# Building a GenAl-Powered RAG App Integrated with Microsoft Teams

By Natarajan Ramasamy

# **Building a GenAI-Powered RAG App Integrated with Microsoft Teams – From Concept to Real MVP**

### **Overview**

In this post, I want to share an exciting journey I recently completed — building a practical **GenAI MVP using the Retrieval-Augmented Generation (RAG) pattern**, integrated directly into **Microsoft Teams**, powered by **Azure AI Search** and **Azure OpenAI**. This was more than just a tech experiment — it's a real, scalable architecture that can power intelligent, enterprise-ready conversational AI tools.

### This article is for:

- AI enthusiasts and developers looking to explore GenAI in practice
- Enterprise architects interested in Microsoft ecosystem integrations
- Anyone curious about building smarter internal tools using ChatGPT-like models

### **Table of Contents**

- 1. What is Generative AI?
- 2. What is RAG (Retrieval-Augmented Generation)?
- 3. Why RAG is Better than Pure LLM
- 4. Understanding Azure AI Search
- 5. A Primer on Azure OpenAI Service
- 6. Why Microsoft Teams Integration Matters
- 7. The Architecture of My MVP Project
- 8. Step-by-Step: Building Your Own RAG+Teams App
- 9. Common Challenges and How I Solved Them
- 10. Future Plans and How You Can Get Involved

### What is Generative AI?

Generative AI refers to AI models that can **generate new content** — text, images, code, music — from learned patterns in massive datasets. Technologies like GPT-4, DALL·E, and Codex are famous examples. These models don't just classify or predict; they create.

### Example use cases:

- Summarizing documents
- · Writing emails or code
- Creating product descriptions
- Automating chatbot conversations

### What is RAG?

### **RAG** (**Retrieval-Augmented Generation**) is a pattern that combines:

- **Retrieval**: Find relevant documents using a search engine (e.g., vector search).
- **Generation**: Feed those documents into a Generative AI model to produce accurate, context-rich responses.

RAG bridges the gap between **LLM hallucinations** and **enterprise-grade information accuracy**.

### Why RAG is Better than Pure LLMs

LLMs alone don't "know" your enterprise data unless you fine-tune them — a costly and inflexible process.

### RAG provides:

Real-time access to current data Explainability via citations No need to fine-tune the LLM Dynamic context adaptation

### **Understanding Azure AI Search**

Azure AI Search is Microsoft's cloud-based search-as-a-service platform, supporting:

- · Full-text search
- Vector search for semantic similarity
- · Cognitive skills to extract and index metadata from documents

In this project, we used Azure AI Search to:

- Ingest PDFs, DOCXs, and web content
- Generate semantic embeddings
- · Enable fast retrieval for the RAG flow

### **Azure OpenAI Service**

Azure provides enterprise access to OpenAI models (e.g., GPT-4) via REST APIs. Benefits:

- Regionally hosted in Azure (compliance and data security)
- Authentication via Azure AD
- Integrated with other Azure services

We use these models to generate natural language answers from retrieved documents.

### **Why Microsoft Teams Integration Matters**

Most enterprises live inside Microsoft Teams.

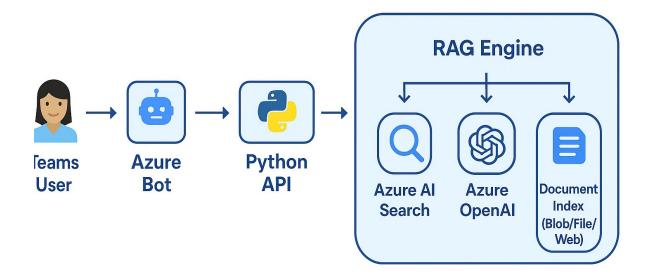
Imagine if your internal AI assistant was:

- Available inside Teams
- Could answer employee queries using internal documents
- Could escalate to humans or services when needed

That's what we built. A fully functional AI bot within Teams — answering real business questions.

