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The TCO of Power BI

Hidden Costs at the Consumption Layer

DATALOGZ

Applying TCO to Power BI

We live in an era of rising prices, and business intelligence tools are no different. Today, the price of Microsoft Power BI is rising, with per-license costs rising by as much as 40% as of April 1, 2025.

That's enough to provide a shock on its own, yet this headline does not tell the full story of the cost of Power BI.

Business intelligence continues to grow in usage and importance, as more business users access analytics tools that leverage data as a mission-critical decision-making tool and business enabler. There are more users, accessing more data, on more platforms, for more important functions. In this environment, enterprise leaders must consider not only the upfront licensing costs of Power BI, but the underlying operational costs that are incurred as a result of ongoing support, and issues that arise within BI environments. By applying the Total Cost of Ownership (TCO) framework for BI, enterprises can more fully understand the operating environment today, and where to make improvements.

What is TCO?
Gartner conceptualized TCO to consider the entire cost of operating an asset over its lifetime. By definition, **TCO encompasses a broader set of costs beyond the purchase price. It is also tricky to apply and manage.** TCO includes:

- **Direct costs,** including the price to access and implement a tool, as well as storage.
- **Indirect costs,** also known as "hidden costs," which are incurred to enforce governance, security, and capacity standards across the organization.
- **Intangible costs,** which describe the second- and third-order effects that result from indirect costs.

Applying the TCO framework is critical to the successful operation of Power BI at the enterprise level, especially as complexity increases with the introduction of a more unified data stack through Microsoft Fabric, and the reality that enterprise business intelligence environments typically include additional platforms beyond Power BI, such as Looker, Qlik, and Tableau.

In this paper, we'll provide a guide to understanding the TCO of Power BI. To do so, we'll explore the evolution of Power BI, the cost layers, and how to get a better handle on TCO.

Microsoft Power BI at 10: The Rise of Self-Serve Analytics

In 2015, the release of Microsoft's business intelligence platform marked a sea change moment. Power BI put powerful analytics tools into the hands of business users. Buoyed by Microsoft's wide enterprise adoption, Power BI gained popularity through a combination of continuous innovation and an accessible pricepoint. It is the most affordable, most used, and most-loved tool in the BI ecosystem. Power BI has also brought considerable economic benefits at the enterprise level. According to a Total Economic Impact study conducted in 2023 by Forrester, Microsoft Power BI Pro delivered a 321% return on investment, with particular gains in profitability from improved decisiommaking at the retail level, productivity, and scaling BI capabilities to more users.

With the release of Power BI came the promise of self-serve analytics, where the majority of business users were empowered to access and analyze data, without the need to consult experts. A decade later, more BI tools have emerged, making the consumption layer, where business users access data, an emerging area of focus among data and analytics teams. Meanwhile, Microsoft Power BI continues to see growth. It has massive penetration into the Fortune 500, where 95% of companies use the tool. It is also continuing to gain users, with Microsoft reporting 40% year-over-year growth in Q2 of 2025. This comes after Microsoft has continued to update the product, with 1,500 updates over six years.

