# SharePoint vs OneDrive for Small Businesses: What UK SMEs Should Use

## Why this confuses so many businesses

Small to medium UK enterprises utilise Microsoft 365 along with additional tools such as OneDrive and SharePoint. OneDrive and SharePoint are excellent for file storage, however, they can be challenging to use. As staff leave an organisation, file loss may occur, creating chaos within the collaboration of files. There are two differences between OneDrive and SharePoint, but both tools are at first glance similar as you can use both for storing files, sharing files and having the ability to work together in real-time. OneDrive (your own filing cabinet in the office), is intended to be your own file storage, while SharePoint (your company's shared library/filing room), was designed to store files in a regulated manner with collaboration amongst co-workers. For this reason it is important for UK organisations to ensure that they are using the appropriate software due to data protection requirements. The UK GDPR requires proper levels of security and access controls to ensure that the accessibility of files is appropriate. This document outlines each tool along with a side-by-side comparison and clear instructions on when to use each tool so that your organisation can continue to work together safely and efficiently.

# What is OneDrive?

The term OneDrive actually refers to 'OneDrive for Business', which is a personal cloud space inside Microsoft 365 that every user receives as part of their membership. As part of your subscription (the amount of space you have varies from account to account, but typically you receive at least one terabyte of space) each user has their own private space, where they can store files, photos, working documents from their PC/Mobility Device and any other files that they create in their own area.

**Here are some of the key features of OneDrive:**

- Synchronisation between devices (desktop computers, mobile phones and tablets) so users can work on files without being connected to the internet (offline).

- Users can share individual files or folders with their coworkers/clients/external individuals using a link to the file.

- Real time collaborative editing of Microsoft Office documents (Word/Excel/PowerPoint) is extremely effective through OneDrive.

- Files exist in your Digital Space and are tied back to your User ID.

To summarise, OneDrive is analogous to both Dropbox (a business file storage solution) and your personal/family storage solution; however, OneDrive is designed to integrate seamlessly with all of the Microsoft 365 application, including Teams and Outlook, etc.

# What is SharePoint?

Microsoft's SharePoint platform serves as an online collaboration tool and file storage solution for both teams and companies.  However, it is not only designed for storing files, as it also enables individuals to manage their own document libraries by creating team sites to build and share with others, and enable document management through any part of the organisation.

**For example:**

- Paper documents will need to be stored in document libraries that belong to each team site within a SharePoint site.

- Ownership of documents belongs to the organisation, and not necessarily any one individual.

- Access to documents can be set at the site, document library or folder level and can be inherited, or set as only accessible by the owner of that document or folder.

- The files that are stored in Microsoft Teams channels are stored on SharePoint.

SharePoint has extra features such as version history, document metadata, workflow, and ability to create intranet-style pages.

In short, every member of an organisation knows where to find policies, project files and client records, and access to those files is controlled centrally by the organisation.

## SharePoint vs OneDrive comparison table

| Aspect | OneDrive for Business | SharePoint | Notes for UK SMEs |
|---|---|---|---|
| Primary purpose | Personal file storage and single-user work-team | Team, project & company-wide collaboration | OneDrive for "my files"; SharePoint for "our files" |
| Ownership | Tied to the individual user | Owned by the organisation | Critical for continuity when staff leave |
| Access control / Permissions | Simple sharing links; user-managed | admin-managed | SharePoint better for GDP-appropriate controls |
| Collaboration | good for small groups | Advanced co-authoring + workflows, metadata | SharePoint scales better for larger teams |
| When someone leaves | Files may become inaccessible or need transfer | Files stay accessible | Big risk if everything is in personal OneDrive |
| Backup & version history | 93-day recycle bin | Same recycle bin | Microsoft 365 provides basics |
| When it's overkill | Perfect for personal/draft work | Overkill for purely personal files | Use both together |

## Typical Small Business Use Cases

Specific Instances:

- Individual documents and files.

- Shared documents and folders for a group.

- Shared documents and folders for a department.

- Related documents and files for each client either for one client or many clients.

- Templates and Policies for sharing.

- Microsoft Team Group Channels.

# Practical Scenarios (Required)

## Scenario 1: A small office sharing folders electronically would use:

- Historical shared drive behaviour.

- Correctly set up structure in SharePoint.

- Issues associated with OneDrive are [This is an issue due to saying it is a shared drive].

## Scenario 2: A growing team with remote workers:

- Syncing needs.

- Version Control.

- Access management.

- SharePoint would be the best platform to grow.

## Scenario 3: Departing Employee:

- Ownership issue with OneDrive.

- High risk of loss of access due to OneDrive.

- Benefits of SharePoint for continuity.

## Scenario 4: Recover Deleted/Overwritten Document:

- Versions history.

- Recycling Bins.

- Limitations of Microsoft 365 Retention.

- Importance of Backups.

## Scenario 5: Client-Facing Document Sharing:

- Secure links to share documents with clients.

- Audit trail for documents.

- Minimisation of Occurrences of Accidental Oversharing.

