The State of Microsoft 365 Performance Management

Table of Research Findings

EMA research overview

The Microsoft marketing machine certainly didn't exaggerate when, on the official landing page for Microsoft 365, they describe this eponymous collection of products:

"Microsoft 365 is a suite of apps that help you stay connected and get things done."

This understatement is faint praise of what is a powerhouse of productivity for enterprises large and small across industries globally.

Instinct and enterprise experience position Microsoft 365 as a suite of mission-critical capabilities that quietly power enterprise productivity on a daily basis. To be more specific, Martello commissioned EMA to conduct an entirely independent exploration of the state of Microsoft 365 as used in enterprises today. EMA fielded a research pool of 1,500 potential respondents in North America and Europe to vet 128 IT leaders to participate in this initiative.

With special attention given to MS Teams, EMA set out to gauge the criticality, impact, performance, management, challenges, and best practices of Microsoft 365. This report captures highlights of the research.

Spoiler alert: Microsoft 365's strategic role is on a sharp upward trajectory, fueled in part by increased reliance on MS Teams in a work-from-anywhere world—and it is almost shockingly under-managed.

Microsoft 365 at a glance

Strategic, widely used, and departmental

Use of Microsoft 365 was rated as "strategic and mission-critical" by 33% of the business leaders questioned. It was described as "widely used in most departments and functions" by 48% and characterized as departmental by 19%.

Drilling down showed some differences.

Enterprise size

The largest enterprises rate it as strategic at a much higher rate (51%) than high-midsized organizations (28%), low-midsized (21%), and small companies (27%).

Industry

Financial organizations topped the industry list, with 56% claiming a strategic role compared with high technology, which gave only a 16% nod. However, high technology far outstripped other industries in the widely used category, with 67% reporting wide use compared to its next highest (44%) from the public sector.

Geography

There was a significant difference between North America and Europe. North America responded 40% strategic compared to Europe's 24%, and 15% departmental vs. 24%.

These brackets serve as useful points of comparison when viewed in conjunction with other questions. Correlations can be made to determine how practices, issues, and results differ by the relative importance of the suite's role in each enterprise.

Although it's not a primary focus of this research, it turns out that just because Microsoft 365 or MS Teams' use is departmental does not mean that it is not important. The suite is central to business productivity, differing only in degrees of criticality for almost all of the participating organizations.

Implementation maturity

Longstanding EMA experience shows that the characteristics, benefits, and challenges of any IT initiative all vary depending on the maturity of its implementation. As it turns out, Microsoft 365 is no exception to this rule.

In this case, there was almost an even split between organizations that are more than two years into their MS 365/Teams deployment (51%) and those that are less than two years (49%). At 63%, North America leads EMEA's 36% in implementation maturity.

A telling point is the fact that 50% of the mature implementations rate MS 365/Teams as strategic to their organization, compared to only 13% of those less than two years into implementation.

Experience breeds increased adoption and business reliance on the suite. The maturity gap between North America and Europe may well account for the difference in their relative ranking of the suite's strategic value.

Asked about the period of time for MS 365 deployment, answers ranged over days, weeks, months, and more. However, the deployment window does not seem to correlate significantly with any success factor or strategic standing in the enterprise.

Specific applications in use

When it comes to use of specific applications, the top three in mission-critical order are Excel, Outlook, and Teams.

North America and EMEA, though agreeing on the top three, differ in their ordering. Of the EMEA respondents, 56% put MS Teams first compared to 29% of those in North America who ranked Excel as the top at 52%. An interesting point is that EMEA placed One Drive in a tie for its third in the top three.

Organizational impact of any outage

Research participants were asked, "When there is an MS 365 outage, what is the impact on your organization?" The responses were:

Critical
22%

High
48%

Average
24%

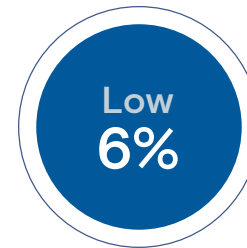**Low**
6%

Business grinds to a halt.

When MS Teams is viewed as mission-critical, this number jumps to 70% who say that business grinds to a halt in an outage. As for roles within an organization, the C-suite is the one most likely to see an outage as critical.
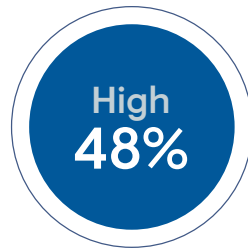
Many business processes rely on MS 365.

MS 365 is central to many business functions, but there are workarounds.

