Microsoft 365 Copilot

The strategic CIO's generative AI playbook

Start

“AI continues to transform how we work; the rapid rate of change presents new challenges and exciting opportunities for business leaders—especially chief information officers.

As companies strive to harness AI, CIOs are in the middle of the action. And they’re under immense pressure to chart their AI roadmaps, drive cross-functional innovation, and shape the future of their organizations.

Whether you're just starting or looking to scale your efforts, this asset is your go-to resource to understand how to embark on your AI journey.”

Jared Spataro
Chief Marketing Officer of AI at Work
Microsoft

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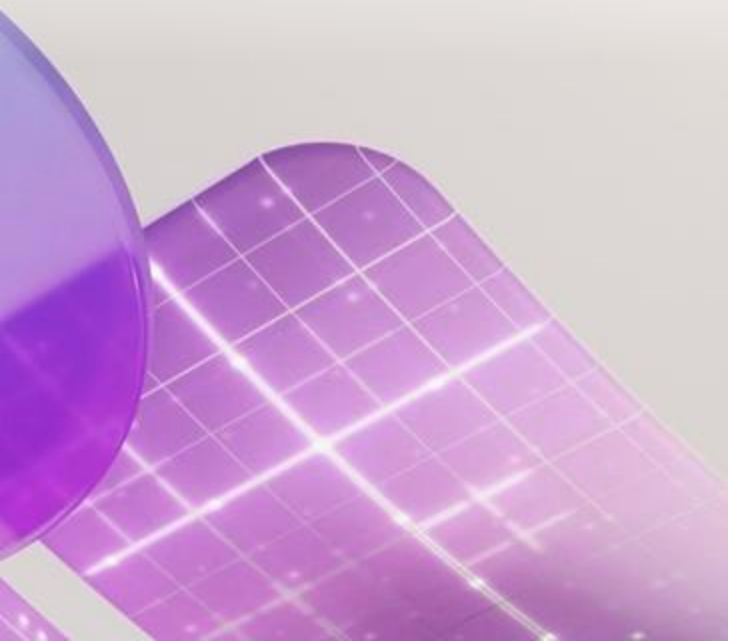


SECTION ONE

The AI-ready organization

1. Executive snapshot: The CIO is the catalyst for AI transformation

Generative AI is no longer an emerging technology. It is a defining force in business transformation, reshaping how organizations operate, compete, and innovate. Companies that successfully integrate AI into their core strategies are unlocking greater productivity, streamlined decision-making, and measurable growth. However, realizing AI's full potential requires more than just adoption. The transformation demands a clear business case, change management, strong governance, and a strategic approach to implementation that only a CIO can accomplish.

Gartner predicts that by 2026, more than 80% of enterprises will have used generative AI APIs or models, and/or deployed generative AI–enabled applications in production environments, up from less than 5% in 2023[1]. AI is no longer a promising trend—it is a competitive differentiator that will define the future of business.

AI is transforming business operations by embedding intelligence into everyday workflows. AI-powered assistants and intelligent agents serve as an interface between users and enterprise data, streamlining tasks, enhancing data analysis, and improving decision-making across communication, collaboration, and productivity tools. AI capabilities in Microsoft 365 Copilot can make use of all your work data, like emails, chats, meetings, and documents empowering employees to automate routine tasks, generate insights, and focus on strategic initiatives that drive business value. The rise of agents extends this transformation, allowing organizations to build specialized AI-enabled solutions that can autonomously manage complex workflows, customer interactions, and operational processes at scale.

Agents serve as digital labor, amplifying your workforce, while driving growth and cost savings for your business. Microsoft 365 Copilot plays a key role in this evolution, acting as the employees' UI for AI, helping organizations integrate AI into their existing flow of work seamlessly and securely.

AI adoption goes beyond technology deployment. It requires a cultural shift and a commitment to AI literacy. Through close partnership with customers, Microsoft has observed early adopters of AI gain a competitive advantage by increasing efficiency, fostering innovation, and building resilience. CIOs who take a proactive role in leading AI integration will define the future of work, ensuring their organizations remain agile in an evolving business landscape.