375K customers

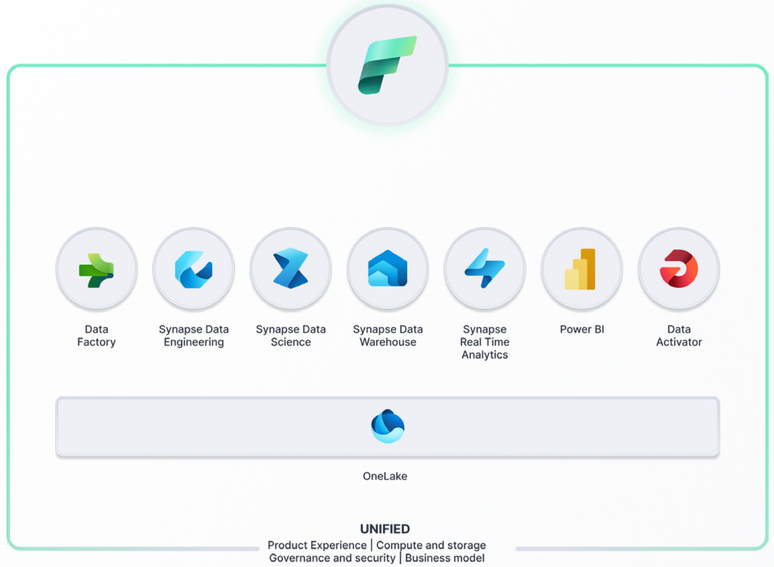
95% of Fortune 500

7M+ Power BI developers

321% Return on Investment

$29.34 Net Present Value (NPV)

Microsoft Fabric: Unifying the Analytics Stack



The continued growth of BI comes as Microsoft is preparing for the implementation of AI. Rather than replacing BI, AI will serve to supercharge the productivity of BI, as human users direct AI agents to create BI reports and dashboards, and new workflows emerge to help these agents maneuver between tools. In June 2023, Microsoft released Fabric, a new platform to lay a foundation for this future. Fabric is an integrated suite of analytics tools, encompassing layers and functions of the complete data and analytics stack, from the warehouse and data lake to data engineering and business intelligence. With this, Microsoft promoted a “unified data culture,” and integration of AI.

With this release, Power BI is now under the Microsoft Fabric umbrella. This is a change. A significant part of the Power BI story is its strength as a standalone product, as opposed to being offered as a suite of tools in the tradition of Microsoft Office. While Power BI maintains a dual role as a standalone product and a feature of Fabric, Microsoft is gradually making more moves to integrate Power BI into Microsoft Fabric. This is already becoming evident in pricing and capacity monitoring, which are two major areas of focus for business intelligence.

The Three Cost Layers of Power BI

With maturity comes rising costs and increasing complexity.

Direct Costs:

- **Power BI Pro** ⬆ 40%
- **Power BI Premium** ⬆20%
- **P-SKUs retired**, replaced with F-SKUs
- Implementation Costs

Indirect Costs to enforce:

- **Lack of Governance:** Inaccurate Reports, Stale Data & Inefficiencies
- **Capacity Management Challenges** create performance issues and downtime.
- **Security Issues** due to inconsistent permissioning and lacking access controls.
- **Reduced Productivity** as staffing hours are redirected to Fabric training and issue response.

Intangible Costs:

- **Falling Effectiveness** of Analytics
- **Loss of Trust** in Data Programs
- **Increased Risk**, Compliance Challenges

It comes down to value. When Power BI is one part of an increasingly integrated data and analytics stack, it has to be a high-performer to justify budget increases, and maximize BI ROI.

Direct Costs

Direct costs can be assigned a monetary value. These include the purchase price of an asset, implementation, and any costs paid for ongoing storage.

Over 10 years, Microsoft Power BI gained users and introduced numerous new features, but the price of some of its key offerings largely remained the same. That changed in April 2025, when Microsoft introduced price increases to per-user licenses. The hikes arrive as Microsoft has created a layered pricing strategy. Users now have a choice between: 1) per-user licenses, 2) Microsoft 365 Edition 5 (E5), which includes Power BI Pro, and 3) integration with Microsoft Fabric.

Beginning April 1, 2025:

- Power BI Pro licenses increases from $10 to $14 per user per month (representing a **40% increase**)
- Power BI Premium Per User will grow from $20 to $24 per user per month (**a 25% increase)**.

July 2024:

- Power BI Premium per capacity SKUs (P-SKUs) retired.
- Upon license renewal, customers must migrate to Fabric capacities (F-SKUs).

COST COMPLEXITY

Power BI and Microsoft Fabric are increasingly intertwined. The cost of Power BI cannot be considered separately from Microsoft Fabric, which represents the unified enterprise analytics stack. Integration with the wider Microsoft ecosystem is often considered an advantage of Power BI, but it adds complexity. Consider the following:

- Direct costs for Power BI included in Microsoft Fabric licenses must be weighed alongside the budget and usage patterns of other tools within the data stack.
- A license is based on a seat, while a capacity is based on compute usage. These are very different measurements and must be considered separately.
- Migration costs may arise with the move to Microsoft Fabric.
- For capacities, understanding usage patterns over time is critical for planning and decision-making. It can help to determine usage and budget requirements, how BI fits into the wider data stack, and which plan to choose.