MS 365 is a productivity boost, but not essential.

Finance and the public sector were the industries most likely to see an MS 365 outage as bringing business to a halt. Healthcare, with its complex of specialized applications, was the least likely to experience an outage as critical.

EMA deliberately defined the terms being used so that there would be no ambiguity in the significance of responses. When respondents choose "critical," they do so knowing that it means business grinds to a halt. Yet, of those who state that an outage has critical impact, only 43% rated their organization's ability to manage the suite as high. The rest were evenly split between medium and low.

Put another way, more than half of the organizations for which an outage stops business are using substandard management capabilities.

Managing Microsoft 365 performance

Responsibility

Managing the performance and availability of Microsoft 365 is a shared responsibility in most organizations. The breakdown in order is:

1. Microsoft-specific teams **32%**
2. Application performance management **20%**
3. SREs and service delivery teams **18%**
4. ITOps **17%**
5. ITSM **14%**

Large organizations are much more likely to invest in Microsoft-specific teams to manage the MS 365 suite than smaller companies. Small companies task ITOps with performance while the balance shifts toward service delivery and APM teams in between.

Asked to consider the challenges they faced in deployment surfaced different perspectives. Those on the Microsoft-specific teams cited technical issues, skills shortage, and Microsoft problems. The top challenge by far for ITOps was conflict within IT, followed by a distant second in technical issues.
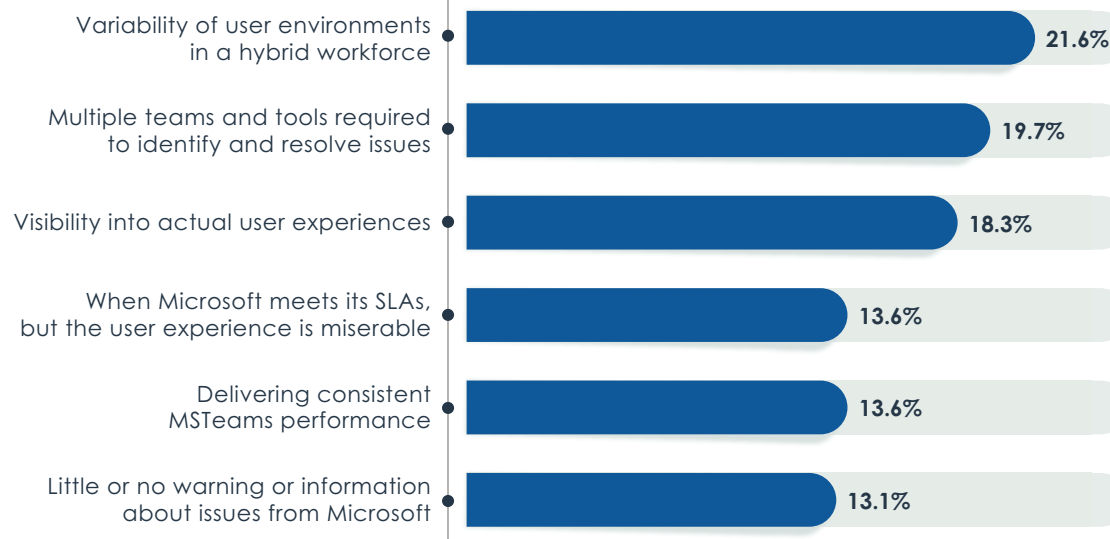
Performance challenges

Managing MS 365 performance is challenging. User experience tops the list of challenges if "variability of user environments in a hybrid workforce" is combined with "visibility into actual user experience" for a total of 40%. The top concern for C-suite participants is also clearly the user.

Seen through the lens of companies that view Microsoft 365 as strategic, there is an exact tie for top challenge: "variability of user environment" and "multiple teams and tools required to identify and resolve issues," each with precisely 45.2% of votes for top challenge.

It is interesting that the challenge level did not significantly lessen for organizations that rated their ability to manage MS 365 performance as high compared to other applications.

What aspects of managing MS 365 performance are most challenging?