1. Executive snapshot: The CIO is the catalyst for AI transformation

However, with opportunity comes responsibility. AI governance, security, and compliance must be prioritized to mitigate risks such as the use of unsanctioned AI, overshared data, and ethical concerns. By implementing responsible AI frameworks and making full use of built-in security controls, CIOs can ensure that AI adoption is safe, scalable, and aligned with organizational policies and regulatory requirements.

To help every leader and employee prepare for what lies ahead, Microsoft analyzed survey data from 31,000 workers across 31 countries, LinkedIn hiring and labor market trends, and trillions of Microsoft 365 productivity signals for the 2025 Work Trend Index Annual Report. The insights from this data and interviews with AI startups, thought leaders, academics, and more point to the emergence of an entirely new type of organization: a Frontier Firm. Structured around on-demand intelligence and powered by "hybrid" teams of humans and agents—these companies scale rapidly, operate with agility, and generate value faster.

Frontier Firms are already taking shape...

Microsoft expects that every organization will begin their journey to become one in the next

2 to 5 years.

As many as

82%

of leaders say this is a pivotal year to rethink key aspects of strategy and operations.

81%

say they expect agents to be moderately or extensively integrated into their company's AI strategy **in the next 12 to 18 months.**

Adoption is accelerating:

24%

of leaders say their companies have already deployed AI organization-wide, while just

12%

remain in pilot mode[2]

1. Executive snapshot: The CIO is the catalyst for AI transformation

Frontier Firms are proving what's possible as defined by the five traits that set them apart: organization-wide AI deployment, advanced AI maturity, current and projected agent use, and a belief that agents are key to realizing ROI on AI. Among the Microsoft sample of 31,000 people, 800 employees work at companies that meet this bar.

The responses from Frontier Firm employees are persuasive:

- **71%** say their company is thriving.
- **55%** say they're able to take on more work.
- **90% versus 73%** survey-wide report having opportunities to do meaningful work.
- **93% versus 73%** globally say they're more optimistic about future work opportunities.
- They are **less likely to fear that AI will take their jobs (21% versus 38%).**

AI is here, and its impact is only expanding.

The companies that embrace AI now—led by CIOs who champion innovation, governance, and business alignment—will define the next era of digital transformation.

How to use this playbook

This guide encompasses key themes to help CIOs lead AI-centered transformation:

Create the AI-ready organization.

- Be the strategic leader.
- Partner to drive cross-functional AI adoption.
- Begin AI readiness with data, security, and governance.

Enable AI for all employees.

- Build an AI-ready workforce.
- Accelerate employees' AI skills.

Accelerate AI for the organization.

- Reinvent business workflows and boost productivity.
- Define AI success.
- Expand AI capabilities with intelligent agents.

Whether you've already onboarded Copilot or are still shaping your generative AI strategy, this playbook provides the approach, insights, and frameworks you need to navigate AI adoption with confidence, vision, and trust.

2. CIOs as AI partners: Drive cross-functional AI adoption

AI transformation is not solely an IT initiative: it's a new way of thinking for the whole firm. While some of the skills and strategies for adoption are familiar, the rapid pace of technical and cultural change brings new challenges and opportunities. Strong CIO leadership is essential.

CIOs are catalysts for this transformation to a Frontier Firm, but success depends on cross-functional partnership and collaboration. CIOs and their IT teams must collaborate with their HR, finance, marketing, customer service, legal, sales, and operations peers to drive AI initiatives that generate measurable business value. In a recent Gartner survey, **27% of chief data and analytics officers cite a lack of business stakeholder involvement as their biggest challenge**[3]. Without direct and energetic business involvement and leadership across the company, IT initiatives will fail.

Breaking down silos: Making AI a shared mission

Taking a responsible, guided approach to AI integration and uniting with business leaders is essential. AI adoption needs business stakeholder involvement and support. Otherwise, it will struggle to take off and reach its full potential. Forward-thinking CIOs should help leaders make the connection between AI skills and knowledge with opportunities for career growth.

Microsoft recommends the following steps:

Plan and implement.

