What IT Needs to Know About Microsoft Copilot for Sales

12 June 2024 - ID G00808392 - 17 min read

By: Chad Nelson

Initiatives:CRM and Enterprise Applications for Technical Professionals

Microsoft Copilot for Sales is a new and rapidly evolving addition to CRM software that challenges current data governance, business processes and data flows. This research provides a pragmatic analysis for application technical professionals tasked with evaluating and implementing this service.

Overview

Key Findings

- All Microsoft Copilot for Sales users require a Microsoft 365 Enterprise or Office 365 Enterprise license to use the Copilot for Sales app in Microsoft Outlook and Microsoft Teams. In addition, Copilot for Sales requires a Copilot for Microsoft 365 user license.

- Copilot for Sales is a global service, but the Microsoft Azure OpenAI Service is currently located only in the U.S., the U.K., Sweden, Switzerland, India and Australia. Client organizations in all other countries must opt in to movement of data beyond the tenant's geographical boundary.

- Copilot for Sales uses Microsoft Dataverse for data and Transport Layer Security (TLS) to secure data in transit. Prompts and results are not shared with other customers and are not used to improve the Microsoft AI model, unless the client organization has agreed to share data.

- Copilot for Sales' meeting summary feature requires Teams meetings to be transcribed in order to generate meeting insights.

Recommendations

Application technical professionals implementing Microsoft Copilot for Sales should:

■ Avoid sending improper information by training users to rely on more than the output of the Copilot for Sales email composer. All AI-generated content must be reviewed and never blindly trusted.

■ Prioritize AI capabilities by optimizing other Microsoft licenses. Copilot for Sales' generative AI (GenAI) capability to summarize meetings finds parallel functionality in the Intelligent Recap feature of Teams Premium.

■ Guarantee generation of meeting summaries by setting up a Teams meeting policy to ensure every meeting is at least transcribed.

■ Ensure full application functionality by insisting on administrator deployment, not user deployment.

Analysis

Microsoft Copilot for Sales is the latest iteration of a GenAI assistant for sales teams that couples with Outlook and Teams to streamline entry of data into an organization's CRM platform. Its latest enhancements bring together the power of Copilot for Microsoft 365, Microsoft Graph and Azure OpenAI Service, and CRM data.

Copilot for Sales connects with Microsoft Dynamics 365 Sales and Salesforce Sales Cloud. It is designed to eliminate manual data entry and free the user from mundane tasks. But, in the new world of AI, organizations are seeking more than just streamlined entry or updating of predefined data points. Their AI conversations seemingly always turn to what this technology will be capable of in future, rather than what it can do today. One of the major problems with CRM platforms is that the user is always working for the system. This research seeks to uncover if Copilot for Sales and AI can get the CRM platform to work for the user.

As illustrated in Figure 1, the Copilot for Sales data flow begins when a user submits a prompt (1). For example, a user may ask Copilot for Sales to provide a summary of opportunities. Copilot for Sales then passes the prompt to a preprocessing stage (called grounding) that helps narrow the response by modifying the prompt using data in Microsoft Graph, Microsoft 365 and Microsoft Dataverse (2).

Next, Copilot for Sales passes the modified prompt to the Azure OpenAI large language model (LLM) to generate the response (3). The LLM response is passed to Copilot for Sales (4), which then performs a postprocess grounding of the LLM response (5), before it is presented to the user in the form of a UI response (6).

Figure 1: Copilot for Sales Reference Architecture

Source: Gartner
808392_C

Copilot for Sales is based on retrieval-augmented generation (RAG) architecture, which is what enables the LLM to take users' data into consideration when formulating responses. It is an information retrieval system that provides context to grounded data for the purpose of generating more relevant responses.

Application technical professionals must pursue the following best practices when deploying Copilot for Sales:

- Prioritize admin deployment to enable all features

- Account for Copilot for Sales' requirement for additional licenses

- Data requirements vary by country

- Review the security matrix

- Configure Copilot for Sales

- Extend Copilot for Sales with APIs

- Verify minimum versions of Outlook and Teams

- Assess alternatives to Copilot for Sales

Prioritize Admin Deployment to Enable All Features

Copilot for Sales provides two distinct user experiences across Outlook and Teams. Copilot in the Dynamics 365 Customer Engagement (CE) model-driven app is included with Dynamics 365 Sales Enterprise and Premium licenses, but not with the Copilot for Sales license; it provides a completely different user experience from those of Teams and Outlook.