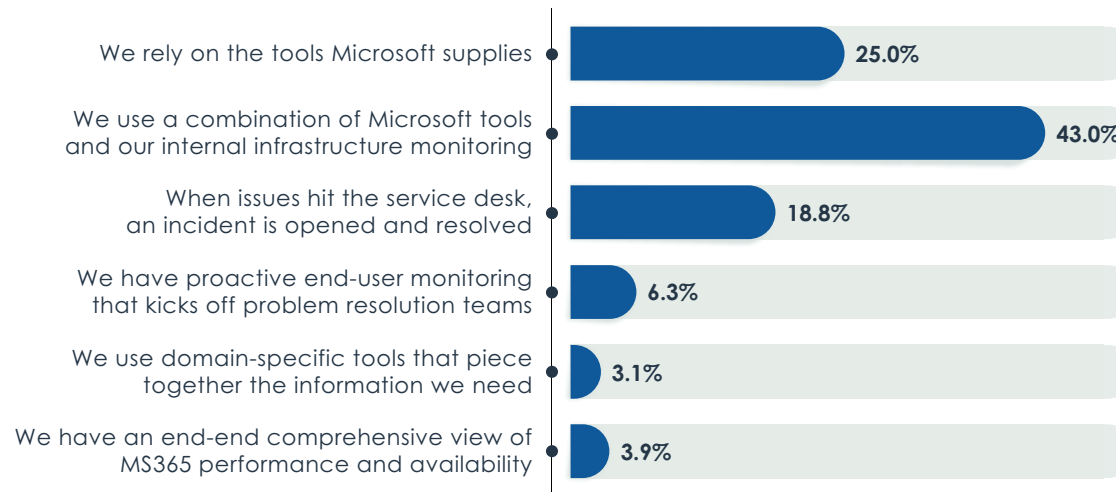| Challenge	Percentage
Variability of user environments in a hybrid workforce	21.6%
Multiple teams and tools required to identify and resolve issues	19.7%
Visibility into actual user experiences	18.3%
When Microsoft meets its SLAs, but the user experience is miserable	13.6%
Delivering consistent MSTeams performance	13.6%
Little or no warning or information about issues from Microsoft	13.1%

The top challenges for ITOps were "variability of user environments" and "little or no warning or information about issues from Microsoft." For Microsoft-specific teams, the top challenge by far was "delivering consistent MS Teams performance."

Management tools

Here's where things get surprising. When asked what approach best characterizes their organization's method for managing the performance of this high-impact suite of applications, only 10% have either proactive end-user monitoring or an end-end comprehensive view of the applications in use.

That 10% figure is surprising enough, but the fact that a full 19% rely on noise at the service desk to kick off attention to performance edges right into shocking territory in this era of automation abundance.

When it comes to managing MS 365 performance, which answer best characterizes your organization's approach?

Approach	Percentage
We rely on the tools Microsoft supplies	25.0%
We use a combination of Microsoft tools and our internal infrastructure monitoring	43.0%
When issues hit the service desk, an incident is opened and resolved	18.8%
We have proactive end-user monitoring that kicks off problem resolution teams	6.3%
We use domain-specific tools that piece together the information we need	3.1%
We have an end-end comprehensive view of MS365 performance and availability	3.9%

Keeping in mind that 33% of respondents view Microsoft 365 as strategic to the business, and 22% state that business grinds to a halt during an outage (70% when MS Teams is strategic), the level and type of management tooling reported is woefully lacking.

Although performance issues are plentiful and critical in nature, the IT leaders don't seem to see management tools as offering a solution to the challenges. Only 15% of respondents rated their organization's ability to monitor, measure, and manage MS 365 performance at anything less than above average when compared to other critical applications. It is possible that they are not fully aware of the strong offerings that are readily available.

Spending priorities

Perhaps this imbalance will be addressed going forward. Asked to name the IT spending priorities with respect to MS 365 over the next 12-24 months, performance optimization topped the list:

