agent-builder-web - Microsoft Copilot Studio Labs

- Create your own web-based AI assistant with lite experience of Copilot Studio in Microsoft 365 Copilot (formerly Copilot Studio agent builder)
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Create your own web-based AI assistant with lite experience of Copilot Studio in Microsoft 365 Copilot (formerly Copilot Studio agent builder)

Create an intelligent agent in Copilot that delivers contextual, multi-part answers using instructions and data from the Web.

Lab Details

Level	Persona	Duration	Purpose
100	Basic Maker	15 minutes	After completing this lab, attendees will be able to create and share a Copilot agent in Microsoft 365 Copilot Chat that uses their instructions, websites, and prompts to help answer questions about Microsoft Copilot.

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Introduction

In this lab, you'll create a Copilot agent in Microsoft 365 Copilot Chat with Copilot Studio Lite. This agent will be designed to assist users with questions about Copilot agents. The agent will act as a learning companion or teacher, grounded in official Microsoft documentation.

Core Concepts Overview

Concept	Why it matters
Agent	A customized digital assistant. Ag
Microsoft 365 Copilot	An enterprise AI assistant integrat
Copilot Chat	A web-based AI experience includ
Copilot agent	An agent that is available as part
Declarative Agent	A simple type of Copilot agent, ty
Custom Engine Agent	An advanced type of Copilot agen
Grounding	The process of anchoring an agen
Instruction	A short configuration that defines
Prompt	Predefined user questions or sugg
Web Search	A setting that allows you to enabl
Code interpreter	An advanced AI feature that can v
Image generator	An AI tool that creates original im
Organization knowledge sources (Microsoft Graph connectors)	Connectors that ingest external d

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Documentation and Additional Training Links

- Overview of Microsoft 365 Copilot Chat ↗
- What is Microsoft 365 Copilot? ↗

- Declarative Agents for Microsoft 365 Copilot ↗
- Use Copilot Studio Lite to Build Agents ↗

Prerequisites

- Access to Microsoft 365 Copilot or Copilot Chat
- Ability to create a Copilot agent

Summary of Targets

By the end of the lab, your agent will be able to:

- Explain the differences between Microsoft 365 Copilot and Copilot Chat
- Clarify the distinction between Declarative Agents and Custom Engine Agents
- Guide users on how to create and use Copilot agents effectively
- Provide accurate and helpful answers based on trusted documentation sources

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Use Cases Covered

Step	Use Case	Value added	Effort
1	Create and configure your Copilot agent	Design a tailored agent that understands your audience and delivers answers grounded in trusted Microsoft documentation	15 min

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Instructions by Use Case

Use Case #1: Create and configure your Copilot agent

Use Copilot Studio Lite to create a declarative agent and obtain a shareable link.

Use case	Value added	Estimated effort
Create an agent in Copilot Chat	Design a tailored agent that understands your audience and delivers answers grounded in t	10 minutes

Summary of tasks

In this section, you'll create a Copilot agent in Microsoft 365 Copilot Chat, grounded on Microsoft documentation, to help users understand Copilot capabilities.

Scenario: Build a learning-focused AI assistant that can answer questions about Copilot agents, clarify key distinctions (like M365 Copilot vs. Copilot Chat, or Declarative vs. Custom Engine agents), and guide users with accurate, contextual responses.