The Copilot for Sales app enables the Teams personal app, which includes the Home and Settings tab, to be made available in Outlook and Teams. Even though the Teams app is packaged as a single app, it requires separate deployments in Outlook and Teams. Table 1 provides a high-level overview of the features related to each of the three experiences.

Table 1: Experience Comparison

Outlook ↓	*Teams* ↓	*Dynamics 365* ↓
▪ Connect a contact to CRM	▪ Generate a meeting summary	▪ GenAI record summary
▪ Change the connected CRM	▪ Auto follow up tasks creation	▪ GenAI email composer
▪ Create a contact in CRM	▪ Share a link to a CRM record	
▪ Save Outlook activities to CRM	▪ View/update CRM record	
▪ Save email to CRM		
▪ View record details		
▪ Add private notes		
▪ Share a link to a CRM record		
▪ Edit a CRM record		
▪ GenAI email composer		

Source: Gartner (June 2024)

Copilot for Sales can be deployed two ways. If the Copilot for Sales add-in for Outlook is installed from the Microsoft 365 admin center, it is considered admin-deployed. If the Copilot for Sales add-in for Outlook is installed by the user via Microsoft AppSource, it is considered user-deployed. User-deployed add-ins lack full feature support, as they do not support the following:

- Copilot for Sales banner notifications that appear within the top of new or reply emails.

- Automatic addition of Copilot for Sales to meeting invitations.

It is therefore beneficial to implement policies that prevent users from self-installing the Copilot for Sales add-in for Outlook.

Copilot in the Dynamics 365 CE model-driven app is turned on by default in North American tenants in all Dynamics 365 Sales apps that have lead and opportunity tables. To streamline the deployment of Copilot for Sales and minimize user complaints, you should prioritize deployment by administrators.

Account for Copilot for Sales' Requirement for Additional Licenses

Copilot for Sales is not a single-license tool. All Copilot for Sales users must be authenticated through the Microsoft Entra ID and thus require either a Microsoft 365 Enterprise or Office 365 Enterprise license to use the Copilot for Sales app in Outlook or Microsoft Teams. In addition, Copilot for Sales (premium) requires a Copilot for Microsoft 365.

Saving Outlook activities to Dynamics 365 requires server-side synchronization for emails and appointments to be enabled. Users can enable server-side synchronization for their own mailboxes when they save Outlook activities to Dynamics 365 using Copilot for Sales for the first time. This administrative process can be simplified by setting up server-side synchronization of emails and appointments for all Copilot for Sales users from inside the CRM system.

For Salesforce Sales Cloud users, Enhanced Email must be enabled in order for Copilot for Sales to save emails. Salesforce administrators must also ensure that the Microsoft Power Platform connector that used to connect to the Salesforce Sales Cloud is enabled for Copilot for Sales users.

Copilot for Sales truncates emails saved to Salesforce Sales Cloud if they exceed the number of characters allowed in a Salesforce email record. You should increase the field length for Email TextBody and HTMLBody to the maximum of 131,072.

Ensure that your use of server-side synchronization and email integration complies with the data protection standards for your organization. Specifically, the use of automatic tracking of emails and attachments could inadvertently lead to improper storage of sensitive information.

For more information, see Improve CRM and Customer Data With Master Data Management.

Dataverse

For Dynamics 365 users, Copilot for Sales uses the related Microsoft Dataverse to store Copilot for Sales data. Users can switch connections between different Dynamics 365 organizations, at which point Copilot for Sales will also use the underlying Dataverse instance to store and retrieve any Copilot data.

For the Salesforce Sales Cloud, Copilot for Sales creates a Dataverse environment to store the related data when the first admin user in the tenant connects to the Salesforce Sales Cloud. Gartner advises reviewing the administrators in the environment after it is created, as Copilot for Sales automatically sets the Power Platform administrator or Microsoft 365 global administrator as the Copilot for Sales administrator.

> **Gartner research reveals that the first Salesforce Sales Cloud user will see an error if they are not an admin user. We therefore recommended that the tenant administrator sign in to Salesforce Sales Cloud from Copilot for Sales first in order for the Dataverse to be provisioned and to allow all users to sign in.**

Copilot for Sales adheres to the data privacy, security, retention and compliance of Dataverse for data at rest, and uses TLS to protect data in transit. The prompts and results processed by Copilot for Sales are not available to other customers and are not used to train the Microsoft AI model, unless the client organization opts into data sharing. Copilot for Sales uses only the CRM data from the environment and tenant that the end user is connected to, and email content that the end user can access, to produce AI replies, meeting summaries and/or sales-related conversational insights.