- Performance optimization **30%**
- Security **26%**
- Managing hybrid workforce **25%**
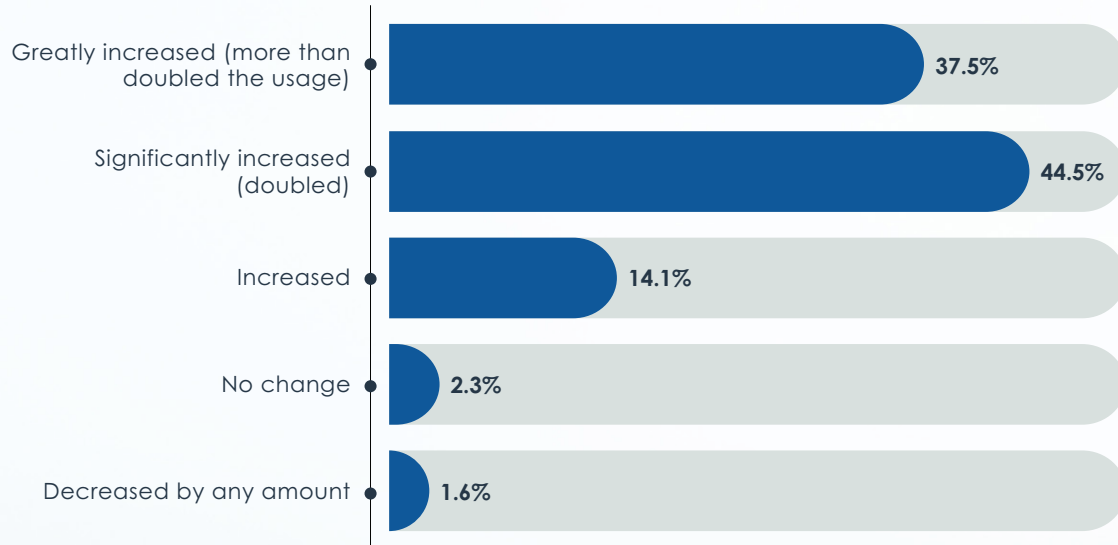- Adoption **11%**
- License management **8%**

The C-suite ranked security as the #1 spending priority at 63%, followed closely by performance optimization at 62%. For IT, performance optimization topped the priority list at 72%, with managing a hybrid workplace coming in at a distant second with 50%.

Microsoft Teams

Explosive growth

For reasons that need no explanation, the global events of the past couple years elevated the importance of Microsoft Teams in enterprises across industries. Ninety-six percent report an increase in usage, with 82% seeing usage double or more than double.

The sudden shift to hybrid workplace and work-from-anywhere caused what effect on the importance of MS Teams?

Category	Percentage
Greatly increased (more than doubled the usage)	37.5%
Significantly increased (doubled)	44.5%
Increased	14.1%
No change	2.3%
Decreased by any amount	1.6%

Strategic role

With the increase in usage comes a surge in the strategic role Microsoft Teams now plays in getting business done. Forty-three percent rate it as strategic compared to 33% who see the general suite as strategic. Asked, "How would you characterize your organization's use of MS Teams (meetings, chat, notes)?" produced:
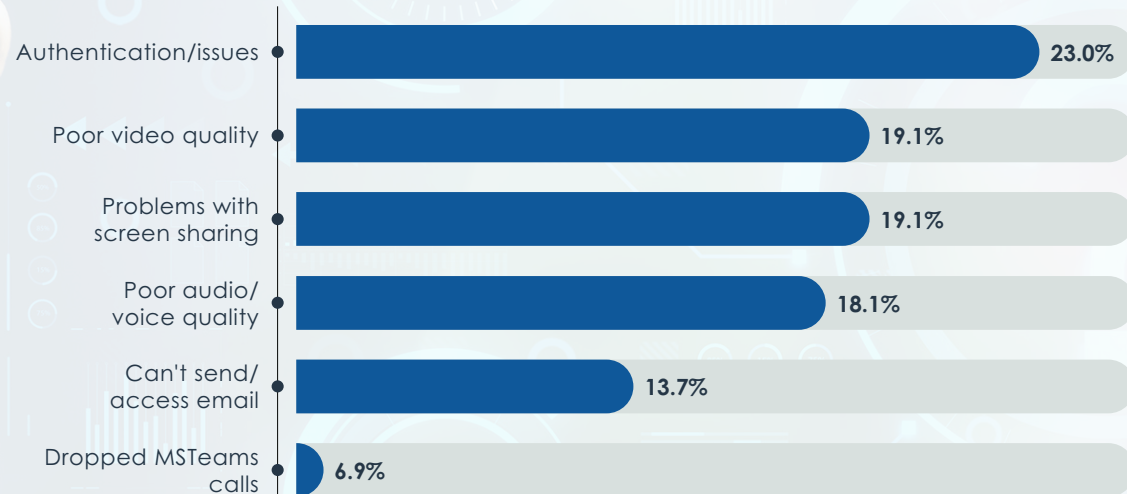
- Strategic – critical to our everyday business, the primary way of meeting **43%**
- Important – increased use since work-from-anywhere became common **45%**
- Departmental – differs from group to group, functions, or geography **10%**
- Ad hoc – use fluctuates as needed **2%**

The business impact value of Microsoft Teams also rises with the overall maturity of MS 365 implementation. Seventy-one percent of the organizations that view MS Teams as strategic have MS 365 implementations that are more than two years deep.