1. Align functional leaders with the organization's AI strategy
   Anchor C-suite peers in the company's vision for AI. Help them understand how AI benefits the organization and their teams and helps drive results.
2. Articulate business goals and use cases
   Equip business leaders with a strong baseline understanding of AI's possibilities and limitations, so they can define the right vision for their own functions.
3. Address specific business problems
   Act as a service advisor to peers to co-build broadly applicable and niche agents that can complete business processes on behalf of employees, teams, and entire functions.
4. Strengthen AI security and governance with a proactive approach
   Using AI responsibly requires a sturdy foundation of security, compliance, and governance. Organizations must implement robust data protection, governance frameworks, and threat mitigation strategies to align AI usage with company policies and evolving regulations.
5. Set AI usage goals
   Help business leaders establish AI benchmarks and empower them with data-driven insights.

Empower and accelerate

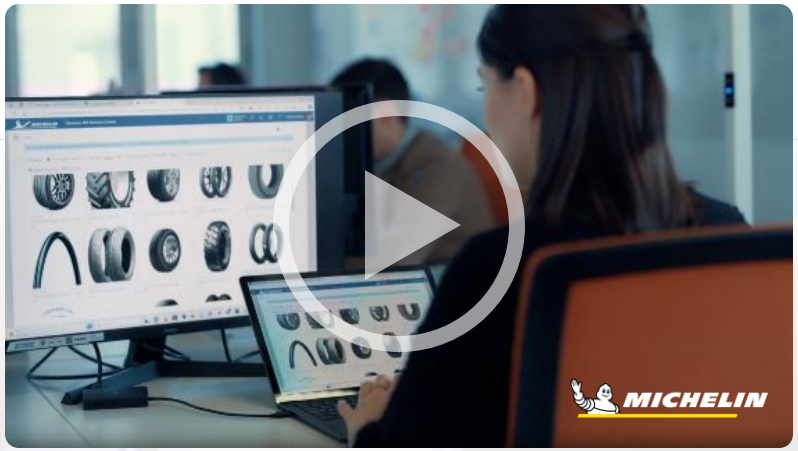
1. Lead from the front
   Support business leaders in an action plan that allows them to role model generative AI usage. Champion a transformation mindset by encouraging curiosity, inclusiveness, and empathy.
2. Enable all employees
   Deliver an on-ramp generative AI solution such as Copilot Chat, a free enterprise-grade, secure AI chat for all employees to get started quickly. In addition, provide more sophisticated personal AI assistants grounded in work data and present across applications employees use every day.
3. Drive awareness and distribution of skilling plans and resources
   Promote ongoing development opportunities by sharing targeted skilling plans with leaders and their teams.
4. Address concerns proactively
   Directly address fears around job displacement, AI ethics, and compliance early to build trust. Be candid about challenges unique to generative AI, such as evolving user-experience paradigms, issues like hallucinations, and managing cost implications.

2. CIOs as AI partners: Drive cross-functional AI adoption

Case study: Michelin reinvents productivity with Microsoft Copilot

AI is improving productivity throughout Michelin, from research and development to engineering to data management.

Watch the video



Why AI needs a business-first approach

AI projects struggle when they are driven solely by technology teams. To succeed, CIOs must:

Align AI investments with core business KPIs

and pressing opportunities such as revenue growth, cost reduction, measurable ROI, and efficiency improvements.

Develop use cases that solve genuine business problems,

for example, AI-enabled forecasting for finance or personalized marketing automation.

Assess feasibility

by determining if the organization can obtain and implement the technology with the necessary internal and external readiness.

Find strategic value

by assessing whether the AI solution will scale, is simple to enable, and will provide long-term benefits.

Functional leaders have the formal authority to legitimize change in their area of purview, and they actively oversee the work done by change advocates, champions, and employees. Organizations that successfully transform with AI will be those that put these leaders in the driver's seat in defining what to transform, bringing teams and managers along to enable collaborative execution.

Gartner: Top five questions from CIOs

The mission to rapidly adopt AI-empowered technology is exciting, and CIOs want to know how to be successful change agents for their organizations. According to Gartner, CIO peers are asking:

1. How do I set an AI strategy, get started with use cases, and determine and realize measurable business value?
2. How do I create a realistic and effective data analytics strategy aligned to business goals, stakeholders, and use cases?
3. How do I protect my organization from constantly evolving security threats?
4. How do I demonstrate business value from technology investments?
5. How do I design my organization and talent strategy for current and future opportunities?