### **Architecture of My MVP Project**

Here's the high-level design of our solution:



### **Key components:**

- Microsoft Bot Framework (via Azure Bot Service)
- Python backend with /chat and /ask endpoints
- Azure AI Search for document retrieval
- Azure OpenAI for language generation
- Microsoft Teams as the user interface

### **How You Can Build This Yourself (Hands-On)**

Here's a simplified guide. You can do this in a week with a basic Azure subscription:

### **Step 1: Set Up Azure Resources**

- Azure AI Search instance
- Azure OpenAI
- Azure Bot Channel registration
- Azure Blob Storage (for document ingestion)

### **Step 2: Prepare the Codebase**

Use the official GitHub sample from Microsoft: Natarajans GitHub Project - RAG with Teams

### Modify it to:

- Customize indexing pipeline
- Add support for your document types
- Secure your backend APIs

### **Step 3: Create the Python Backend**

- · Flask or Quart app
- Routes for /ask, /chat, /api/messages
- JWT authentication
- RAG orchestration logic (retrieval → prompt → generation)

### Step 4: Deploy to Azure VM or App Service

- Use systemd for service management
- HTTPS via NGINX + SSL

### **Step 5: Connect Teams to Your Bot**

- Register Teams channel in Azure Bot Channel
- Test via Bot Emulator and live Teams chat
- · Implement token validation for Teams authentication

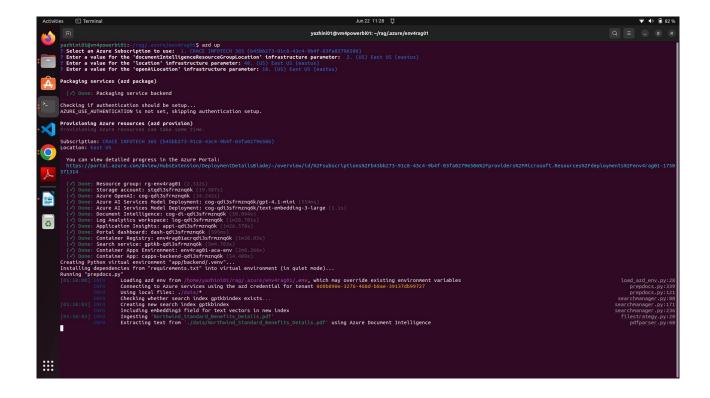
### **Common Challenges I Faced**

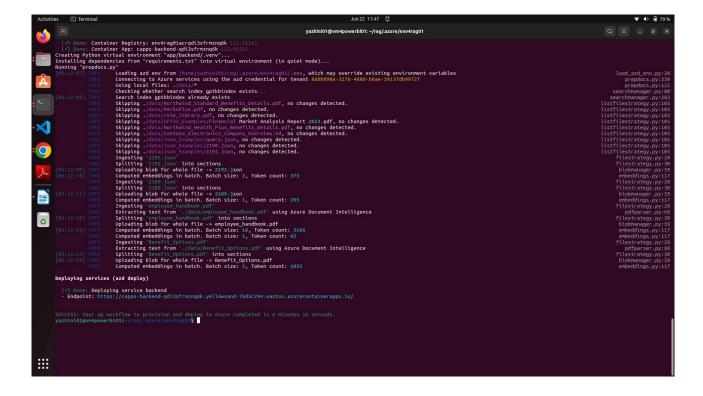
- Original Microsoft Github project document guides us to install many components which are not required immediately or mandatory
- For example Simple low cost Linux VM is enough to install this Web application but default scripts will create expensive App service plans for either function apps or container apps which are not required in initial MVP stage.
- Default scripts creates Managed Identity and assigns RBAC roles which requires Owner Permissions in Subscription level, But using API keys we can run this application without Owner Permissions.
- For Documents Ingestion , Documents Intelligence service is good but expensive, but we can manage with python parsing.
- By default, only web chat is available. Exposing this web application in publich internet is risky and requires extra precautions to protect our corporate assets and Customer Information. So i have created Teams channel which ensure that our web application is only accessible by corporate employess only
- To enable Teams integration , we need azure bot service , ie backend for Teams bot. For that i have adapted and reused the existing Web API backend.
- Local Dev server deployments consistently throws errors in all deployments which can be cured by installing python setuptools package in addition.
- Current Code base can ingest data from the documents uploaded only. But that is not
  enough. In addition to documents, organizations may have their Knowledge / Data in
  Confluence Pages, Sharepoints sites, and other web sites. So we need web scrapting. I
  have tested it with Atlassian Confluence Sites, but still the code requires thorough testing
  and enhancement so it is not integrated as of now.
- In addition to Documents Upload, Crawling Corporate Web sites both makes more corporate
  knowledge repository available offline in the AI Search index, but they are not enough, as
  soon they may become outdated. So planning to include real time AI Agent to retrieve data
  from the corporate web sites on demand.
- This web application is like chatGPT, which can be thought of having a virtual SME to help our corporate employee. This Virtual SME has brain (LLM), can hear what we ask and can speak the relevant answer for our query. Ie it is just a Question Answer Machine. But we can also add two more senses like Seeing the input and outputs and doing ie executing tasks on behalf of us is a great enhancement we can get with these kind of Virtual SMEs / Assistant, they are called AI Agents and I am planning to include them here.