As Copilot for Sales data is stored in Dataverse, the data retention policies differ from Microsoft 365's 90-day auto delete policy. The business application data life cycle consists of three stages: Active, Inactive and Deleted. Dataverse's long-term retention feature securely retains historical application data in the long term for audit, legal and regulatory requirements. This will prove extremely valuable in terms of providing contextual grounding for future user input prompts.

Gartner has found that deleting a user's Copilot for Sales account does not delete data stored in the CRM platform. It only deletes the user's Copilot for Sales data. Only deleting the Copilot for Sales account deletes all data associated with a user, including non personal data saved in Copilot for Sales.

Data Requirements Vary by Country

Copilot for Sales is available worldwide, but requires the Microsoft Azure OpenAI Service, which is currently available only in the U.S., U.K., Sweden, Switzerland, India and Australia. All other countries must opt in to data moving beyond the tenant's geographical boundary.

This means that if your Dynamics 365 environment is hosted in any other Azure region, the data used in prompts or responses will have to be sent beyond the assigned data geolocation. Opt-in is required to allow this data to move to an Azure OpenAI endpoint in the U.S., the U.K., the EU or Australia. These prompts and outputs are stored for up to 30 days and monitored for abuse.

This might be an issue for organizations that are subject to, or that impose, strict restrictions on which countries or regions their data can be stored in or transit through. If your organization operates in a region other than those in Table 2, you should validate any restrictions with your organization's compliance or information security officers.

Table 2: Copilot for Sales: Geographical Boundaries

Region where your CRM environment is hosted	Content required for data movement across regions?	How to allow data to move across regions
Australia U.K. U.S.	No	No action required. Data does not move across regions in this scenario.
Europe	Yes	No action required. Data does not move outside the EU Data Boundary in this scenario.
Asia Brazil Canada France Germany India Japan Norway South Africa South Korea United Arab Emirates	Yes	Provide consent in admin settings.
Adapted from Microsoft's Copilot Data Movement Across Geographies		

Source: Microsoft

For more information on this topic, see the section "Compliance With Data Residency and Sovereignty Regulations" in What IT Needs to Know About Microsoft Copilot for Microsoft 365.

Review the Security Matrix

Copilot for Sales uses the client organization's existing CRM platform and Microsoft 365 access and permissions. For example, in Dynamics 365, the following out-of-the-box security roles have been updated to include Copilot for Sales access:

- System Administrator

- System Customizer

- Salesperson

- Sales Manager

This update complements these roles; it does not replace them. To avoid encountering errors, Gartner recommends using the Dynamics 365 CE Salesperson and Sales Manager roles as the basis of any custom security role, along with the Copilot for Sales User role:

- Copilot for Sales Administrator

- Copilot for Sales User

When integrating with Salesforce Sales Cloud, permissions need to be on the user profile and not in permission sets assigned to the user. Additionally, Salesforce administrators must have the following permissions associated with the user profile:

- Modify All Data

- Manage Data Integrations

Users of Copilot for Sales must be API-enabled within the Salesforce user profile, so that they can access Salesforce Sales Cloud via APIs. Gartner recommends reviewing the CRM and Microsoft 365 security matrix to ensure that users have the correct data access and permissions to view, update and create records for the CRM platform from Copilot for Sales.

(For more information on how to manage risks relating to Copilot-generated content, see Mitigate Copilot for Microsoft 365 Risks Through Information Governance.)

Configure Copilot for Sales

Gartner finds Copilot for Sales to be more configurable than customizable, which may disappoint some organizations. This is because neither the UI nor the business logic for Copilot for Sales is shipped as client-side code in Teams, Outlook or the Dynamics 365 model-driven app. Thorough and thoughtful configuration of the forms used in Outlook and Teams is still required.

Copilot for Sales uses a set of predefined fields to generate summaries and a list of recent changes for opportunities and leads. Other fields, from related tables, can be added to make the summaries and recent changes align with your organization's preferences.

As shown in Figure 2 (a screenshot), administrators can associate specific tables, fields and views from the CRM platform. These changes impact the Outlook side panel and the adaptive cards in Teams. There are field-type limitations of file, image, rich text and multioption sets. Administrators can add up to 40 custom and standard fields to a single form.