2. CIOs as AI partners: Drive cross-functional AI adoption

For further exploration

- Want Real AI Transformation? Focus on Your People and Processes
- Get AI Ready: Action plan for IT Leaders
- Guide to Engaging Functional Business Leaders
- The AI Decision Brief

3. Build the data foundation for AI readiness

Prepare your data to capitalize on Microsoft 365 Copilot

Copilot is built to work where your teams already work—across apps like Teams, Outlook, Word, and SharePoint. But to get high-quality results, your environment needs to be ready. That means your Microsoft 365 data must be secure, accessible, and governed properly. While you don't need to rebuild your data estate, you do need to optimize what's already there.

According to Gartner,

only 35% of organizations effectively demonstrate measurable AI value

due to fragmented data strategies[4].

When Copilot is deployed in environments with outdated, overshared, or mismanaged content, the experience can suffer. CIOs who prioritize data hygiene and access control—without slowing or hindering collaboration see faster time to value and stronger AI results.

3. Build the data foundation for AI readiness

A practical path to Copilot readiness

Review user readiness across Microsoft 365 apps

- Understand your active user base—focus on employees using Word, Excel, PowerPoint, Outlook, and Teams regularly.
- Ensure they're using supported app versions to unlock full functionality.

Clean up and manage content access

- Identify and archive inactive or abandoned SharePoint sites to reduce noise and ensure Copilot references up-to-date information.
- Audit sharing settings and permissions to identify content that may be overexposed across your organization, limiting access to only those who need it.

Protect business-critical information

- Classify sensitive data using labels and policies that determine who can view or edit specific types of content.
- Implement safeguards that prevent accidental sharing of financial data, legal files, or other confidential material.

Establish a healthy permission and collaboration baseline

- Assign site owners to every SharePoint location to ensure there's accountability for keeping access current and relevant.
- Conduct regular access reviews so that content permissions reflect actual job needs—reducing the risk of users seeing information they shouldn't.

Monitor for unexpected changes and maintain alignment

- Track who changed what, when, and why—especially when it comes to site permissions and access controls.
- Enact ongoing change reviews to help flag potential oversharing issues before they affect the ability of Copilot to deliver relevant, secure results.

Readiness check: Microsoft 365 Copilot Optimization Assessment

Want to validate your technical readiness?
Use the Copilot Optimization Assessment to:

- Identify blockers related to licensing, usage, and oversharing.
- Assess your collaboration footprint, security posture, and content lifecycle.
- Get a tailored deployment path based on your current Microsoft 365 setup.

This 30-minute self-assessment is a valuable starting point for CIOs looking to move from planning to deployment with confidence.

Once your Microsoft 365 data is properly prepped and aligned, you're ready to layer in robust security and governance controls, ensuring that generative AI is not only powerful but protected from the start.

For further exploration

- Microsoft 365 Copilot admin guide for E5 + SAM licenses
- Microsoft 365 Copilot Technical Readiness Guide

4. Establish security and governance for generative AI

Generative AI adoption introduces new and amplified security challenges, including data access risks, compliance concerns, and new attack surfaces. It is critical that organizations deploying Copilot implement robust security measures to protect sensitive data, prevent AI misuse, and comply with existing and emerging regulations.

Security should be one of the highest priorities in any generative AI strategy and must be built in from the first step of your integration and adoption journey. As CIOs lay a secure and governed foundation for AI adoption, they set up their teams for immediate success and sustained innovation. To achieve this outcome, choosing a trustworthy and reliable solution provider is paramount.

Generative AI's lasting impact depends on trust. Copilot provides built-in enterprise-grade data protection and extensive security and governance controls, so your team can innovate with confidence and peace of mind. Customers trust Microsoft with their sensitive data because of the controls the company makes directly available and its commitments to protect customers.

