	NO	NO	YES	YES
Enterprise Voice Capabilities	NO	NO	NO	YES

The main difference between Office 365 E1 and E2 is online collaboration; E1 only provides users with the ability to view Microsoft Word and Excel documents and so on, but *not* edit them. E2, by contrast, allows Google Drive-type collaborative online editing and is thus closest in comparison to Google Apps.

The Office 365 E3 and E4 plans include a subscription to Microsoft Office Professional Plus 2010 (which is installed locally on a user's computer). These plans also have features like Legal Hold – that means admins can choose to keep a user's email inbox and deleted items indefinitely, even if the users wants or tries to alter or delete them. Lastly, the E3 and E4 plans support email archiving (just like Google's Vault) and hosted voicemail. Office 365 E3 is closest in comparison to Google Apps with Vault.

Where it gets confusing is comparing E3 and E4 plans; E4 replaces Lync Online with an on-premise Lync Server (which puts you back in the business of managing local server hardware, which maybe the exact opposite of your reason for moving to the cloud). Lync is Microsoft's online communications platform and responsible

for much of the integration in Office 365. A local Lync Server provides advanced voice capability; this is for clients that want to replace an existing PBX system with something more robust. It supports PSTN calling for incoming and outgoing calls, the ability to transfer and forward calls, and access to Exchange Online voicemail, amongst other high-end features. This is compared to Lync Online, which still supports voice calling but only to other Lync users (including other Lync-enabled businesses). Google does not have an explicit offering to match Microsoft at this level (though a Google Apps reseller could put one together using Google Voice, there would be additional costs).

Bottom line: Google Apps is cheaper to adopt, cheaper to maintain and cheaper to operate going forward. Office 365 is not only much more expensive than Google Apps, it often *isn't* much less expensive than the traditional installed version of Microsoft Office, Exchange and SharePoint Server that it is likely replacing. If you're moving your office software systems to the cloud to save staff and money, Google Apps is the clear winner.

FEATURES

Leader: VARIES BY FEATURE

This section is going to take a look at the differences in features between the two products; what does Microsoft Office 365 offer that Google Apps for Business doesn't, and vice versa.

Table 3: Office 365/Google Apps Feature Comparison

	Google Apps	Microsoft Office 365
Email	Yes	Yes, via Exchange
Email Archiving	Yes, with Vault	Yes, with E3/E4 plans
Instant Messaging	Yes	Yes
Web Conferencing	No	Yes, via Lync Online or Lync Server
Voice Chat	Yes, VOIP or Google Voice	Yes, via Lync Online or Lync Server
Advanced Voice Features (PBX replacement)	No	Yes, via Lync Server (E4 only)
Online Collaboration and File Storage	Yes	Yes, via SharePoint (E2 plans and up) and Office Web Apps

	Google Apps	Microsoft Office 365
Intranet Integration	No	Yes, via SharePoint
Active Directory Integration	Yes	Yes
Mobile Device Support	Yes, multi-platform	Yes, multi-platform
Offline Support	Yes; limited	Yes

EMAIL AND EMAIL ARCHIVING

Leader: TIE

Email support comes with both products; the main difference is the back end. Google stores email in its own servers and Microsoft stores it on its Exchange servers. Google Apps with Vault supports email archiving and Microsoft supports it on its E3 and E4 plans.

INSTANT MESSAGING, WEB CONFERENCING, VOICE CHAT & VOICE FEATURES

Leader: OFFICE 365

Google Apps supports both text instant messaging and voice over IP (VOIP) via Google Chat; it also supports calling to actual telephone numbers via Google Voice. Voice allows you to make and receive calls; prices for calls are more than reasonable and are typically 10 cents/minute or less, even internationally.

Microsoft matches Google Apps' level of functionality with its Lync Online service (this is not the same as Lync Server, which we'll discuss later). Lync is a platform unto itself; it includes presence indicators showing who is online and their status; the ability to instant message other Lync or Windows Live users; the ability to create and join online meetings; and last but not least it supports PC-to-PC calling as well as making and receiving calls from any phone number. Perhaps the biggest advantage Office 365 has over Google Apps here is online meeting support; up to 250 participants from inside and outside your business can join in a web conference. It's even more robust than GoToMeeting; users can share their desktops, make presentations, and share files with others. Google doesn't have comparable a service; the closest are free Google Plus Hangouts, which are limited to eight participants.