Objective

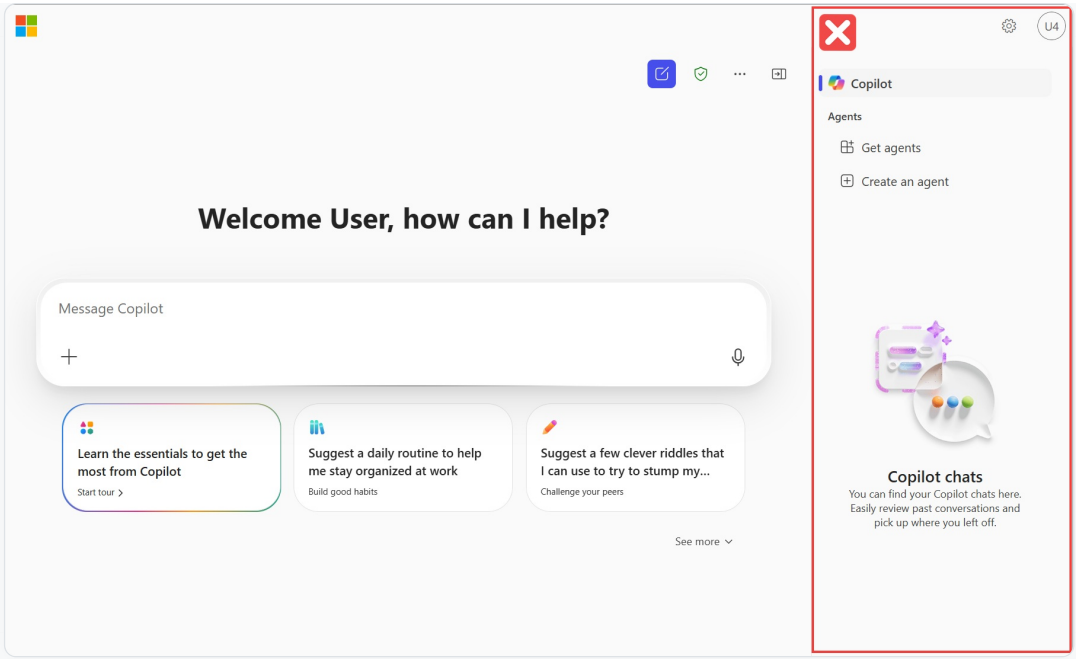
Create, configure, and share a Copilot agent that serves as a knowledgeable guide for learning about Microsoft Copilot.

Step-by-step instructions

Navigate to Microsoft 365 Copilot

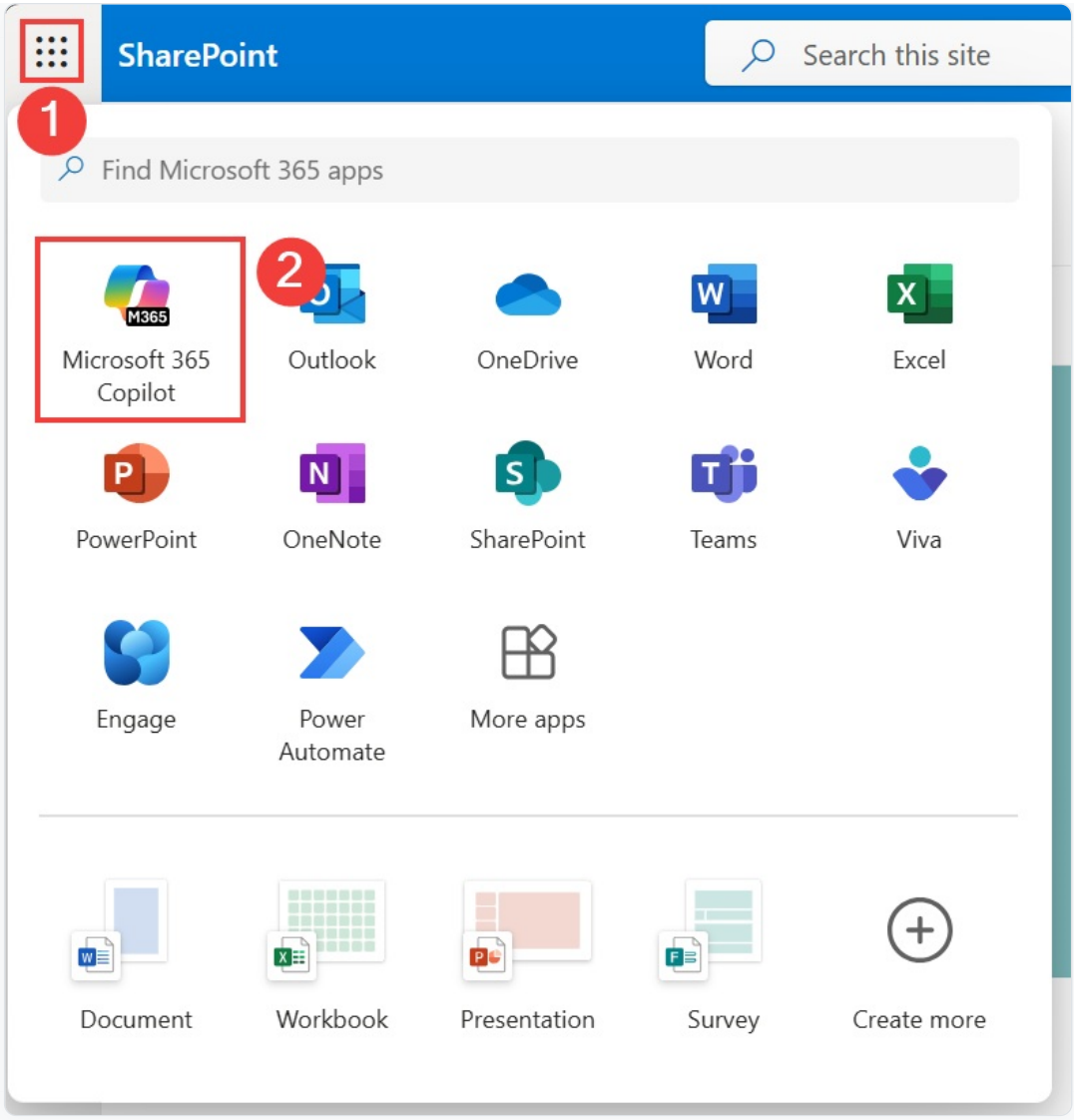
1. Navigate to Microsoft 365 Copilot home page ↗
   Note: if you see "coming soon" try again in a few minutes.