# What Most UK SMEs Get Wrong

- Utilising OneDrive as a file server

- Keeping shared documents in personal accounts

- Excessive permissions for folders

- Lack of folder structure and naming conventions

- Believing that Microsoft automatically backs up everything for as long as you have your account
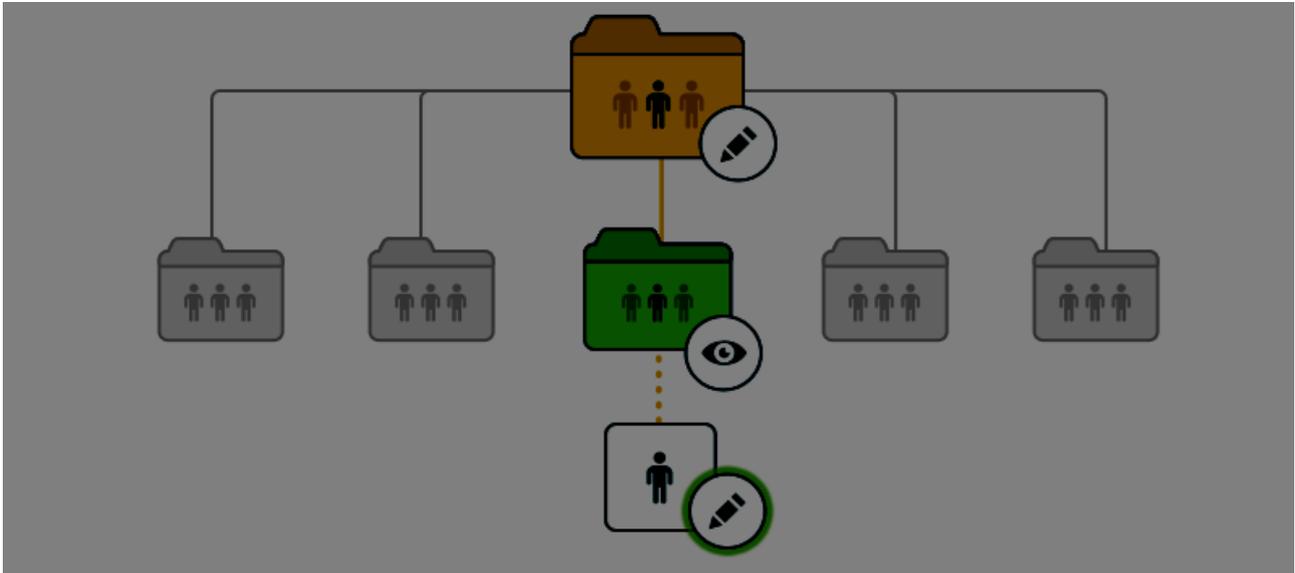


## Security, Access Control, and Data Ownership

- Personal and Company Ownership

- Inheritance of permissions

- GDPR Accountability High-level overview

- Access to data when people change jobs

- Different visibility and audit abilities

## Backup and Recovery Considerations

- What Microsoft 365 protects

- What Microsoft 365 does NOT protect

- Retention Policy Limits

- Frequently Misunderstood Aspects

- Why UK Insurers require third party backup

## When SharePoint Is Overkill (and When It Isn't)

- Very Small Teams with Minimal File Sharing

- New Start Ups

- When OneDrive alone is acceptable (with qualifications)

- When to consider SharePoint

- How to avoid larger than necessary SharePoint Solutions

## FAQs

**1. Can OneDrive handle everything?**

Yes, it technically can, but using it for shared / company files is risky. Ownership of files are associated with individuals in OneDrive, and as people leave, the files are no longer accessible through the shared link. In addition, managing large numbers of permissions becomes complicated and challenging when using OneDrive, so I recommend only using it for personal files.

**2. Is SharePoint hard to manage?**

SharePoint can be simple to manage if you keep it that way. If you are in a small company, then you can create one or two libraries connected to Teams and avoid having to create complicated site structures. A Microsoft partner could set up a very clean structure for you in just one day.

**3. Do we still need a server?**

No. Microsoft 365 provides on-premises file server capability for the majority of small to medium sized businesses. SharePoint provides shared cloud based file storage.

**4. What happens to files if someone leaves the company?**

In OneDrive, an administrator can transfer the files of the departing employee to someone else, but that is a separate action from just being able to access the files similar to what happens with SharePoint.

**5. Do we need to back up Microsoft 365?**

There are a number of features built into Microsoft for basic recovery and retention of deleted files (Recycle Bin, version history, etc.), but when it comes to critical data or needing long term retention / fast business recovery many organisations choose to add on a third-party back-up solution; this is especially true because of increasing amounts of Ransomware attacks.

## About This Guide

**Computer Support Centre,** an IT consulting firm that operates in the UK and offers services related to Microsoft 365, cybersecurity, and practical governance regarding the use of IT products by both small and medium sized enterprise's (SME), produced this guide using actual events from their consulting practice as a resource to assist SME's within the UK deal with issues such as confusion regarding storage, issues with users having access after they have left an organisation, and collaboration issues.

This guide provides you with an easy-to-understand and straightforward method for how to use the products covered within this document and that anyone who runs a business, regardless of their level of technical knowledge, will be able to read and implement.

The primary purpose of this document is for educational purposes only, and therefore, this document does not provide legal or regulatory advice.

Please refer to: https://computersupportcentre.com for more information regarding our services and methodology.

## Conclusion

Apprehending the distinction between SharePoint versus OneDrive is less related to tech and more related to ownership/structure/clarity. If you're utilising them properly, both of these tools will complement each other and potentially replace older file servers found at most UK SMEs.

If you're not using them properly, that could lead to confusion, access difficulties, and added potential risk.

The key to understanding is simple: OneDrive = personal work files; SharePoint = shared company documents.

When properly configured with some basic governance principles in place, an organisation may store their Microsoft 365 data in a secure, clear and manageable way.