Some of the foundational assurances Microsoft has made are:

- Your data is **secured at rest and in transit.**
- Your data is **not used to train or enrich foundational models.**
- **You control your data** and have control over what information goes into the cloud.
- You are **protected against AI security and copyright risks.**

From the onset, CIOs need to offer their security, compliance, and legal teams a seat at the table and integrate them intimately into the cross-organization generative AI workstream. This partnership among CIOs and their peer organizations drives integrated security and compliance into every stage of AI deployment, from initial strategy discussions to business-wide adoption.

4. Establish security and governance for generative AI

Secure and govern your organization

To support secure and compliant generative AI operations, CIOs need a governance framework that protects sensitive data, enforces compliance policies, and mitigates insider risks. Copilot and Microsoft Purview provide integrated security and governance solutions, helping organizations safeguard AI usage while maintaining regulatory alignment.

A strong security posture starts with proper data access controls—a cornerstone for AI-first innovation. Generative AI excels at uncovering patterns and relationships within data, but many organizations have under-invested in data access governance, leaving sensitive information exposed. By identifying and reducing incorrect permissions, CIOs can mitigate the risk of unintended access and so their systems operate within well-defined security boundaries.

Address oversharing concerns

Oversharing occurs when employees have access to more information than necessary to do their jobs, increasing the risk of unintentional data access. By implementing the right access controls, CIOs can ensure Copilot and other generative AI solutions operate within secure data boundaries.

Key actions:

- **Restricted content discovery:** Flag sensitive sites to prevent them from appearing in organization-wide search results.
- **Access management policies:** Enforce strict access controls to ensure employees only have access to information necessary to do their jobs.
- **Site classification:** Limit access to organization-wide sharing by marking sites as private and giving access only to site members.
- **Encryption and sensitivity labels:** Apply encryption to enforce data security and limit access based on user permissions.

Protect against data loss and insider risks

Data loss and insider risks may occur without Copilot use. The productivity benefits of Copilot create opportunities for these risks to happen with less effort. CIOs must proactively enforce security measures to protect sensitive content and mitigate intentional or accidental misuse.

Key actions:

- **Sensitive data monitoring:** Detect and view reports about sensitive files referenced in generative AI interactions to prevent unauthorized exposure.
- **Prompt injection protection:** Get reports about attempted AI prompt attacks to safeguard against system manipulation.
- **AI-usage auditing:** See user prompts, responses, and files accessed by employees to maintain visibility into AI interactions.
- **Sensitivity label enforcement:** Automatically classify sensitive content, ensuring AI-generated outputs inherit security protections and you can control how the data can be used.
- **Automated security policies:** Adjust access controls dynamically based on user risk patterns and behavioral anomalies.

4. Establish security and governance for generative AI

Govern AI use to meet regulations and policies

As AI adoption grows, organizations must ensure Copilot and AI usage comply with regulations and internal policies and that generated content is integrated into existing legal and compliance processes. A strong AI governance framework enables CIOs to manage compliance risks, enforce retention policies, and track adherence to global standards.

Key actions:

- **Audit AI interactions:** Log user prompts, responses, and user activity to create a trail of accountability and ensure users and admins are held responsible for their actions.
- **Retention and legal holds:** Enforce policies to retain, delete, or place legal holds on AI-generated content based on organizational requirements.
- **Risk mitigation:** Detect and flag potential compliance violations for investigation, such as insider trading or regulatory collusion.
- **AI governance controls:** The solution should support alignment with regulatory frameworks such as the EU AI Act and NIST AI Risk Management Framework.

AI security is evolving rapidly, and foundational controls are nonnegotiable.

As organizations scale AI adoption, CIOs must ensure security frameworks are continuously refined to keep pace with emerging threats to ensure generative AI remains a powerful yet protected enterprise asset.

For further exploration

- Microsoft 365 Copilot blueprint for oversharing
- Learn about Microsoft Purview
- Data, Privacy, and Security for Microsoft 365 Copilot
- Enterprise data protection in Microsoft 365 Copilot and Microsoft 365 Copilot Chat
- Microsoft 365 Copilot Risk Assessment QuickStart
- Grow Your Business with AI You Can Trust

SECTION TWO

Enable all employees with AI

AI is transforming the way we work, with the potential to make every employee more productive and every business process more efficient.

But unlocking this potential requires more than just technology, it requires employees who are confident, skilled, and ready to apply AI into their daily work.

