Power Platform Insights

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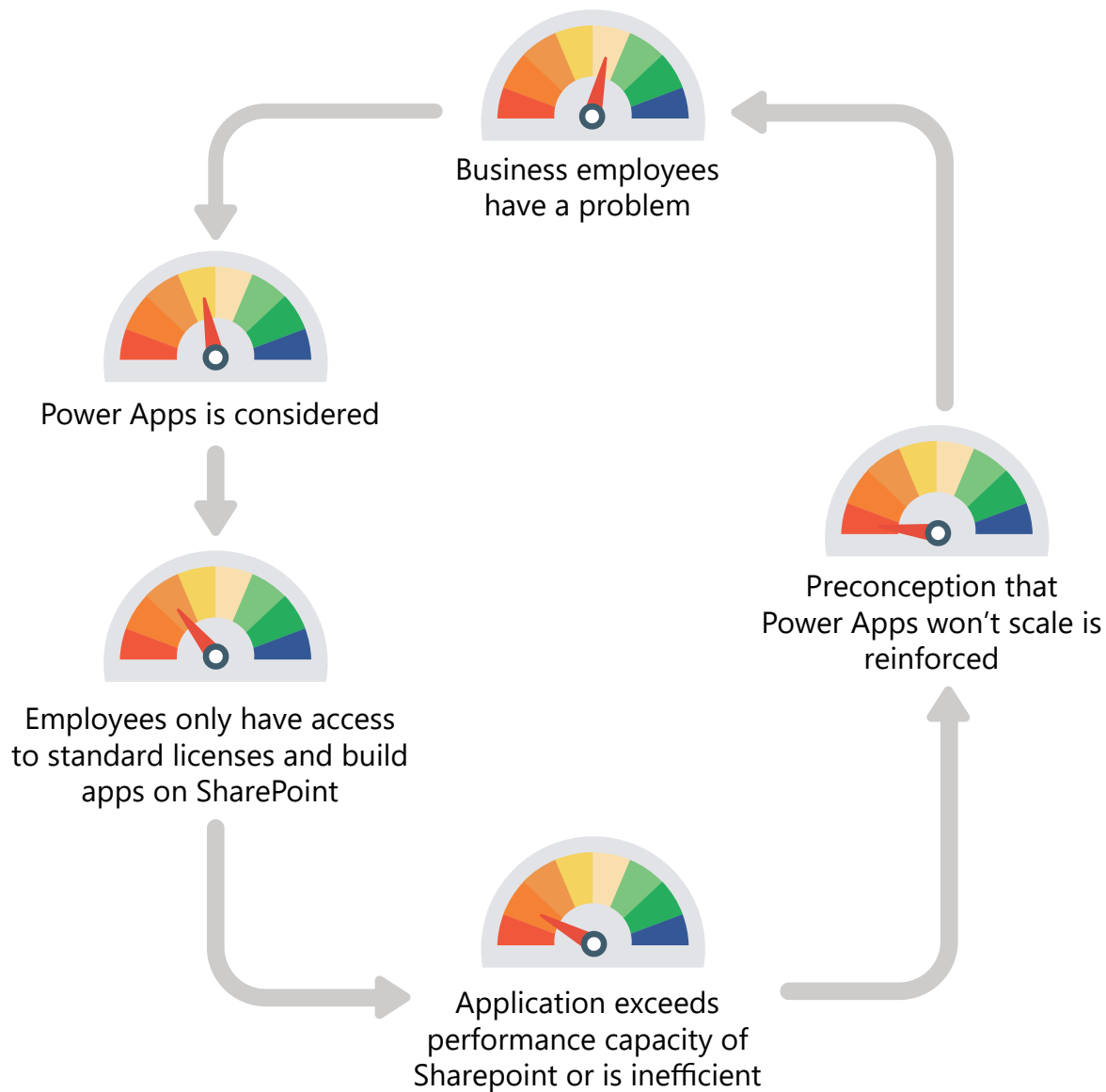
The Price for Premium Power Pays Off in the End

Overcoming Common Objections to Power Apps Premium Licenses

Introduction

Adopting new technologies often comes with challenges, particularly regarding cost and scalability. Power Apps, Microsoft's low-code platform, is no exception. While its capabilities are vast, misconceptions about its cost, scalability, complexity, and suitability for frontline workers can hinder its adoption. In this edition of INSIGHTS, we aim to address and dispel these common objections and showcase the holistic benefits and strategic value of Power Apps premium licenses.