Top issues

User experience and quality of service are top of mind for the C-suite and IT professionals alike. Asked what symptoms or issues are the most common reason that users complain resulted in a fairly tight list of contenders, with dropped calls coming in at last place.

What is the issue or symptom that users complain most often about when it comes to MS Teams?

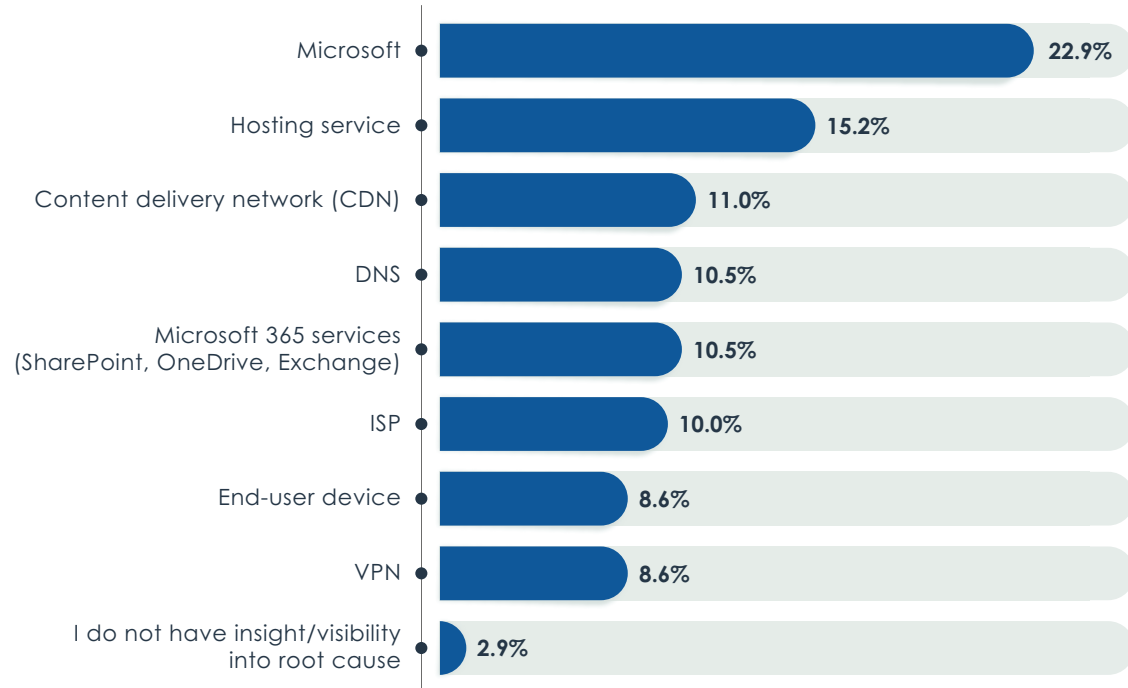| Issue	Percentage
Authentication/issues	23.0%
Poor video quality	19.1%
Problems with screen sharing	19.1%
Poor audio/voice quality	18.1%
Can't send/access email	13.7%
Dropped MSTeams calls	6.9%

It's worth noting that the C-level respondents differed from IT in their assessment of complaints. IT overwhelmingly tapped authentication issues as the top complaint, but the C-suite offered a tie between poor video quality and problems with screen sharing. It appears that problems, like beauty, are in the eye of the beholder.

Top causes

To be clear, respondents placed 77% of the blame for problems with Microsoft Teams somewhere other than Microsoft. Yes, Microsoft came in first as the top cause of problems with 23%. However, the logical inference is that, although it may be the most common cause of problems, most often, Microsoft is not the cause of Teams trouble.

The quality of MS Teams' performance is clearly a complex product of technologies and variable user environments. The user experience is more than the sum of the parts. Excellence in execution requires that the parts be intelligible and actionable as a functioning whole.

When there is a problem with MS Teams, what is most frequently the cause?

Cause	Percentage
Microsoft	22.9%
Hosting service	15.2%
Content delivery network (CDN)	11.0%
DNS	10.5%
Microsoft 365 services (SharePoint, OneDrive, Exchange)	10.5%
ISP	10.0%
End-user device	8.6%
VPN	8.6%
I do not have insight/visibility into root cause	2.9%

Managing Microsoft Teams

Asked about the methods used to manage, monitor, and measure the performance of MS Teams, almost everyone indicated some combination of Microsoft-native 365 tools and homegrown efforts.