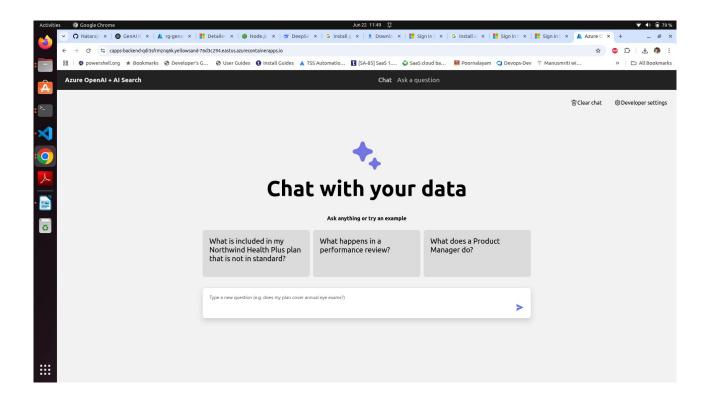
# Quick glance over hands-on

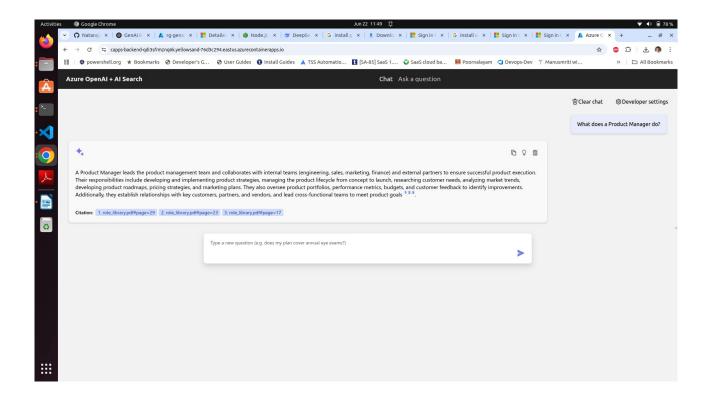
(Complete fully functional and tested source code is available in github)

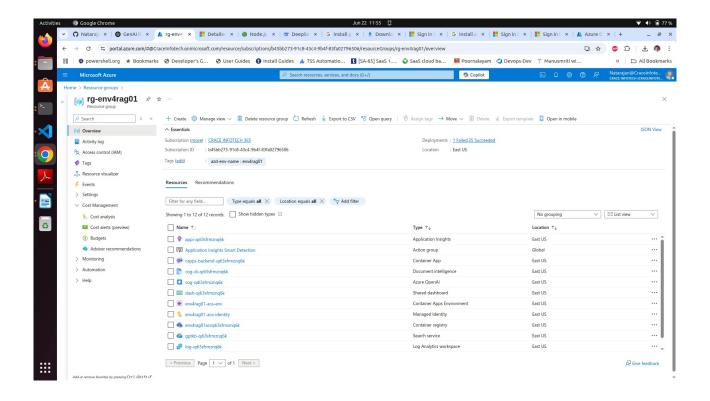
```
yazhini01@vm4powerbi01:~/rag$ azd version
azd version 1.17.1 (commit a20d045e2de92b98589422a1c26821597fc7b5d7)
yazhini01@vm4powerbi01:~/rag$ python --version
Python 3.12.3
yazhini01@vm4powerbi01:~/rag$ node -v
v22.16.0
yazhini01@vm4powerbi01:~/rag$ git -v
git version 2.43.0
yazhini01@vm4powerbi01:~/rag$ az --version
azure-cli
                                      2.74.0
                                      2.74.0
соге
telemetry
                                       1.1.0
Dependencies:
msal
                                      1.32.3
azure-mgmt-resource
                                      23.3.0
Python location '/opt/az/bin/python3'
Config directory '/home/yazhini01/.azure'
Extensions directory '/home/yazhini01/.azure/cliextensions'
Python (Linux) 3.12.10 (main, May 27 2025, 09:12:37) [GCC 13.3.0]
Legal docs and information: aka.ms/AzureCliLegal
Your CLI is up-to-date.
yazhini01@vm4powerbi01:~/rag$
```