Business employees have a problem

Power Apps is considered

Employees only have access to standard licenses and build apps on SharePoint

Application exceeds performance capacity of Sharepoint or is inefficient

Preconception that Power Apps won't scale is reinforced

"Power Apps Premium Licenses are Too Expensive"

Many perceive the $20 per user cost of Power Apps premium licenses as expensive. This notion, however, is relative and depends heavily on the business scenario and the value derived from the use of the platform.

Comparison with Other Systems

Businesses regularly incur costs exceeding $100/month per user for established systems of record like ServiceNOW, Dynamics 365, Oracle, and SAP, which are deemed essential for regulatory compliance and smooth business operations. In this context, Power Apps should be evaluated based on the critical business problems they solve and the productivity enhancements they deliver, rather than solely on their price tag.

The Limitations of SharePoint

While some stakeholders might suggest using SharePoint to avoid premium licenses, this approach has significant limitations. SharePoint, primarily a collaboration tool, is not equipped to serve as a robust database for complex applications. It has restrictions on the number of records that can be retrieved, and performance degrades with complex queries and multiple lists. This could lead to suboptimal applications that negatively impact user productivity.

Moreover, relying exclusively on standard licenses and SharePoint could constrain employees to a platform ill-suited for more complex needs. As departmental solutions often evolve into enterprise solutions, this short-sighted approach can lead to scalability and performance issues.

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The Business Payback of Power Apps

Power Apps is a robust low-code development platform designed to address complex business needs efficiently. The key is to assess the applications on how critical they are for operational success and regulatory compliance. If the applications developed with Power Apps lead to significant productivity gains or solve major business challenges, the investment in premium licenses is justifiable.

Helpful Tip: Tracking and Justifying App Usage

To effectively manage and justify the adoption of premium licenses, organizations should implement a system to track app usage and evaluate the business value of each app. This evaluation should encompass not just the cost of the license but also consider the broader financial impact of the application, including productivity savings and other relevant factors.

Case in Point 1: Japanese Manufacturing Company

A Japanese manufacturing company initially built an application on SharePoint for frontline workers in one department. The application was successful and was soon adopted by multiple departments, growing to 25,000 users. However, as usage increased, the application began to exceed the capacity of the SharePoint API, leading to significant slowdowns. This slowdown was costing the company multiple hours per day per person in lost productivity. By migrating the application to Microsoft Dataverse, not only did performance improve dramatically, but the company also realized substantial cost savings due to increased efficiency and reduced downtime.

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One of our clients mandated that all apps use standard licenses, leading to the creation of hundreds of simple electronic forms to replace paper processes. While these forms digitized certain steps, they were often part of larger processes and were built in isolation on SharePoint. This resulted in multiple, disconnected applications that could not communicate with each other, necessitating redundant data entry and creating gaps in process continuity. After a thorough analysis, we consolidated these disparate forms into a single, model-driven app using Dataverse. This integration allowed for seamless end-to-end process tracking, eliminating redundancies and ensuring that no items were lost in the workflow. Additionally, the unified data environment facilitated more effective reporting and data analysis.

The decision to invest in Power Apps premium licenses should be informed by a comprehensive analysis of the application's value to the business. By focusing on the benefits and the potential return on investment, organizations can make informed decisions that align with their strategic objectives and operational needs.

"Power Apps Won't Scale to Enterprise Levels"

It's not uncommon for CIOs, especially from companies that utilize Dynamics 365 extensively, to express concerns about the scalability of Power Apps. This concern often stems from a misunderstanding of Power Apps' capabilities and underlying technology.

SharePoint

600 calls 60 seconds

10 calls a second

30 million items and files

Standard

Dataverse

6000 calls 300 seconds

20 calls a second

1 million rows or 2 GB

4 TB (4000 GB)

Standard / Premier

SQL

600 calls 60 seconds

10 calls a second

Basic - 2 GB

Standard - 1 TB

Premium - 4 TB

Premier

The scalability of Power Apps is determined by the data connection used in the application. The Dataverse service allows significantly more API calls a second compared with SharePoint, meaning a Power App built on Dataverse will be highly scalable.