However, once again, the research shows a mismatch between the impact of an outage and the level of management tooling used to avoid those outages or problems:

Only 11% of those who state that an outage causes business to grind to a halt use any third-party tool, and only 7% use one that is specific to MS 365.

This oversight opens a potential performance gap that is probable and largely avoidable.

If:

- Most of the problems with Microsoft Teams are from causes other than Microsoft
- Delivering consistent performance is the largest challenge for Microsoft-specific teams

Then:

- It makes sense to take advantage of tools designed for just this purpose.

Given the chance to self-assess the quality of service that their IT organization delivers, respondents were fairly bullish on the results. However, only 38% self-assessed the overall quality of their MS Teams' service quality and user experience as outstanding.

There is room for improvement and there are tools to get there.
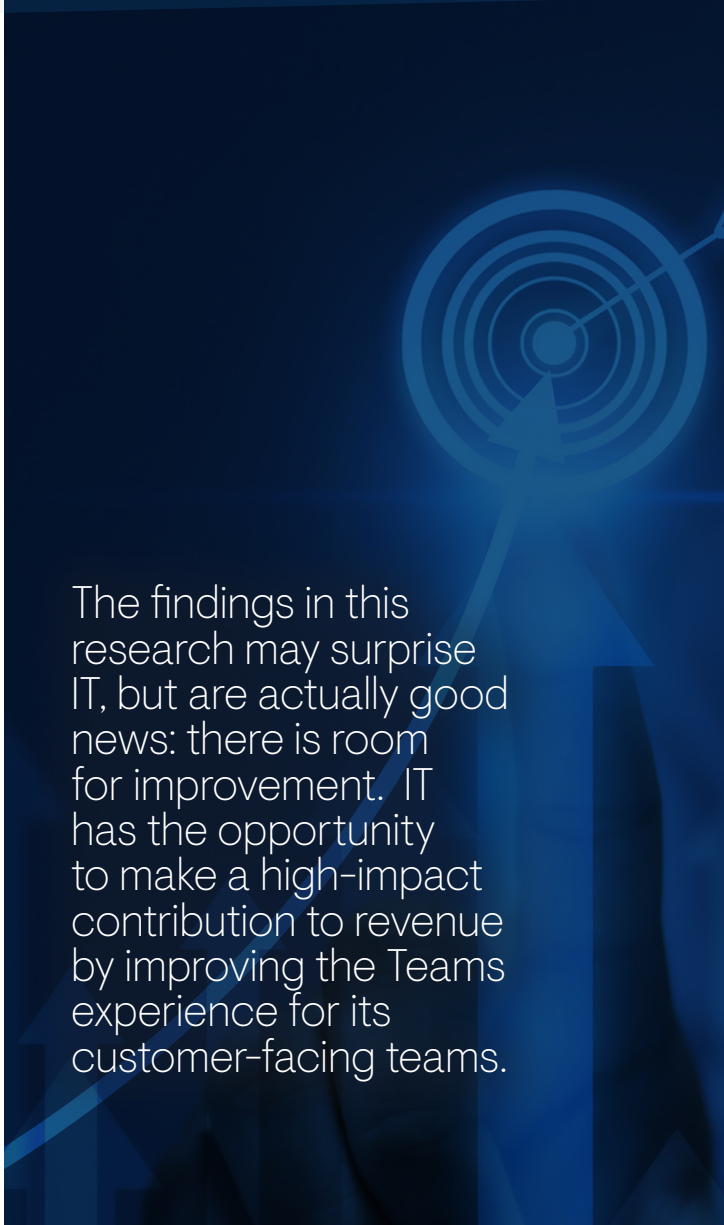
The revenue connection

Does IT have the full picture when it comes to Teams performance? It turns out that they probably don't.

EMA empaneled a research group of customer-facing professionals to build a non-IT view of Teams as seen from the revenue-producing side of the house. The panel makeup was sales and presales 21%, customer or constituent service and post-sales support 58%, other customer-facing teams, such as field service, 21%.