Figure 2: Configure Copilot for Sales
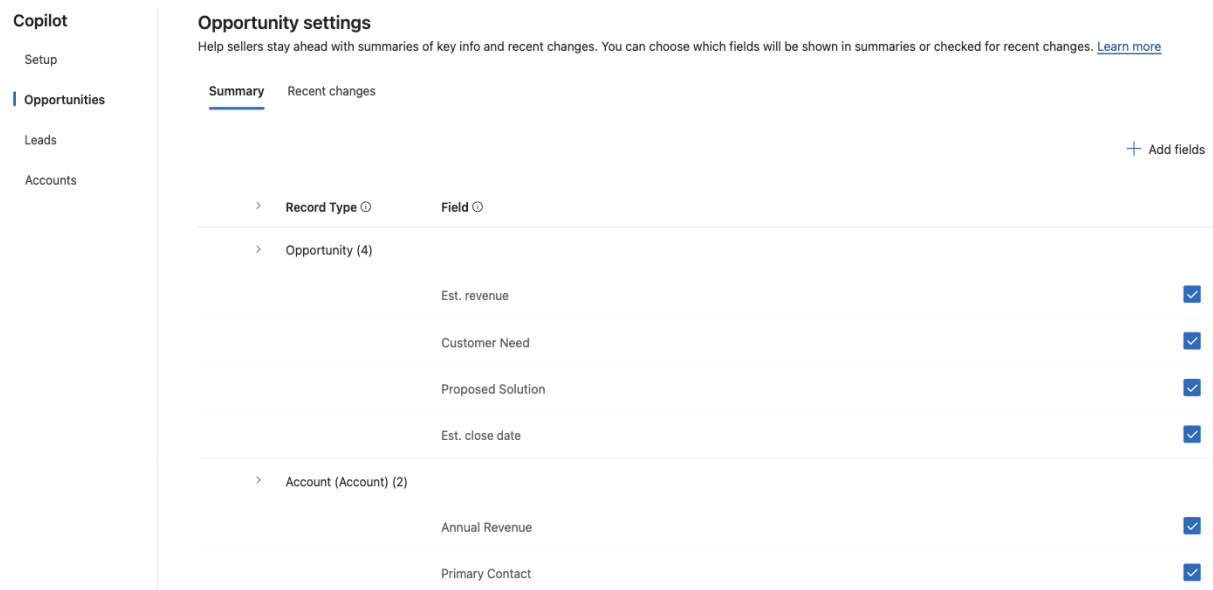
Source: Gartner (June 2024)

Extend Copilot for Sales With APIs

Copilot for Sales' API preview contains two API endpoints. Using these APIs, Copilot for Sales can be extended to show the latest activities from non-CRM applications. For example, an opportunity summary can be generated using the notes in the timeline of the opportunity. Copilot for Sales can then use that opportunity summary to prepare for a meeting with a customer.

The two APIs are accessed through a Power Platform connector:

- The **GetRelatedActivities** API fetches the latest activities from your application, to be shown in the opportunity summary. This API is called when the opportunity summary is generated.

- The **GetRelatedRecords** API gets related records from your application, to be shown in Copilot for Sales when a seller views details of a CRM record.

Gartner advises against implementing these APIs until they are generally available. In the meantime, you should examine the data points that would offer most value and transparency by appearing with the opportunity summary. It is imperative not to nearly identical, and therefore redundant, data points.

Verify Minimum Versions of Outlook and Teams

The meeting summary and insights feature of Copilot for Sales is the most impactful CRM enhancement to date. However, Gartner has found that some basic conditions are required for Copilot for Sales to be automatically added to a Teams Meeting:

- Sent to one (1) external contact

- Transcribe the meeting

These are simple but extremely important, as Copilot for Sales cannot generate a meeting summary and insights from a meeting recording or transcript after the fact. Our testing found that adding Copilot for Sales once to a recurring meeting adds it to all the subsequent occurrences.

Additionally, it is imperative to verify the version of Outlook:

- **Outlook for Windows:** Must be version 2206 (build 15330.20196) or later.

- **Outlook for Mac:** Must be version 16.78 or later.

Gartner has also found that meeting insights are generated only if Copilot for Sales is on version 1.0.9 or higher in Teams.

Meeting Summary: Top Use Case

Gartner finds the meeting summary feature of Teams to be the soundest example to date of a CRM platform working for its users, even if its uses to enhance sales productivity and data accuracy sound broad and generic.

Generated insights (for which meetings must have been recorded and transcribed) are as follows:

- **Questions**: The AI gathers all the questions that were asked throughout a meeting and organizes them according to the individuals who asked them. This is invaluable when there is any uncertainty, as it provides instant clarity.

- **Participant statistics:**

    - **Talk-to-listen ratio**: The average ratio of talking time to listening time. This helps you identify whether your team struck the right balance between talking and listening.

    - **Switches per conversation**: The average number of times the conversation switched between the sales representative and the customer. This helps you identify whether your reps were truly engaged in conversation.