Then there's Microsoft's Lync Server – this is not compatible with Lync Online; choose one or the other. Lync Online is a cloud-based service where Lync Server is on-premise and requires Lync Server 2010 software. Lync Server is more expensive but has numerous advantages including PSTN support **without** going through a partner service (which is necessary with Lync Online) – and that's the key. It can completely integrate your business' traditional phone system with the rest of your communications infrastructure. It provides advanced calling features such as forwarding, transfer and simultaneous ring. Voicemail is viewable right on the computer and transcribing is available via Exchange 2010. One of the neatest features is the ability to transfer a call from one device to another without ending the call. And remember that all of these features are in addition to the functionality already provided in Lync Online. It's an extremely powerful tool and goes back to BPE – providing this kind of tool to workers will unquestionably affect how they communicate with one another, as well as with vendors and clients.

ONLINE COLLABORATION AND FILE STORAGE

Leader: GOOGLE APPS

Now we reach the most contentious showdown in our Google Apps vs. Office 365 comparison: online collaboration. For many businesses, online collaboration is the primary reason to adopt Software-as-a-Service (SaaS) applications like Google Apps or Office 365. Google accomplishes online file-sharing and collaboration through Google Drive; Microsoft does it through SharePoint Online and Office Web Apps. Ranking these solutions against each other is a classic apples-and-oranges comparison. That said, Google wins the battle for one reason: sheer ease of use.

Google Drive is designed around ease of collaboration, period. Google's streamlined feature set, barebones interface and dead-simple sharing options that come up short in comparison to Office 365's richer offerings are all designed to pay off in collaboration, because these absences mean there are virtually no complications, distractions or barriers to sharing Google Drive data or to inviting and involving outside contributors to Google Drive documents. Office 365 is a

desktop-based productivity and email system repurposed for the web to make sharing easier. Google Apps is a web-native productivity and email solution that was designed from day one to make sharing and collaboration its top priority, and the difference is significant.

This is not to say Microsoft doesn't have a case to make. If structured workflows are a must-have feature, Microsoft is the right solution for you, not least because Office 365 has document and workflow integration through SharePoint Online (as discussed later in this document), and Google Drive offers nothing remotely similar with regards to Google Sites. Moreover, if offline productivity is a high priority – which is to say allowing employees to work without internet access for long periods of time – Microsoft has a serious advantage in this area because it supports Office 365 through Office Professional Plus 2010, which is locally installed on a user's computer and allows document processing without the need for a regular web connection.

Lastly, Microsoft provides additional advantages in storage management; Google Apps for Business provides 25GB of base email storage per user but individual user quotas cannot be set. Microsoft Office 365 also provides a base 25GB per user email storage but administrators have complete control over the amount of space each user gets. Again, if it's about specific features or granular controls, Microsoft wins. If it's about ease of collaboration, Google takes top billing.

INTRANET INTEGRATION

Leader: Microsoft Office 365

Online document sharing and management through Office 365 is delivered via Microsoft SharePoint Online. SharePoint is a Microsoft platform that is focused on information-sharing through websites. Preconfigured website templates are included for easy website development. Existing users of SharePoint 2010 (sorry 2007 users) can simply integrate Office 365 into it. Larger businesses would appreciate what Microsoft calls Team Sites – separate websites that act as workplaces and collaboration areas for projects. If your company doesn't already have an intranet, Office 365 makes it fairly easy to deploy one. Besides the

collaboration features of Office 365, an intranet can be an effective tool for company-wide communication and announcements; it's certainly a viable alternative to an email blast.

Google Apps also makes it easy to create a website including an intranet and provides tools out of the box to do so. As with Office 365, creating a website in Google Apps – a Google Site – doesn't require special tools or knowledge.

The edge here goes to Office 365. SharePoint sites can be much more heavily customized compared to Google Sites, which provide basic customization only (for example, SharePoint supports custom CSS files, while Google Sites does not). Then there's the issue of workflow; Google Apps has none. SharePoint can route documents and other requests for approval by certain users. Lastly, Google Drive doesn't directly integrate into Google Sites, while Office documents can be posted directly to a SharePoint site as part of an automated workflow. In the end, Microsoft is more heavily ingrained in the management side of websites, whereas Google has opted for more intuitive but limited surface-level controls. Google Sites suffice for basic collaboration, but SharePoint has the flexibility that complex enterprise environments might demand.