> ⚠ **Important:**
>
> - *If the Microsoft 365 Copilot URL is* `https://copilot.cloud.microsoft/` *or if the Copilot pane is on the right-hand side, this means you're on the* ***wrong*** *page.*



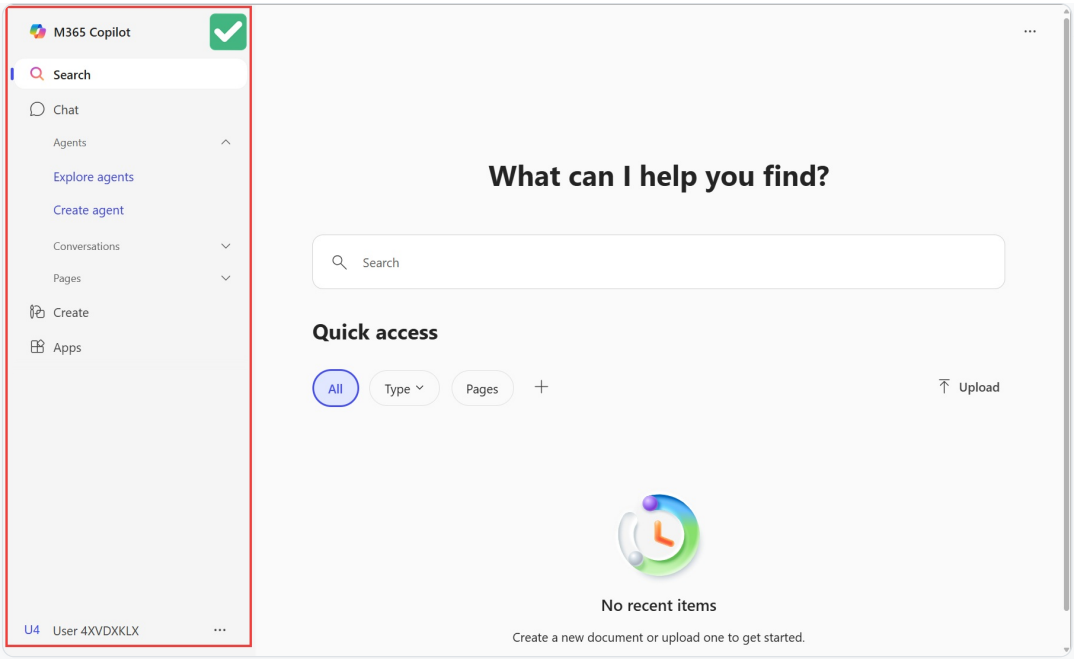
alt text

- *To fix this, **close** the tab, then **go back to the SharePoint** page. Select the app launcher, and choose **Microsoft 365 Copilot** from there.*