    - **Average pause**: This helps you identify whether your reps were interrupting customers by showing the average pause time before a rep spoke.

    - **Longest monologue**: This shows how long the participants spoke during a meeting. It helps you quickly identify how engaged the customer was, and whether a rep was dominating the conversation.

- **Keywords**: The key terms mentioned throughout a meeting (currently grouped by "brand," "time," "people" and "others"). This is helpful when, for example, you want to isolate individual talking points during a meeting or when you remember that the client mentioned a specific date.

- **Follow-up tasks**: While in a meeting, users can make callouts that result in the creation of follow-up tasks. This is the only aspect of the meeting summary feature that connects to a CRM platform. Gartner finds it to be the most impactful capability of the entire tool.

    - After a meeting, the appropriate resource can edit the subject line, assign it to a specific user, relate it to a specific CRM record and define a due date; lastly, users may edit the description that is auto populated from the meeting transcription. This is precisely how a digital assistant can vastly improve the relationship with a customer and help make a rep more productive.

A trove of sales meetings is invaluable to new reps as training material and for others looking to learn from real-world experiences. The ability to review how your best reps handle meetings or presentations is key to turning your entire team into top-tier reps.

Assess Alternatives to Copilot for Sales

Organizations looking to use only parts of Copilot for Sales can take advantage of the native capabilities of other Microsoft applications that may already be available to users:

- **Meeting summary:** Teams Premium Intelligent Recap.

- **Dynamics 365 CE team integration:** In-Meeting App Task Creation, Chat and Channel.

- **Dynamics 365 App for Outlook**: Create/Read/Update/Delete any record in Dynamics 365, and track emails and Outlook activities.

- **Copilot for Sales AI email composer:** Without signing into a CRM platform, users (in North America and Europe only) can use the following Copilot for Sales AI capabilities in Outlook:

    - Generate email content only when you compose a new email.

    - View a summary of an email conversation

Recommendations

- Ensure all users have the correct data access and permissions by reviewing the security matrix view, and by updating and creating records for the CRM platform from Copilot for Sales.

- Implement a policy that ensures that all Teams meetings are, at minimum, transcribed to ensure that Copilot for Sales can generate meeting summary and insights.

- Ensure full application functionality via administrator deployment, as opposed to user deployment. Establish a policy preventing users from self-installing Copilot for Sales.

- Explore the potential of license upgrades: for example, Teams Premium's Intelligent Recap feature offers equivalent functionality to the meeting summary feature in Copilot for Sales.

Conclusion

Copilot for Sales has, in Gartner's view, achieved the goal of putting a CRM platform to work for the user. There is one caveat, though: Copilot for Sales is a global service but the Microsoft Azure OpenAI Service it depends on is located in only the U.S., the U.K., Sweden, Switzerland, India and Australia. Client organizations in all other countries must therefore opt in to the movement of data beyond the tenant's geographical boundary.

Recommended by the Author

Some documents may not be available as part of your current Gartner subscription.

What IT Needs to Know About Microsoft Copilot for Microsoft 365

How to Pilot and Assess the Value of Copilot for Microsoft 365

Quick Answer: Establishing a 2024 Microsoft 365 Copilot Strategy

Go Beyond Baseline Microsoft 365 GenAI Controls to Secure Copilot

Assess Microsoft AI Alternatives to Copilot for Microsoft 365

Table 1: Experience Comparison

Outlook ↓	Teams ↓	Dynamics 365 ↓
▪ Connect a contact to CRM ▪ Change the connected CRM ▪ Create a contact in CRM ▪ Save Outlook activities to CRM ▪ Save email to CRM ▪ View record details ▪ Add private notes ▪ Share a link to a CRM record ▪ Edit a CRM record ▪ GenAI email composer	▪ Generate a meeting summary ▪ Auto follow up tasks creation ▪ Share a link to a CRM record ▪ View/update CRM record	▪ GenAI record summary ▪ GenAI email composer

Source: Gartner (June 2024)

Table 2: Copilot for Sales: Geographical Boundaries

Region where your CRM environment is hosted	Content required for data movement across regions?	How to allow data to move across regions
Australia U.K. U.S.	No	No action required. Data does not move across regions in this scenario.
Europe	Yes	No action required. Data does not move outside the EU Data Boundary in this scenario.
Asia Brazil Canada France Germany India Japan Norway South Africa South Korea United Arab Emirates	Yes	Provide consent in admin settings.
Adapted from Microsoft's Copilot Data Movement Across Geographies		

Source: Microsoft