Creating a Frontier Firm is less about adding new tools and more about creating a culture where AI becomes a natural part of how people work. To make AI indispensable and its adoption effective, leaders must focus on equipping employees with the right skills and applications, embedding AI into workflows, and helping ensure responsible use.

5. Make AI work for everyone

Start with Microsoft 365 Copilot Chat. Copilot Chat is the secure, easy-to-use front door to AI. It includes enterprise-grade data protection, IT controls, and pay-as-you-go agents, all built into the existing free chat experience for Microsoft 365 commercial customers. Free for all employees, Copilot Chat enables your entire workforce—from customer service representatives to marketing leads to frontline technicians—to start using Copilot and agents today. This is the entry point that allows employees to interact with AI in a way that feels natural, whether they are researching, summarizing reports, or brainstorming ideas.

Use Copilot as the UI for AI. While Copilot Chat is a powerful new on-ramp for everyone in your organization to build the AI habit, Microsoft 365 Copilot remains the best-in-class personal AI assistant for work. Microsoft 365 Copilot combines the power of the latest GPT in your work data—all your meetings, emails, chats, documents, and more—in the Microsoft 365 apps that millions rely on every day. Microsoft 365 Copilot empowers the organization to transform productivity, streamline workflows, automate business process, measure impact, and help ensure compliance, security, data privacy, and governance.

Automate repetitive work. AI-powered agents can manage repetitive tasks like retrieving data, answering common customer questions, and organizing projects. Within the Microsoft 365 Copilot chat interface and SharePoint, employees can automate processes and create their own agents tailored to their specific needs, freeing them up to focus on higher-value work.

Encourage responsible use of AI. While AI boosts efficiency, organizations must also promote using it securely. IT leaders should establish clear guidelines to prevent the use of unauthorized AI tools that may pose security risks. Copilot provides built-in governance controls that help enforce compliance, protect sensitive data, and help ensure AI is used responsibly.

Empower smarter decision-making. Real-time insights and data-driven recommendations from AI can transform decision-making. Employees can use AI-powered analytics to quickly assess trends, identify opportunities, and act with confidence.

Track AI adoption and optimize over time. Successful AI adoption isn't a one-time event; it's an ongoing process. Organizations should track how employees are engaging with AI, gather feedback, and adjust strategies to maximize impact. Measuring adoption helps ensure AI investments lead to real productivity gains. By tailoring advanced, prebuilt Copilot reports with their business data or creating custom reports for deeper analysis—both available in Copilot Analytics—business and IT leaders can measure usage and business outcomes via KPIs of Copilot and agents.

5. Make AI work for everyone

Build AI skills for long-term success

Develop AI skills for every role. AI isn't just for technical teams. Every employee should have the opportunity to learn how AI can enhance their work. In the Work Trends Index 2025, Microsoft found that 47% of leaders list upskilling existing employees as top workforce strategy for the next 12 to 18 months.

Offer structured learning paths. Employees learn best when training is relevant to their role. Offer access to a variety of learning experiences from beginner to advanced, including on-the-job AI experimentation, interactive labs, prompt-a-thons, and guided courses like those available through Microsoft Learn. Provide clear, role-based learning experiences to help them see the direct value of AI.

Encourage firsthand experimentation and advance a culture of continuous learning. AI adoption flourishes when employees are given the space to experiment with AI tools in a safe, supportive environment.

Tie AI training to business goals. AI learning should be practical and connected to key business objectives, focusing on how AI can drive efficiency, innovation, and strategic advantage. Add AI training to existing corporate learning platforms such as Microsoft Learn, Viva Learning, and LinkedIn Learning to help AI fluency across different business functions.

The future of work is AI-enabled

AI isn't just another workplace tool—it's a force multiplier that enhances how employees work, collaborate, and innovate. By taking a structured, employee-first approach, organizations can create a workplace where AI isn't seen as a disruption, but as an avid partner in getting work done.

Training is the key to making AI adoption stick.

According to a Gartner survey,

69% of CIOs plan to upskill employees on AI, but only 15% of IT leaders believe their workforce is fully prepared[4].

To close this gap, companies need a structured approach to AI learning.