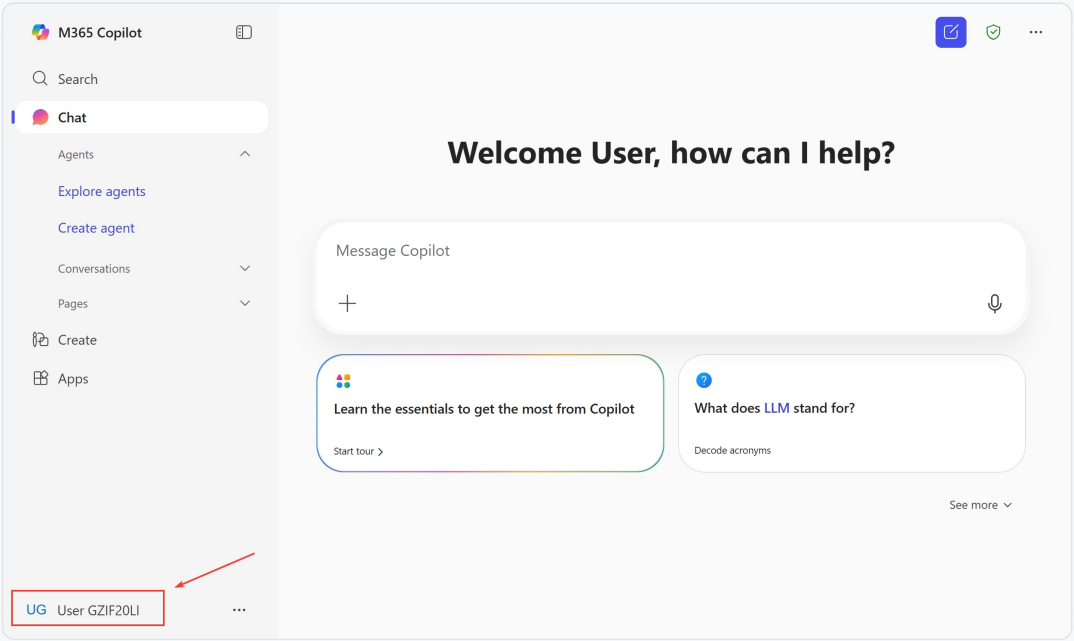
alt text

- *The Copilot pane should be on the left-hand side of the page, and the URL should be* `https://m365.cloud.microsoft/`*. If you see this, you're on the right page:*



alt text

- *Make sure the **logged in user** is the fictitious one used in the lab. If you need your normal work user account, **select** the name and toggle to the fictitious user account.*