Indirect Costs

Indirect costs, also known as hidden costs, are incurred as a result of ongoing operations, and issues that arise along the way.

Indirect costs include enforcement of the following:

Governance

Ensuring datasets and dashboards in BI environments are:

- **Consistent Across Teams**, and free of duplicates and datasets
- **Accurate**, so that calculations are correct
- **Up-to-date** with the latest information

Capacity Management

BI environments include:

- **Visibility** of Power BI capacity usage and interplay with the data stack via Fabric
- **Performance issues** and downtime
- **Unbalanced costs** between departments due to lack of chargeback mechanisms

Security Controls

Power BI is a major data access point for business users, so it must have proper security measures to protect:

- **Critical data**, ensuring it is not improperly shared across the organization
- **Credentials** so that a user does not improperly access Power BI
- **Data flow** between separate entities, so that financial data and IP is not exposed

Admin Staffing

BI costs have a people dimension, too. Staff hours are spent to:

- **Maintain accurate and up-to-date data** on an ad hoc basis, when reported
- **Coordinate capacity** usage with other parts of the data stack, and business
- **Fabric training costs** to learn a new platform and establish modes of communication across the data stack

Intangible Costs

These second and third-order effects may lack a specific monetary value or easy formula, but they can be some of the most damaging to BI adoption and budgets.

In Power BI, intangible costs are the result of BI Sprawl, which describes the mess that currently resides in many BI environments.

Examples include:

Reduced Effectiveness of Analytics

When there is no governance to endorse datasets and cleanup old data, the reports that result have information that is wrong or conflicting. This leads to confusion and serves as an accelerant to rivalries between departments.

Loss of Trust in Data Programs

When users create reports that turn out to be wrong, leading to bad decisions and dissatisfaction with analytics. As a result, users doubt the data, and question whether analytics is worth the investment of time and resources.

Increased Risk, Compliance Challenges

Security breaches damage the company's brand in the eyes of employees and the public. In turn, they put the company through litigation, or compliance breaches that create massive distractions and potentially erode company share prices.

The Datalogz Control Tower

Understand and Reduce TCO at the Consumption Layer

Datalogz is on a mission to end BI and reporting sprawl. Through its BI Ops platform,Control Tower, it provides automated BI administration that enables organizations to continually and instantly cut costs, reduce risks, set up BI governance and increase BI Efficiency.

BI Ops for Power BI and Microsoft Fabric

Control Tower includes the following:

Understand Your Existing BI Environment: The Datalogz Control Tower ingests and unifies metadata from across BI tools, including Power BI and Microsoft Fabric, providing holistic visibility into BI tools.

Deploy Real-Time Monitoring, Alerting and Recommendations to root out wasted spend, best practice violations, and security risks. Implement governance, and root out issues before they spread.

Capacity Monitoring: Identify the root causes of consumption spikes and refine your understanding of Fabric capacity utilization rates.

About 70% of companies have three or more business intelligence platforms, such as Power BI, Looker, Qlik, or Tableau. The BI sprawl that inevitably comes with this report proliferation is overtaking data-mature organizations. What if an organization has the same KPI being reported in twenty different dashboards with slightly different calculations? Unfortunately, this is the reality for most data-mature organizations. This leads to wasted compute, but more importantly could result in major business consequences, as costs, risk, and labor efforts rise exponentially. BI and reporting make up 5-10% of total IT spend, yet at most orgs it's the wild west in terms of governance, monitoring & controls.

Datalogz provides the guardrails that make enterprise-wide analytics initiatives successful by preventing sprawl and safely enabling self-service analytics.

Save time. Reduce Risk. Cut Costs.

DATALOGZ

On a mission to End BI Sprawl

Book a demo!