5. Make AI work for everyone

Align leadership for sustained AI success

AI adoption is a company-wide transformation. To ensure AI delivers lasting impact, leaders should take an active role in driving AI enablement:

- **CIOs** define the AI strategy and strengthen business alignment.
- **IT leaders** manage AI infrastructure and support secure deployment.
- **Functional leaders** organize user adoption teams by function and serve as a sponsor, partner, and champion.
- **User adoption teams** lead AI training and engagement programs.
- **Security and compliance teams** oversee AI governance, security, and risk management.

AI-powered companies are gaining an edge—and redefining the rules of business

Organizations of every size, across industries, and around the world are using Copilot and agents to make big gains from their AI investments, bending the AI adoption curve, reshaping business processes, reinventing customer engagement, and enhancing employee productivity. Their stories offer a blueprint for every leader and organization looking to apply the transformative capabilities of AI to become Frontier Firms.

Learn more:
Agents of Change

For further exploration

- 10 best practices to accelerate your employees' AI skills
- Copilot for all: Introducing Microsoft 365 Copilot Chat
- Conor Grennan on Moving Beyond the "Search Engine Mindset"
- User Experience Strategy Overview for Microsoft 365 Copilot
- Microsoft 365 Copilot user engagement tools and templates

SECTION THREE

AI in Action: From functional workflows to intelligent agents

6. Business first: Prioritize workflows with the most impact

Once AI strategy is aligned with business goals, CIOs need to determine which AI projects to prioritize for maximum impact. AI is not a one-size-fits-all solution. CIOs do well when they prioritize high-impact AI projects that align with business objectives while balancing innovation with risk management.

AI is now a core business driver, yet many organizations struggle to quantify its impact. Despite widespread investment, **47% of CIOs report that AI has not met their ROI expectations**[3]. As AI adoption accelerates, CIOs ought to establish clear frameworks to measure AI's effectiveness, optimize investments, and drive continuous improvement.

To bolster AI's measurable value, CIOs can focus on tracking AI adoption and usage trends, quantifying financial and operational ROI, and continuously optimizing AI deployments based on real-time data. **"Through 2025, 30 percent of GenAI projects will be abandoned after proof of concept due to poor data quality, inadequate risk controls, escalating costs or unclear business value."**[5]

The best approach is business first, confirming AI projects are selected based on their ability to drive tangible outcomes. By applying structured measurement strategies, organizations can refine AI implementations to optimize business outcomes and align investments with long-term objectives.

Microsoft recommends creating a cross-functional AI council led by a central team to greenlight AI projects, ensuring each project has a quantifiable metric to measure the project's success. Undertaking smaller projects can be less formal when a firm already knows how to run proof-of-concept experiments. AI investments should be linked to at least one of the following:

- **Revenue growth:** AI-enabled personalization, intelligent sales automation.
- **Cost efficiency:** Process automation, AI-supported forecasting.
- **Risk mitigation:** AI-powered cybersecurity, fraud detection.

Now is the time to lead with purpose, ensuring AI delivers lasting value and competitive advantage.

AI is a transformative force, but to realize its full potential, it must be integrated into business processes in a strategic and measurable way. Organizations that successfully embed AI into their workflows unlock greater efficiencies, enhance decision-making, and drive measurable business value. AI is most powerful when it drives bona fide business outcomes, not just technological change. The CIOs who embed AI into core business strategy will set their organizations apart.

6. Business first: Prioritize workflows with the most impact

Maximize AI's business impact

Automate routine tasks.
AI-enabled automation can manage repetitive processes, allowing employees to focus on strategic, high-value tasks. From customer support to automated financial reconciliation, AI can eliminate inefficiencies across multiple functions.

Enhance decision-making.
AI-enabled analytics provide real-time insights, improving decision-making in areas such as customer service, finance, and supply chain management. Predictive analytics help organizations forecast trends, mitigate risks, and respond proactively to market shifts.

Measure AI's ROI.
Success should be tracked through hard metrics such as revenue growth and cost reduction, along with soft metrics such as productivity gains and employee satisfaction. CIOs should implement measurement frameworks that assess AI adoption, engagement, and its direct impact on business outcomes.