Evenly split between individual contributors/first-line managers and executives, the participants crossed industries in companies that ranged in a bell-shaped curve between 500 and 10,000+ employees. Here's what they had in common:

- **95%** rate the service their organization delivers to its customers as excellent
- **92%** also rate the performance and availability of Microsoft Teams at their company as excellent
- **100%** experience some degree of Teams problems – many of which IT never sees

The result is that IT and interested executive stakeholders may well have a rosier picture of Teams performance quality than Teams as experienced in the trenches. That rosy view makes sense given that almost all of the customer-facing panelists are very pleased with the quality of Teams performance in their organization, consistently rating it as above average or outstanding.
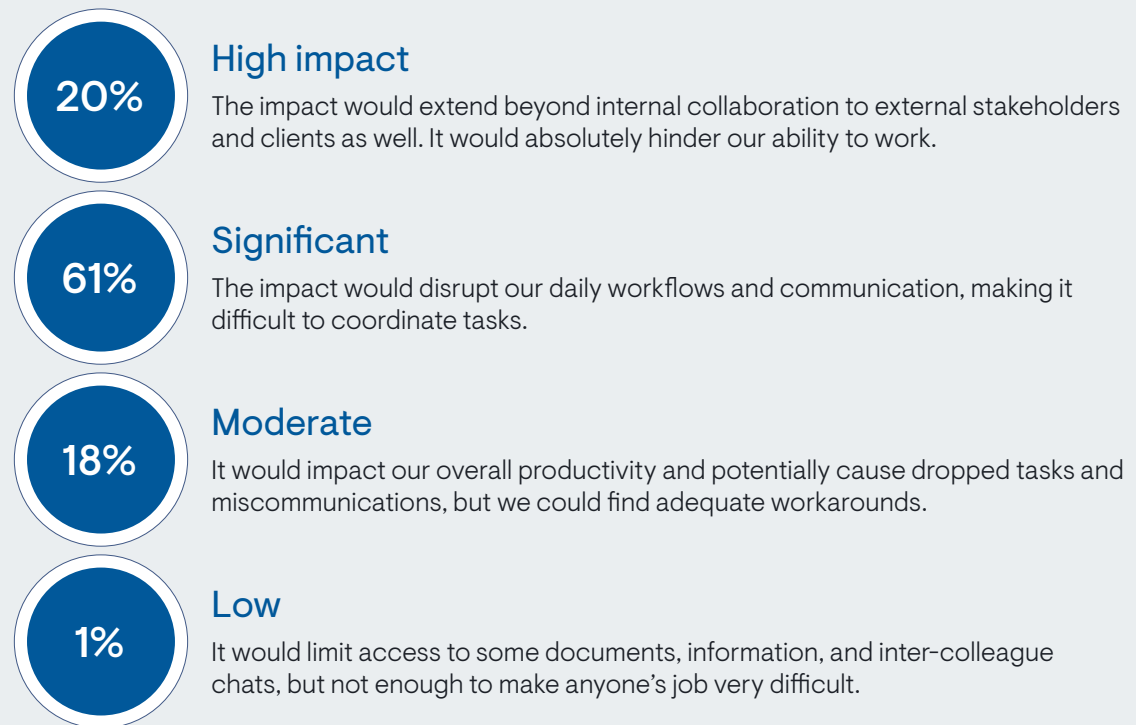
The findings in this research may surprise IT, but are actually good news: there is room for improvement. IT has the opportunity to make a high-impact contribution to revenue by improving the Teams experience for its customer-facing teams.

The productivity paradox

Microsoft Teams exerts a universally positive impact on the productivity of the customer-serving functions, with 28% of the panel stating that "it is now difficult to picture working without it." Seventy-four percent of the participants report that they or their teams use Microsoft Teams more than four hours every day. The dark side of this usefulness is the hit to productivity caused by any problem.

Of course, when there is a problem or issues arise, the natural thing to do is contact IT support or the help desk, right? Yes, it is the first course of action for 57% of the respondents. However, that leaves a substantial 43% of people who do not seek assistance. Asked why they don't immediately contact IT support when faced with an issue, 55% of the panelists stated that the problems were usually minor or quickly fixed, and the remainder figured that it's easier to just use a workaround, whether corporate sanctioned or not.

When there's a problem with Microsoft Teams, what impact does it have on productivity?

20%

High impact
The impact would extend beyond internal collaboration to external stakeholders and clients as well. It would absolutely hinder our ability to work.

61%

Significant
The impact would disrupt our daily workflows and communication, making it difficult to coordinate tasks.

18%

Moderate
It would impact our overall productivity and potentially cause dropped tasks and miscommunications, but we could find adequate workarounds.

1%

Low
It would limit access to some documents, information, and inter-colleague chats, but not enough to make anyone's job very difficult.

