

SharePoint Online Vs. SharePoint On-Premises

Here are a few differences between SharePoint Online and SharePoint On-Premises:

1. Hosting:

SharePoint Online: As a cloud-based service, SharePoint Online eliminates the need for organizations to invest in their own physical infrastructure. This can be particularly advantageous for small to medium-sized businesses that may lack the resources to manage a complex SharePoint farm. Since Microsoft hosts SharePoint Online, it ensures high availability, disaster recovery, and robust security measures that are part of the Office 365 suite.

SharePoint On-Premises: Hosting SharePoint On-Premises gives organizations full control over their data and infrastructure. This can be critical for businesses with stringent regulatory requirements or those that operate in industries where data sovereignty is a concern. However, the responsibility for maintaining server health, ensuring uptime, and managing data backups falls on the organization's IT department.

2. Cost:

SharePoint Online: The subscription model of SharePoint Online can be more cost-effective for businesses looking to reduce upfront capital expenditures. It allows for predictable budgeting with per-user monthly fees. Additionally, because Microsoft is responsible for the underlying infrastructure, there are no additional costs for hardware, energy, or server maintenance.

SharePoint On-Premises: The initial investment for SharePoint On-Premises can be significant, as it includes not only the software license cost but also hardware, deployment, and ongoing maintenance expenses. Organizations may prefer this capital expenditure model if they want to amortize the cost

over time or if they require a more customized environment that justifies the investment.

3. Maintenance and Updates:

SharePoint Online: Microsoft manages all aspects of service maintenance, including deploying updates and new features. This ensures that users always have access to the latest capabilities without any action required from the organization. The downside is that updates are rolled out according to Microsoft's schedule, which may not always align with an organization's preferences.

SharePoint On-Premises: The organization's IT team has the flexibility to schedule updates and upgrades at their convenience, allowing them to prepare for changes and minimize disruptions. However, managing updates can be time-consuming and requires a level of expertise to ensure that custom solutions and integrations continue to function correctly after updates.

4. Data Storage:

SharePoint Online: Data is stored in Microsoft's cloud data centers, which can offer virtually unlimited storage scalability. Users can access SharePoint Online from anywhere with an internet connection, which facilitates remote work and collaboration. However, organizations must trust Microsoft's security and compliance measures to protect their data.

SharePoint On-Premises: Storing data on-premises can provide a sense of security for organizations that prefer or are required to keep their data within their own network. This can be due to regulatory compliance or specific industry standards. However, the organization must invest in robust security measures and ensure that they meet compliance requirements on their own.

5. Customization and Control:

SharePoint Online: While SharePoint Online offers a range of customization options through the SharePoint Framework and Power Platform, there are

limitations to prevent instability in the multi-tenant cloud environment. Some third-party tools or custom solutions that are compatible with SharePoint On-Premises may not work with SharePoint Online.

SharePoint On-Premises: Organizations have more freedom to customize their SharePoint environment and can integrate with other on-premises systems. This level of control can be necessary for businesses with complex processes or unique integration requirements. However, extensive customization can make future updates more challenging and may require additional development resources.

When deciding between SharePoint Online and SharePoint On-Premises, organizations must weigh these differences against their operational needs, budget constraints, and strategic objectives.