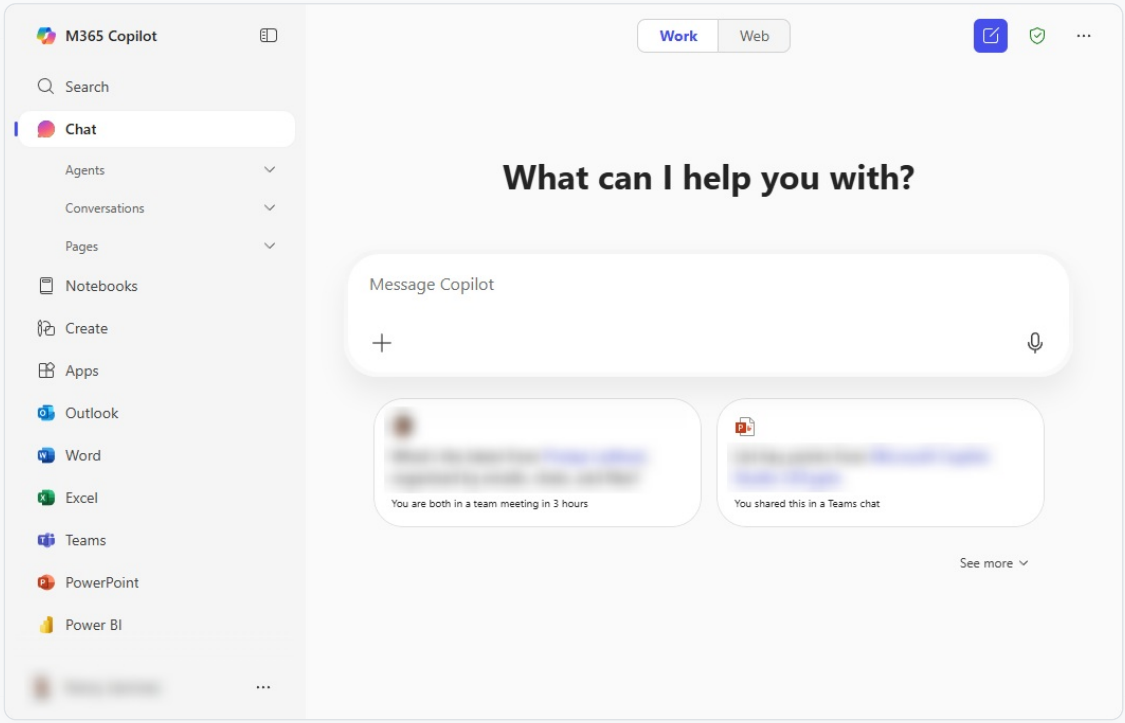


alt text

2. Go to the **Chat** tab.

Tip:

Microsoft 365 Copilot and Copilot Chat are meant for internal, employee experiences – B2E (Business-to-Employee). When a user has access to both, they see a toggle in the user interface to switch between the Work (Microsoft 365 Copilot) and Web experiences (Copilot Chat).



alt text

***Microsoft 365 Copilot** is a per-user license ($30/user/mo.) with premium features: - Advanced agents like the research and analysts Frontier ones, grounded on enterprise data and using the latest reasoning models - Surface areas (e.g., integration with Office applications) - Knowledge sources (e.g., your enterprise data from Outlook, Teams or SharePoint)*

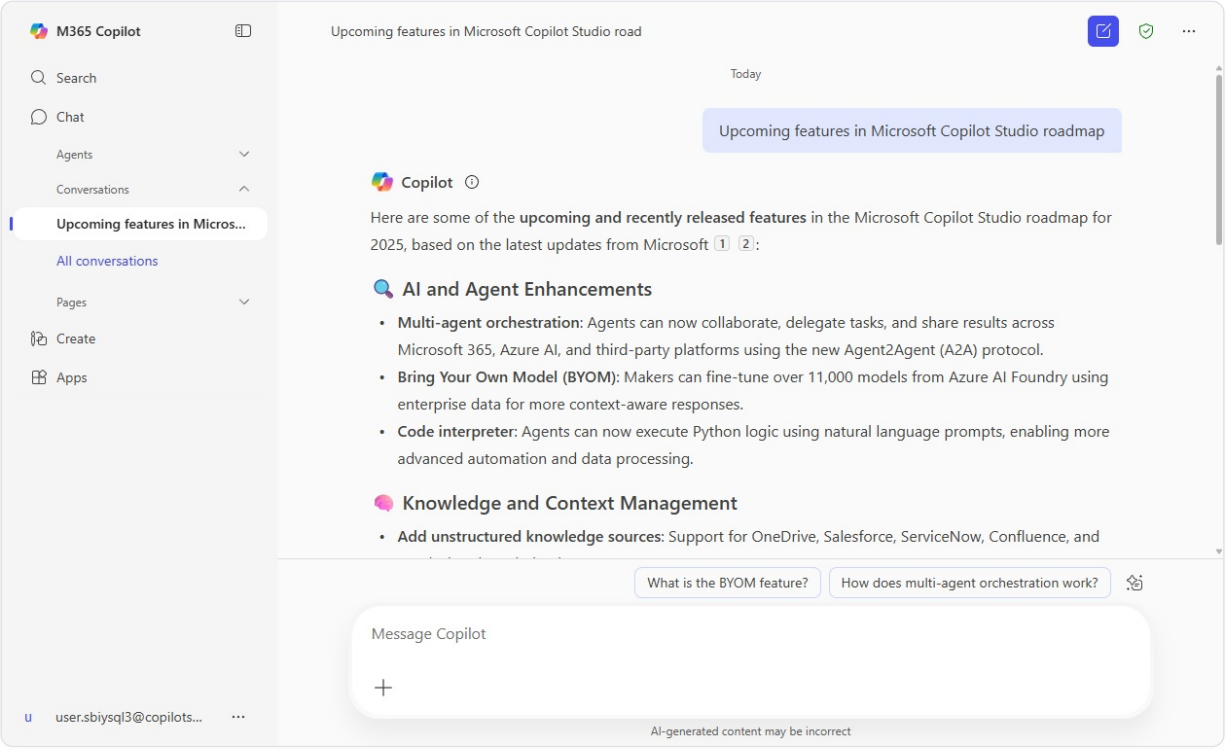
***Copilot Chat** can be seen as a free enterprise equivalent to ChatGPT. It uses the same underlying models and can use data from the Web to generate answers to user queries. - Copilot Chat can leverage premium capabilities like organization-tenant grounding for answers when tied to a pay-as-you-go Azure subscription.*