Understanding the Technology

Power Apps and Dynamics 365 are both built on the same underlying technology — Microsoft Dataverse. Dynamics 365, essentially a model-driven app at its core, demonstrates the scalability and robustness of Dataverse, which can support thousands of users and manage terabytes of data without performance degradation. Therefore, any perception of Power Apps as inherently less powerful or scalable than Dynamics 365 is misplaced.

Common Misconceptions

The misconception about Power Apps' scalability often arises when organizations limit their usage to canvas apps and SharePoint integrations. SharePoint, while useful for specific scenarios, is not designed to handle the performance demands of complex, large-scale applications. This has led to the creation of poorly performing apps that fail to meet enterprise needs.

Case in Point

A vivid example involves a manufacturing company that restricted its developers to using only standard licenses, leading to a reliance on SharePoint lists. This constraint resulted in applications that were ambitious for SharePoint's capabilities, causing poor performance and a negative reputation for Power Apps within the company.

Recognizing these issues, Hitachi Solutions intervened to overhaul their strategy. We helped establish an environment strategy and implemented a rapid business justification process. This allowed for the migration of some of their most complex applications to Dataverse and the incorporation of other powerful features not available with standard connectors. The transformation was dramatic — the previously underperforming applications became highly performant and widely adopted. Additionally, the company now has robust processes and tools to justify when an upgrade beyond SharePoint is necessary, ensuring optimal application performance for each scenario.

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Business Payback of Power Apps: Scalability Potential

The performance and scalability of Power Apps are primarily determined by the connectors and underlying data platform used. By utilizing Microsoft Dataverse, organizations can achieve the same level of scalability and performance as seen with Dynamics 365. This includes handling extensive data loads and supporting a large number of concurrent users efficiently.

The belief that Power Apps cannot scale to enterprise levels is a misconception based on limited exposure to the full capabilities of the platform. By leveraging advanced connectors like Dataverse and adopting proper application lifecycle management practices, Power Apps can indeed scale to meet any business need, just as effectively as any large-scale enterprise software like Dynamics 365.
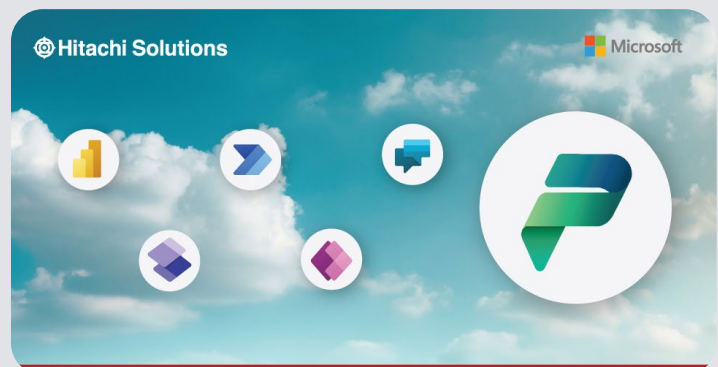
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"My Engineers Can Just Write Custom Code"

In manufacturing companies teeming with engineering talent, low-code platforms like Power Apps are sometimes undervalued. The common assertion is that engineers can simply write custom code instead. While technically true, this perspective overlooks several critical business realities: capacity, time, and the ongoing support needed for custom applications.

Reality of Custom Code

The notion that engineers always have the capacity and time to develop custom solutions is often contradicted by reality. Many companies still rely on critical systems written in outdated technologies like Visual Basic, where the original developers are no longer available to support or update the systems. This creates a significant risk and maintenance burden. Additionally, manufacturing companies often face staffing challenges, making it impractical to allocate scarce engineering resources to develop and maintain custom applications.

Hidden Costs of Custom Development

The assumption that custom code is cost-free is misleading. Beyond the direct costs of development, there are substantial ongoing expenses related to licenses, storage, infrastructure, and the necessary personnel to support and maintain custom applications.

Efficiency of Low-code Platforms

Highly skilled engineers often use low or no-code solutions for tasks they could programmatically solve because these tools are efficient and free them to focus on higher-value activities. Tools like Power BI for data analysis and Excel for data manipulation are preferred over custom-developed solutions. Similarly, Power Apps offers significant time savings and flexibility, allowing engineers to focus on innovation rather than routine programming.