ACTIVE DIRECTORY INTEGRATION

Leader: Microsoft Office 365

Google and Microsoft both provide tools to sync local Active Directory users. Google Apps Directory Sync can talk directly with a Microsoft Exchange server and adds and deletes users as appropriate to match your organizational schema. All sorts of information can be synced including names, job titles, and phone numbers. This is a one-way synchronization; Google Apps Directory Sync doesn't push back.

Microsoft has its Online Services Directory Synchronization tool which keeps Active Directory information synced with Office 365. It's also a one-way synchronization; changes made in the local on-premise Active Directory will be synced. Microsoft has the edge here because more information can be synced from Active Directory – structure levels, groups, and so on.

MOBILE DEVICE SUPPORT

Leader: TIE

There are two types of mobile device access; the first is via a dedicated standalone application that's installed on a phone. The second is an application that functions over a web browser, which can be accessed via mobile browsers in a reasonable way. Stronger functionality is available via a dedicated application since it's not limited by what can be provided through a web browser.

Google delivers its mobile apps in pieces; users can pick and choose which components of the Google Apps suite to install on their phones. For example, there's Gmail (provides access to email), Drive (online collaboration with access to documents), and Sync (keeps calendar and contacts in sync via Microsoft Exchange ActiveSync protocol). Mobile device support varies greatly depending on the app; for example, Google Drive is only supported on Android and iPhone whereas Google Sync is supported across Android, iPhone and Symbian devices. Gmail is supported across all these devices as well as BlackBerry and Windows Phone.

Office 365 supports email, calendar, and contacts synchronization across just about all modern mobile platforms; most mobile devices have built-in support for Microsoft Exchange. Microsoft provides access to mobile versions of most Microsoft Office applications including Word, Excel, PowerPoint, OneNote, and even allows you to edit documents on the company's SharePoint sites. These are called Microsoft Office Mobile Apps; they're available on two platforms: Windows Phone and Symbian (Nokia). Although the platform support is limited, Microsoft provides other mobile access through a web browser; for example, PowerPoint web broadcasts.

At the end of the day Google and Microsoft are fairly even in terms of mobile device support; the choice depends on which mobile platform your company is using (Apple iPhone, BlackBerry, etc.) as well as the functionality you want to extend your workers on the go. Neither company has a clear advantage here; given the limitations of mobile devices, about the same amount of work can be accomplished using mobile versions of Google Apps and Office 365.

OFFLINE SUPPORT

Leader: Microsoft Office 365

Although the services we're looking at have guaranteed uptime percentages (Microsoft and Google both promise 99.9% availability), users must acknowledge and have a backup plan for situations where the Internet will not be available. That includes planned and unplanned outages. Microsoft hits a home run here with its E3 and E4 plans, which include a subscription to Office Professional Plus 2010. The Office 365 E3 and E4 services are connected directly to desktop versions of Microsoft Office, with all the functionality that implies. Having locally-installed programs means an Internet connection isn't required to create and edit documents. Google provides very limited offline support via its Chrome web browser only (which needs to be setup for offline access); even then, support is further limited to mail, documents and spreadsheets. The Google Drive desktop client mitigates some of this advantage by allowing offline access to documents stored in Drive, but Drive documents created online are often impossible to edit without Internet access, and traditional documents require a desktop editor – like OpenOffice or Microsoft Office – which Google doesn't supply.

The takeaway is that if the Internet goes out, Google Apps users will likely lose the ability to continue much of their work. Microsoft Office 365 users, assuming they have an E3 or E4 plan, will still be able to work with all of their locally-stored documents in a full capacity (save for sharing, obviously). Either way, if the Internet goes out, then nearly all communication is lost and productivity is severely diminished.

SYSTEM SETUP AND ADMINISTRATION

Leader: TIE

Initial system setup and administration is an important item for IT admins (and, yes, you will likely still need an IT staff with these products). If you're converting an existing Microsoft environment to a cloud-based solution, Microsoft obviously has a number of setup advantages over Google. First and foremost is the easy

migration of local Exchange mailboxes to Office 365. Microsoft Exchange Online has fine-tuned management tools that provide administrators control over individual mailbox size and distribution groups, to name a few. Google Apps does provide simple and direct Exchange migration to Gmail, but not on this level.