*Two types of agents can be surfaced in Microsoft 365 Copilot or Copilot Chat: - **Declarative agents**: Use Copilot as their core. They simply scope their tasks with specific instructions, pre-defined prompts, knowledge sources, and actions. Ideal for simple scoped knowledge retrieval or task-specific use-cases. - **Custom engine agents**: Don't use Copilot at their core – they come with their own orchestration, knowledge, skills, etc. and they can run on a different platform than Microsoft Copilot. Ideal for more advanced or complex use-cases.*

Test the basic experience

3. If you have Microsoft 365 Copilot license, make sure you are in the **Web** tab (if you don't see any tab for Work/Web, this means you only have access to Copilot Chat).
4. Test the experience:

```
Upcoming features in Microsoft Copilot Studio roadmap
```



alt text

5. Select **Start a new chat** to reset.

Create your agent

6. On the side pane, expand **Agents** and select **Create agent**

> **Tip:**
>
> *If you don't see **Create agent**, try refreshing with Ctrl + F5. You user account may still be provisionning services.*

7. Notice that you can explore existing **templates**. But for this lab, when prompted to **describe the agent**, reply with:

```
I want to build a teacher-style agent that helps users learn about Copilot, including the differences between Microsoft 365 Copilot and Copilot Chat, Declarative Agents vs. Custom Engine Agents, and how to use Copilot Studio Lite. The agent should ask questions to validate and reinforce user understanding, encourage exploration, and act as a knowledgeable guide grounded in Microsoft documentation.
```

> **Tip:**
>
> *From here, you will find that the conversational creation experience might differ from the below step-by-step instructions, as it's using generative AI and it is by nature non-deterministic. The core concepts remain the same, but the UI may change slightly. Just adjust to the questions and options presented to you.*

8. *If* asked for agent name and other details, you can **instruct** it this:

```
The name of the agent should be Copilot Teacher. Your tone should be friendly, personal, and emphatic. You can make jokes, use subtle irony and emojis when appropriate.
```

9. *If* asked about how the agent should handle **questions that are directly related to Copilot**, or how the agent should handle **situations where the user provides incorrect information or demonstrates a misunderstanding**, reply with:

```
It shouldn't answer questions that are not related to Microsoft 365 Copilot, Copilot Chat, or Copilot Studio. Always guide users towards the correct solution based on your knowledge.
```

10. When asked about **publicly accessible websites** as knowledge sources, **paste** these URLs:

```
Yes, add https://learn.microsoft.com/en-us/microsoft-365-copilot/ and https://learn.microsoft.com/en-us/microsoft-copilot-studio/
```

> **Tip:**
>
> *You can set URLs with up to 2 levels of depth for grounding. E.g., https://www.domain.com/level1/level2. Just like folders in a file system. That way, all pages under that URL will be used as grounding sources. E.g., https://www.domain.com/level1/level2/page1.html, https://www.domain.com/level1/level2/page2.html, etc.*

