The Essential SharePoint Storage Optimization & Versioning Checklist

⚙️ Phase 1: Audit & Quantify Version Bloat

Goal: Identify the primary storage consumption culprits (version bloat).

Step	Action	Status (Check)
1.1. Run Version Report	Generate a Version Usage Report (e.g., via PowerShell's `New-SPOSiteFileVersionExpirationReportJob`) for the entire site collection to establish a baseline.	[ ]
1.2. Identify Target Libraries	Isolate the top 5–10 document libraries where file versions account for >20% of the total library size, or where files are frequently >100MB.	[ ]
1.3. Consult Library Owners	Conduct brief consultations with library owners to determine the *actual* recovery window needed (e.g., "Do you ever need to restore anything older than 90 days or 20 edits?").	[ ]

🎯 Phase 2: Implement Targeted Version Limits

Goal: Limit the future accumulation of new versions on a per-library basis.

Content Type (Library Example)	Recommended Limit (Major Versions)	Set Limit (Enter Number)	Notes
Project Drafts	15–20	[ ]	Allows robust versioning for frequent collaborative changes.
General Business Docs	10–15	[ ]	Sufficient history for standard operational files.

Legal/Compliance Records	30–50	[ ]	Higher limit required for deep audit trails (unless M365 Retention is overriding).
Large Media/CAD Files	2–5	[ ]	Minimal limit is mandatory to prevent massive storage consumption.
2.5. Minor Version Control	For libraries using content approval, set the Minor Version limit to 3–5 drafts for the latest Major Version.	[ ]	

🤖 Phase 3: Automation & Legacy Version Cleanup

Goal: Eliminate existing, unnecessary version history and establish scalable management.

Step	Action	Status (Check)
3.1. Enable Intelligent Versioning	At the Tenant or Site level, set the Version History Limit to **'Automatic'** to apply Microsoft's recommended decay algorithm to future versions.	[ ]
3.2. Plan PowerShell Cleanup	Schedule a one-time batch job (`New-SPOSiteFileVersionBatchDeleteJob`) to fix the legacy version bloat that predates the new settings.	[ ]
3.3. Choose Deletion Mode	**Select Criteria:** Delete versions by count (e.g., keep the newest 50) **OR** Delete versions by time (e.g., delete all versions older than 365 days).	[ ]
3.4. Run What-If Analysis	Execute the PowerShell command with the `-WhatIf` parameter first to estimate storage savings and confirm which files will be impacted.	[ ]

✅ Phase 4: Governance & Continuous Monitoring

Goal: Ensure the version management strategy aligns with compliance and prevents recurrence.

Step	Action	Status (Check)

4.1. Validate Retention Policies	Confirm that any document versioning limit (Phase 2) is not overridden by a mandatory M365 Retention Policy (Retention policies *always* win).	[ ]
4.2. Implement Archiving Process	Establish a procedure to move inactive, final documents (with only one final version) from active libraries to a lower-cost, dedicated archive site.	[ ]
4.3. Quarterly Review Cycle	Schedule a recurring task to review storage usage reports and check version limits in the most active libraries every quarter.	[ ]