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Case in Point

Consider a company that faced a six-month development timeline with traditional coding methods to create a needed application, estimated to cost $700,000. By using Power Apps, they were able to design, test, and deploy the application in less than half the time and at a fraction of the cost. This not only saved money but also accelerated the modernization of their business processes, greatly reducing the opportunity cost.

Business Trend Tie-in: Strategic Use of Resources

To maximize efficiency and return on investment, many companies have implemented processes to measure business value and prioritize projects. These guidelines help determine when to use low-code solutions like Power Apps and when to invest in traditional programming. This strategic approach ensures that engineering resources are used where they can generate the most value, rather than being tied up in routine development tasks.

Underestimating the value of Power Apps in favor of custom code overlooks the platform's potential to streamline development, reduce costs, and allocate engineering talent to more critical, high-value tasks. For companies looking to modernize efficiently and effectively, integrating Power Apps into their technology strategy offers a powerful way to leverage their existing resources better and achieve faster results.

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"I Can't Justify Premium Licenses for My Frontline Workers"

It's a common refrain among some leaders considering Power Apps for their frontline workers: the $20/month per user for a premium license seems difficult to justify for individual applications. However, understanding the comprehensive benefits of Power Apps premium licenses can change this perspective.

Hitachi Solutions team says, "Don't justify a platform by a single application."

The premium license fee is not limited to a single application; it's an "all you can eat" model. This means that whether a worker uses four apps or 400, the cost remains the same. Viewing the license as a gateway to numerous applications rather than a one-app cost can significantly alter the cost-benefit analysis.

Consider the similar logic applied in analytics decisions: saying "I can't justify a premium Power BI license for my workers because one report won't justify the $10/month, so let's just give them an Excel spreadsheet" misses the broader benefits. Just as with Power Apps, the justification for platforms like Power BI should not rest on a single report or application. Instead, it should be based on the cumulative benefit that these platforms provide. Power BI transforms data into actionable insights across multiple dimensions of the business, far outweighing the capabilities of simple Excel spreadsheets in terms of data handling, real-time analytics, and collaborative features.

Business Payoff Point: Cumulative Benefits

When each application's requirement is considered in isolation — be it a safety app, an inspection app, or a check-in app — none may seem to justify the $20/month expense alone. However, when these are viewed cumulatively, the justification for a per-user license becomes clearer and more compelling.

Alternative Licensing Options and Strategic
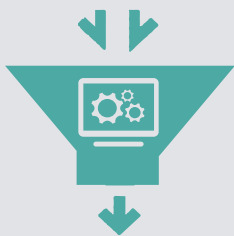
Limited Applications

For frontline workers who need access to only one or two apps, 'Per App' licenses are available at a quarter of the cost of 'Per User' licenses. This can be a cost-effective solution for limited use cases.