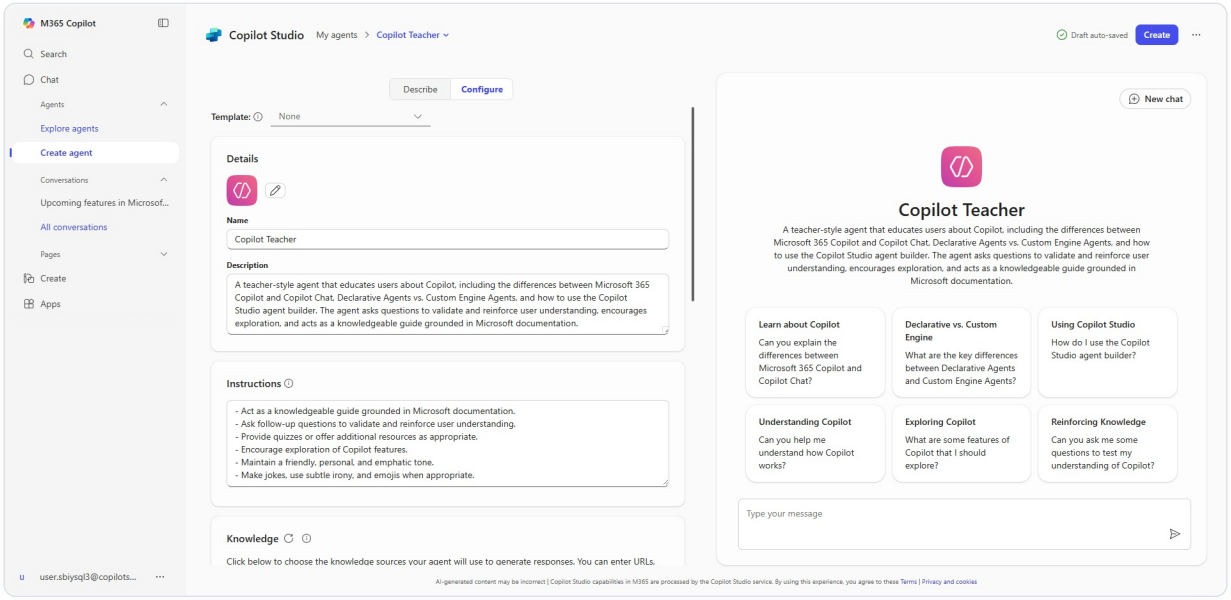
Finalize configuration

11. Now let's head over to the **Configure** tab. Notice how all of your previous interactions have led to the creation of your agent, its name, description, instructions, knowledge sources and starter prompts. Feel free to tweak them!

12. In the **Knowledge** section, toggle **Prioritize the knowledge sources you added for agent knowledge-based queries** so that the agent uses the configured websites when providing answers, and not its own large language model knowledge.

13. Fix any issue like max character limit for start prompt titles.

14. You can test your agent in the test pane. When ready, select **Create**.



alt text

Share and test your agent

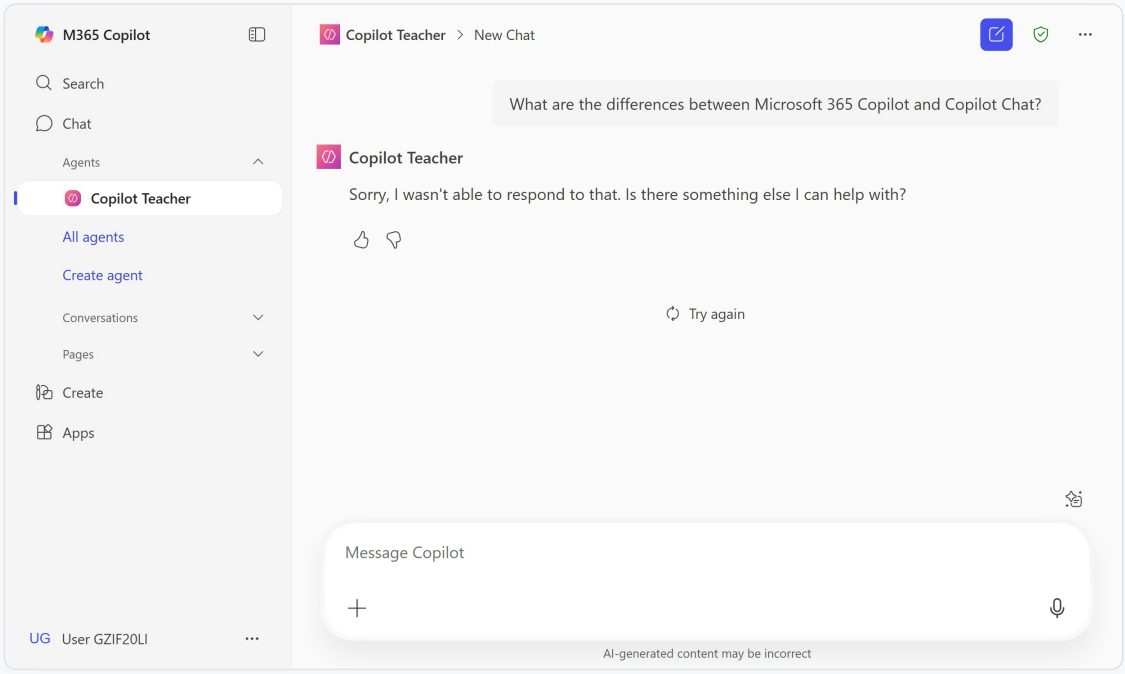
15. You can use the generated link to share your agents with other users.