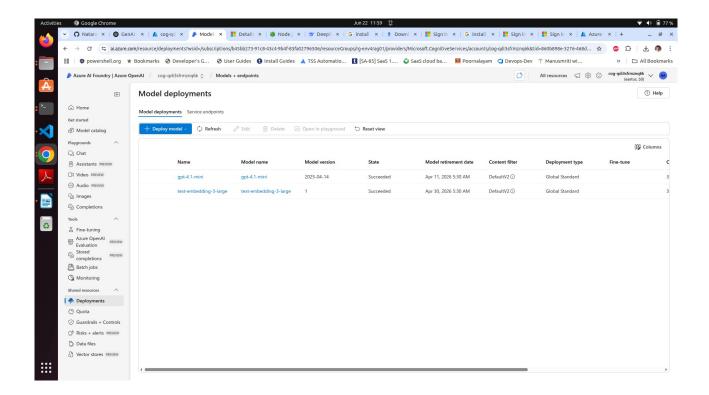


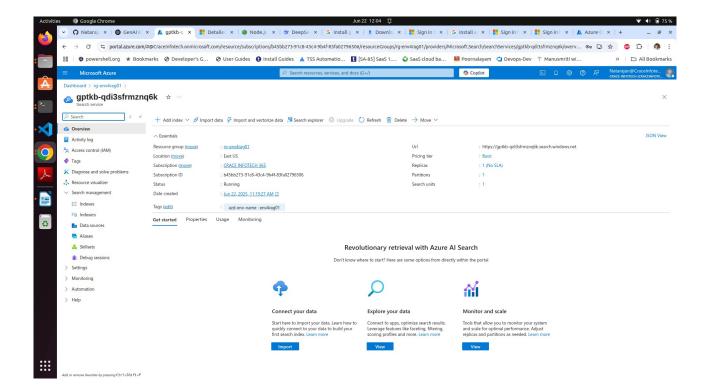


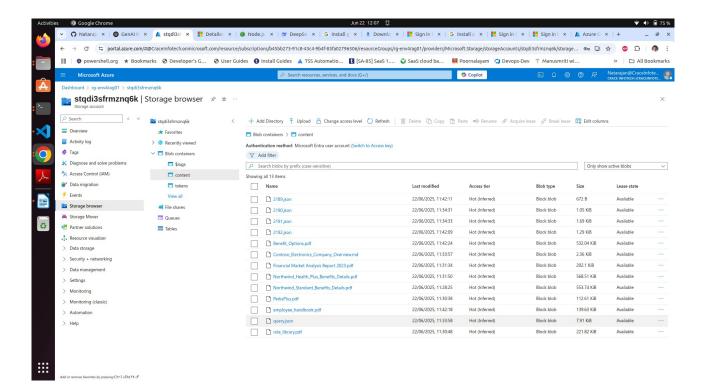


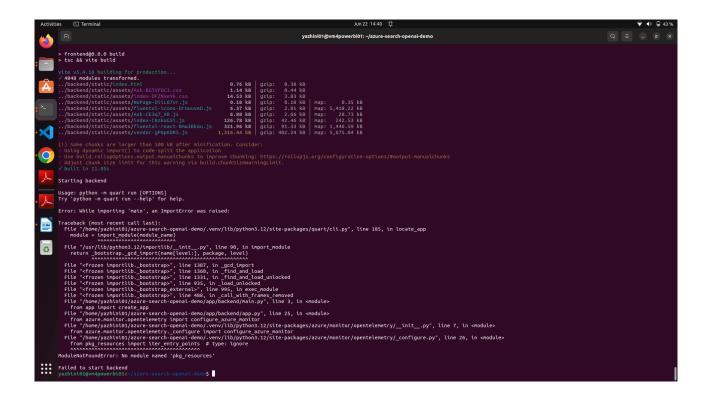




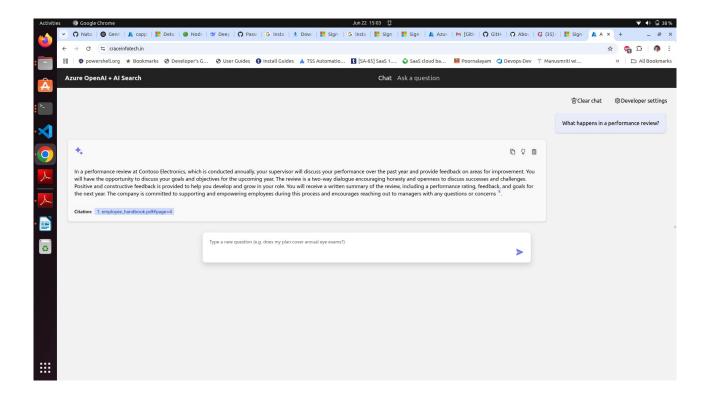


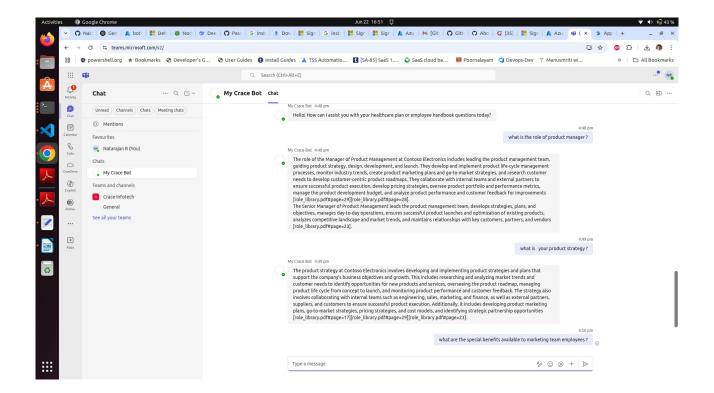


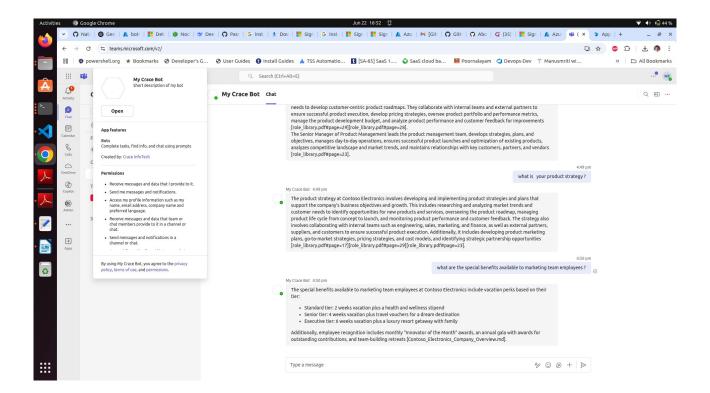












### 1 What's Next and How You Can Join Me

### I plan to:

- Extend this to ingest Data from many sources
- Add action-based prompts (form filling, KB updates) along with AI Agents as Knowledge Tools
- Build plug-and-play modules for different enterprise domains
- In Electronics, if anything can be converted into electrical signal, we can automate them. Ie Simple Sensors gives us extensive power in making things Digital. But Sensors are somewhat expensive, but the same effect, ie converting domain variables into computer signals is very easy with LLMs. Thus we have enoromous virtual sensor capability with the LLMs. It increases our Automation capability also in the same scale.
- I started my career in Electronics and learned Microprocessors programming (from 4bit, 8 bit, to current 64 bit). So I can see through what is happening inside Microprocessors and CPUs (All of data and flags). Now I can extend the same knowledge and experience in understanding LLM and thier peripherals interactions clearly.

### If you:

- Want to try this on your own and need guidance
- Have internal use cases that could benefit from an AI assistant
- Want to collaborate on open-source contributions

Feel free to **comment, DM me, or connect**. I'd love to help you build your GenAI journey.

### Let's Connect!

If this post resonated with you or sparked new ideas, let's connect. I'm always open to conversations around:

- Generative AI & RAG
- Enterprise automation
- Azure AI ecosystem
- Intelligent bots & assistants

## THANK YOU