Google tends to take a more collective approach where users are all assumed to have similar characteristics, which greatly simplifies management but limits some of your access and storage control options. Businesses accustomed to detailed individual management of employees – and who want to continue that practice, along with its associated management overhead – will be more likely drawn to Microsoft Office 365. Businesses looking to simplify their IT infrastructure and management will be drawn to Google Apps.

USER INTERFACE AND EASE OF USE

Leader: Google Apps

At the end of the day, no software solution is effective if your employees can't use it. Google Apps for Business, as mentioned in the collaboration section, is designed around ease of use, and its simplified feature set is reflected in its intuitive interface. The learning curve for Google Apps is, simply put, shorter than that of Office 365.

That's not to say that Office 365 is unusable; far from it. Longtime desktop Office users will have comparatively little trouble adapting to Office 365. By the same token, longtime Microsoft Office veterans will find Google Drive very familiar and easy to use, though they may occasionally be frustrated at the absence of some Office-specific features or options in Google Apps. That doesn't mean desktop Office users won't be productive as Google Apps users, or that they will require a great deal of training or lead time to become proficient users of the Google Apps platform. The Pareto Principle as applied to interface design suggests that 80 percent of users time is spent using only 20 percent of a program's features. Google Apps delivers the workhorse 20 percent of office productivity suite and

email features your company will use the most – and Google Apps makes those features very easy to use.

CONCLUSION

The decision between Microsoft Office 365 and Google Apps for Business boils down into two components: the first is what you're hoping to bring to your business using these products, and the second is cost. Microsoft's Office 365 can cost two to four times as much per user, but for that additional cost you get a more robust and customizable set of tools for your organization.

WHY YOU SHOULD USE MICROSOFT OFFICE 365

Microsoft brings new, rethought communications *processes* to your business; instead of taking a top-down approach to improving your business like Google Apps (which is *business process improvement*); Microsoft Office 365 takes a bottom up or *business process engineering* approach. Think of it as a unified communications and collaboration platform rather than a collection of applications that can be used to solve specific productivity tasks.

Are there communication bottlenecks or areas that could use significant improvement in your business? Do you want to change the way your employees communicate? Are you prepared to pay a premium for the software that allows you to control internal communications to a fine level of precision? Answering yes to those questions means Office 365 might be your ticket; provided your organization is willing to pay the financial and technical costs for those extra features.

WHY YOU SHOULD USE GOOGLE APPS FOR BUSINESS

Google Apps is a radically simplified product that can replace or augment existing systems in your organization – Gmail, for example, can replace Microsoft Exchange and Outlook's core functionality of corporate email, contact and calendar management. Google Apps for Business has an intentionally streamlined feature set; it eschews the more complex and niche access- and storage-management options of Microsoft products in exchange for making Google Apps extremely easy

to administer and use. While Office 365 wins a head-to-head matchup on almost any individual feature, Google Apps for business prevails in perhaps the two most important categories: *Price* and *Ease of Use*.

Are you looking for a cost-effective way to replace your existing email system? Do you want to augment or replace your company's existing programs with less expensive cloud-based tools? Answering yes to either of those questions means Google Apps is your best option.

Deciding to go either route – Google Apps or Microsoft Office 365 – isn't a decision that should be made overnight. Remember the key to deciding between these two cloud solutions is a careful analysis of your existing business processes and goals. If you want simplicity and ease of use, as well as lower costs, you want Google Apps. If you're willing to pay extra for high-level controls and advanced features (and the staff to manage those features), you want Office 365.

ABOUT BACKUPIFY

Backupify is the leading provider of backup and restore solutions for SaaS applications including Google Apps, Salesforce, Facebook, Twitter, and more. Backupify was founded in 2008 and is based in Cambridge, MA. Backupify has over 200,000 users trusting us with more than 500 million documents, two billion email messages and 350 terabytes of data.

WHY BACKUP CLOUD DATA?

Your data is one of the most critical assets of your business. Like any important asset, it should be insured. While most SaaS providers, including Google and Microsoft, offer state-of-the-art disaster recovery capabilities that protect you from *some* forms of data loss, you are still at risk for data loss due to user error, hacked accounts and third-party application bugs. To fully replicate your on-premise backup capabilities in the cloud, you need the ability to perform granular restores, and to retain the control that comes from having your own secure second copy of the data in your SaaS applications.

FIND OUT MORE

If you're interested in the peace of mind you get from an automated Google Apps backup solution, feel free to contact us directly at info@backupify.com.

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