The opportunity

Sales professionals and CxOs are the groups least likely to turn to IT with their issues. As very high users of Microsoft Teams, they are also the groups that experience problems most frequently, with audio/video calls and screensharing/presentations topping their lists. The number of people who are impacted when Teams meetings go awry is significant, as well as the revenue that is potentially at stake.

On average, how many participants are usually in your Teams meetings?

1-2 people	1%
3-5 people	32%
6-10 people	54%
More than ten people	13%
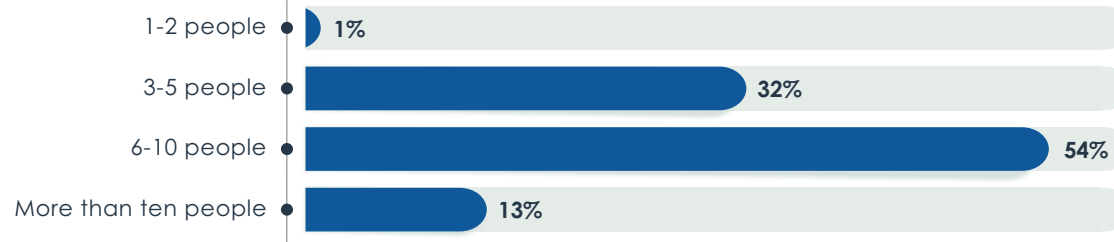
The research shows that when outages are frequent, people will immediately turn to their own wits rather than IT. When problems are infrequent, IT is the first line of defense. Ironically, this finding means that the more need IT has to know about glitches, the less likely they are to be given that visibility.

This fact is particularly true of sales teams, who named the top use of Microsoft Teams as its time-saving ability "to greatly speed behind-the-scenes problem solving and collaboration." Spending 5+ hours a day using Teams, 49% of sales respondents state that it *directly impacts customer service and revenue*. Yet, they are least likely to ask for help even though 57% of them say that disruptions usually last five minutes or more and happen with an uncomfortable level of frequency.

IT has the chance here to directly boost the bottom line. By improving the performance of already-excellent Microsoft Teams service, IT can save productive time of valuable sales talent.

Any time that Microsoft Teams saves the sales force is time directly returned to revenue-producing sales activities.

EMA perspective

Microsoft 365 is strategic or widely used across most functions in 81% of the organizations represented in this research. That number increases to 88% when looking specifically at Microsoft Teams. The explosive growth of the suite's use and importance in organizations of all sizes is largely fueled by the sudden reliance on MS Teams as the primary (or only) means of meeting with coworkers and customers alike. Return to any version of normalcy will not alter MS 365's current high-impact role.

These high-value/high-impact capabilities come at a cost. At a time when end-user experience is a top-of-mind C-level interest, enterprise productivity now relies on the performance of applications that are subject to great variability of user environments and limited visibility into the actual experience of those users.

Both MS 365 and MS Teams are complex environments to manage. Yet, as the research shows, organizations have not invested in managing the suite at a level that is commensurate with its criticality. Even when significant investment funds Microsoft-specific teams, those teams report the ability to deliver consistent MS Teams performance as their #1 challenge. Across the board, the fact that problem identification and resolution require multiple teams and tools ranks at the top of performance challenges for all groups, roles, and industries.

It's likely that the management/impact imbalance is due in part to the sudden burst of usage and reliance on Microsoft Teams. IT groups had to perform heroic acts of innovation on the run just to keep the enterprise boat afloat. Now that they have a chance

to catch their collective breaths, perhaps organizations will seek and acquire management tools that are competent to deliver the performance that productivity requires.

It's hard to imagine that CXOs will continue to cede competitive advantage to the 6% of enterprises that have proactive, end-end monitoring or the 4% that have a comprehensive, end-end view of MS 365 performance. Given the business centrality of MS 365 and MS Teams, it's more than time for change.

MARTELLO

A word from the team at Martello

There are few SaaS tools as critical to modern workplace productivity as Microsoft Teams.

This is especially true with the worldwide shift to hybrid and remote work models, which demand the ability to connect and collaborate from anywhere. Martello Technologies' award-winning Vantage DX makes it possible for businesses to optimize the performance and user experience of Microsoft 365 and Microsoft Teams.

The Microsoft-recommended Vantage DX is the only comprehensive out-of-the-box monitoring solution for Microsoft Teams and Office 365. It helps IT teams and business stakeholders to improve IT and organizational productivity by detecting critical performance problems, pinpointing their root cause, and optimizing future performance with a proactive approach.

See how Vantage DX can help with real world use cases:
https://martellotech.com/use-cases/

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