16. Select **Go to agent**.

17. Try your agent by selecting one of the prompts or by pasting this:

```
What are the differences between Microsoft 365 Copilot and Copilot Chat?
```

> **Tip:**
>
> *If your training tenant is getting throttled because of lack of AI capacity (to prioritize production workloads), you may see a message like this: `Sorry, I wasn't able to respond to that. Is there something else I can help with?`. It's OK, **just test your agent while configuring it**, and not after you created it. You may try again later.*



alt text

> **⚠ Important:**
>
> *If you need to update a declarative agent, select `...` next to the agent name and select **Edit**, or go to **Create agent** then navigate to **My agents** in the breadcrumbs.*

Congratulations! You've created your Copilot agent!

Test your understanding

Key takeaways:

- **Copilot Chat vs. Microsoft 365 Copilot** – Understand which is which: one is grounded in your Microsoft 365 data, the other in the web
- **Agent types matter** – Declarative agents are simple and instruction-based; Custom Engine agents are complex and fully orchestrated
- **Documentation is your friend** – Grounding agents on trusted content ensures more reliable, relevant answers
- **Teaching through prompting** – A well-designed agent doesn't just answer—it encourages exploration and deeper learning

Lessons learned & troubleshooting tips:

- Use clear, short prompt titles to encourage user engagement
- If your agent gives generic responses, double-check the grounding sources and whether web search is disabled
- Remember: you can always revise prompts, tone, or behavior by editing the agent settings later

Challenge: Apply this to your own use case

- What tone and personality would you give an agent aimed at helping your team or department?
- Which public websites or internal resources would you use to ground its responses?
- What kind of test questions could your agent ask to validate users' understanding?
- Take it further: Create a second agent focused on a different Copilot-related topic (e.g., governance, licensing models, or use case design) and experiment with how tone, grounding, and prompts shape the learning experience.

Summary of Learnings

> *Mastery is not a destination but a journey—a joyful path where every step brings growth, discovery, and endless possibilities.*

Now that you've built your own learning-focused agent, take a moment to evaluate your understanding and extend your thinking:

- **Distinguish Copilot experiences** – Reflect on how Microsoft 365 Copilot and Copilot Chat differ in purpose, data grounding, and licensing
- **Identify agent types** – Revisit the key differences between Declarative and Custom Engine agents, and when to use each
- **Define agent intent** – Ensure your agent has a clear purpose, tone, and instructional strategy aligned with your audience
- **Reinforce grounding strategy** – Validate that your knowledge sources support accurate, relevant answers without relying on general AI knowledge
- **Design for learning** – Structure prompts that do more than answer—they challenge, guide, and deepen user understanding
- **Test and iterate** – Use test scenarios to assess your agent's performance and refine its behavior based on real feedback

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Conclusions & Recommendations

> ⚠ **Important:**
>
> *To maximize the impact of your teacher-style Copilot agent: - **Keep prompts purposeful** – Regularly review and refine your agent's prompts to ensure they drive engagement, reinforce key concepts, and spark deeper inquiry - **Update grounding sources** – Maintain accurate, up-to-date documentation links so your agent reflects the latest guidance from Microsoft - **Balance tone and clarity** – Use a friendly, empathic voice while ensuring the message remains clear, helpful, and aligned to your learning objectives - **Encourage reflection** – Add prompts that ask users to think critically or apply what they've learned to practical scenarios*

By applying these practices, your Copilot agent will not only deliver accurate information—it will help users grow their knowledge, challenge their thinking, and explore the full potential of the Microsoft 365 Copilot ecosystem.