Sporadic Use

For apps not used frequently by every worker, such as a safety incident reporting app, a 'Pay as You Go' option can be more suitable. This option allows for payment based only on usage, which can drastically reduce costs for infrequently used applications.
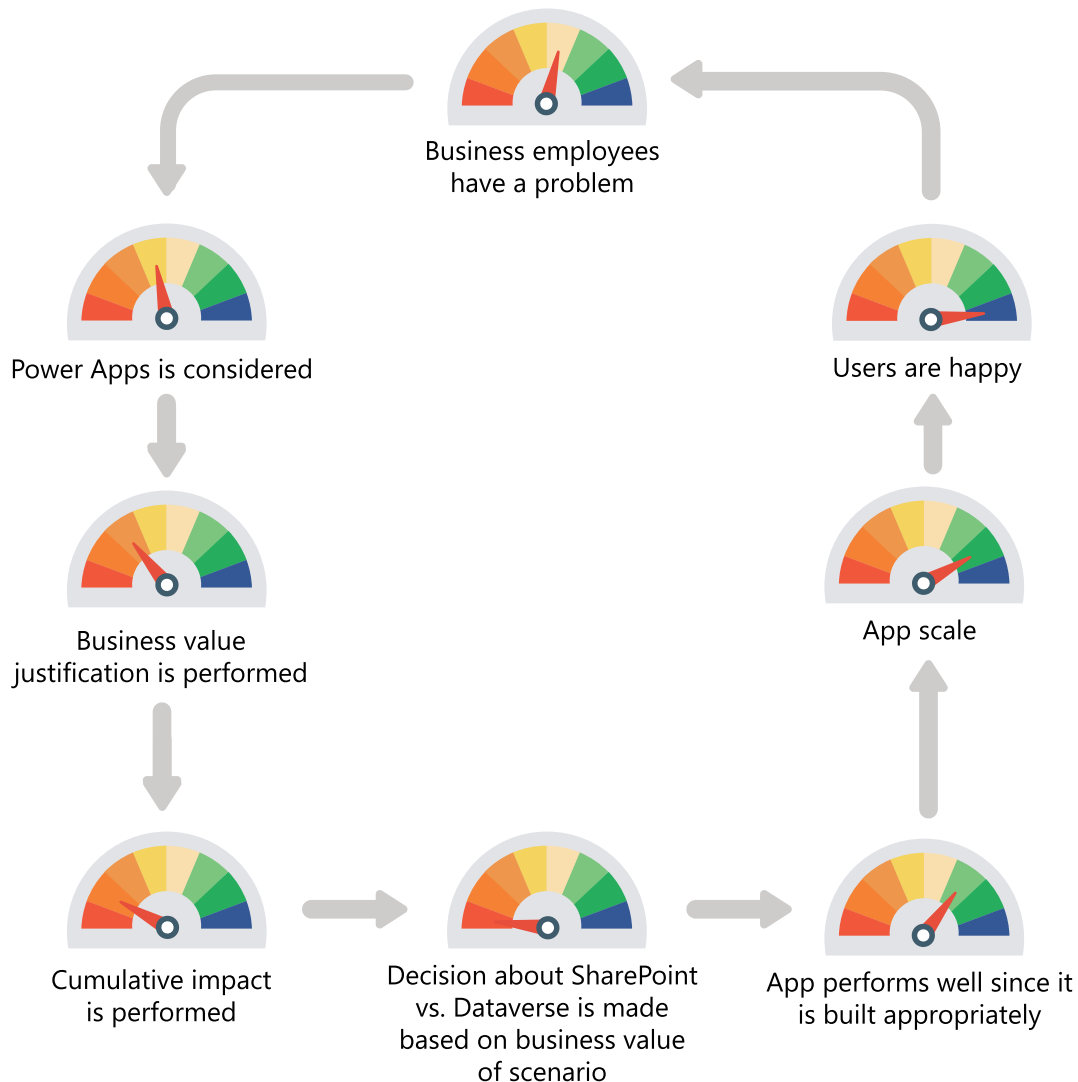
Performance and Accessibility

Limiting applications to only SharePoint can deny frontline workers access to essential features like offline capabilities. Frontline workers often operate in environments where offline access is crucial, and not providing this can lead to lost productivity and data — issues that more than justify the investment in a premium license.

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Final Thoughts to Consider

In a distributed operational environment, where decisions are decentralized at the plant level but software and license decisions are made centrally, there is often a disconnect between the perceived cost of technology and its true value. While IT leadership might only see the license costs, they might not fully account for the cost of reduced productivity or the long-term implications of relying on suboptimal solutions like SharePoint for complex applications. Frontline workers, directly impacted by these decisions, suffer the most from such short-sighted strategies.

By establishing a centralized Center of Excellence (COE), creating a robust business value assessment process, and tracking the usage of applications, organizations can make informed decisions about when and where to deploy premium licenses. This ensures that enterprise applications not only scale effectively but are also cost-efficient, supporting frontline productivity without building technical debt.

Business employees
have a problem

Power Apps is considered

Users are happy

Business value
justification is performed

App scale

Cumulative impact
is performed

Decision about SharePoint
vs. Dataverse is made
based on business value
of scenario

App performs well since it
is built appropriately

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Why Hitachi Solutions for Power Platform?

When it comes to Power Platform, working with an expert is key to success. Hitachi Solutions knows this and has a dedicated rapid solution development (RSD) practice for all things low-code and app development. RSD is considered our central tech hub and delivery practice for the Microsoft Power Platform and is staffed with certified experts who bring a wealth of knowledge to every project and ensure you get the most value from all your Power Platform initiatives.

We've helped hundreds of companies deploy apps to more than 10,000 users to date. And every day, these numbers grow. So if you are ready to harness the full potential of Power Platform for your organization, **talk to one of our experts today!**

Microsoft Power Platform

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