

RUA TECHNOLOGIES — FREE GUIDE

# Microsoft 365 E3 vs E5 Decision Guide

A side-by-side breakdown of E3 and E5, with a practical framework for deciding which fits your organization — or which roles need which.

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Updated September 2026 · 10+ yrs Microsoft partner experience  
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## The Core Difference

E3 and E5 both remove the 300-user cap that applies to Business plans and include Windows Enterprise licensing plus standard compliance tools. E5 adds a meaningful premium on top for advanced threat protection, deeper compliance and eDiscovery, and Power BI Pro.

| Feature                          | E3    | E5     |
|----------------------------------|-------|--------|
| User cap                         | None  | None   |
| Desktop Office apps              | ✓     | ✓      |
| Windows Enterprise licensing     | ✓     | ✓      |
| Standard compliance & eDiscovery | ✓     | ✓      |
| Advanced threat protection       | —     | ✓      |
| Advanced eDiscovery & audit      | —     | ✓      |
| Power BI Pro included            | —     | ✓      |
| Typical cost per user            | Lower | Higher |

## When E3 Is Enough

- Standard enterprise productivity and compliance needs, no elevated threat profile
- No specific regulatory requirement for advanced eDiscovery or audit
- Analytics needs are covered by existing tools, not requiring Power BI Pro

## When E5 Is Worth It

- Elevated security risk where advanced threat detection materially reduces exposure
- Regulatory requirements demanding deeper eDiscovery, audit, or retention
- Organization already planning to invest in Power BI, where the bundled license offsets cost

## The Cost-Effective Middle Path

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Licensing the entire organization on E5 "to be safe" is one of the most common ways Microsoft 365 budgets get wasted on capability nobody uses. A mixed approach — E5 for roles handling sensitive data or facing real security risk, E3 for everyone else — usually delivers the best balance of protection and cost.

**Decision rule:** Default to E3. Upgrade specific roles to E5 only when you can point to a concrete security, compliance, or analytics requirement that justifies the premium.

### Want help with this, not just the guide?

Rua Technologies is an authorized Microsoft partner delivering licensing, migration, security, and support to businesses across India.

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