Demonstrate AI's business value with metrics that matter

Translate AI strategy into quantifiable success and maximize business value based on real KPIs with the Copilot Business Impact Report in Copilot Analytics. The Business Impact Report allows organizations to customize analyses based on specific teams, metrics, and data sources. This flexibility enables a detailed understanding of how various levels of Copilot usage correlate with key business outcomes.

In the process of generating the Copilot Business Impact Report, you identify the functional business areas, outcome metrics, and data sources relevant to your organization. Securing executive support during this stage is crucial for aligning goals and resources. You then gather the necessary data and use Copilot Analytics to run the report, analyzing how Copilot usage influences the identified metrics. Analysts can upload their business metrics into Viva Insights (for more details on uploading data please refer to this Learn article). You can review the results to understand the relationship between Copilot usage and business outcomes and implement strategies to enhance AI adoption and effectiveness based on these insights.

6. Business first: Prioritize workflows with the most impact

The following examples highlight processes generative AI can transform:

Customer service	Sales	Finance	Marketing	HR	Legal	IT
Support entry	Customer self service	Quote to cash	Customer insights and strategy	Employee engagement	Compliance management	Capacity management
Assignment	Lead generation	Record to report	Demand creation	Recruiting	Contracts and agreements	Customer satisfaction score
Diagnosis resolution	Sales engagement	Tax and treasury	Content creation	HR admin (including payroll)	Risk management	IT budget variance
Continuous improvement	Sales presentation	Planning and analysis	Campaign execution	Compensation and benefits	Litigations	Security
	Negotiations and closing	Risk management and compliance	Recommendation engine	Learning and development	Consultations	Service operations
	Post-sale follow-up and upsell	Procure-to-pay	Sales enablement	Talent management	Intellectual property	
	Sales analysis and forecasting		Communication	HR strategy and planning		

6. Business first: Prioritize workflows with the most impact

A framework for AI prioritization

Business impact and value

- Does the AI solution directly address a key business challenge?
- Can it improve efficiency, revenue, or customer experience?
- Is it scalable across multiple departments?

Feasibility and readiness

- Is there sufficient data infrastructure to support the AI model?
- Are security and compliance risks manageable?
- Does the organization have the skills to support AI implementation?

Quantifiable financial projections

- How soon will the AI project deliver value?
- What is the projected cost saving or revenue gain?
- What KPIs will track AI success?

Case study: From coding to data analysis, Access Holdings Plc. brings speed to its operations with Copilot

Headquartered in Lagos, Nigeria, Access Holdings Plc. operates a network of more than 600 branches and service outlets, spanning three continents, 18 countries, and 56+ million customers. "Access Holdings aims to quickly adapt to new technology trends, especially those proven to be highly beneficial like generative artificial intelligence," shares Lanre Bamisebi, Executive Director, IT and Digitalization at Access Holdings Plc.

Microsoft 365 Copilot has significantly boosted productivity, **reducing report preparation time from 6 hours to just 45 minutes.** By using Copilot to summarize meeting minutes and highlight important points, staff engagement during meetings has **increased by about 25%.** Generative AI capabilities have also reduced the development timeline for projects, such as chatbot development, **from 2 to 3 months to approximately 10 days.** Read the full case study here.

For further exploration

- Microsoft Copilot Scenario Library
- Introducing Copilot Analytics to measure AI impact on your business
- IDC: The Business Opportunity of AI

7. Define success: Measure what matters

Align metrics with business values

To ensure AI initiatives align with business objectives, KPIs must be carefully defined. According to Gartner, **only 35% of data and analytics leaders can effectively demonstrate value to stakeholders**[3]. To address this, business-wide AI success should be measured across three key dimensions: **readiness, adoption, and impact.**

Readiness metrics

Before implementing AI, it is crucial to assess the organization's readiness for adoption. This involves understanding the preparedness of the workforce to adopt AI and identifying the tasks and workflows that will benefit most from AI assistance.

Key readiness metrics include:

Employee sentiment: Gauge employee motivation, confidence, and perceived value of AI through feedback tools and surveys such as Viva Pulse.

Technical eligibility: Assess the current usage of relevant applications and the technical readiness for AI deployment.

Skill levels: Evaluate the existing skill levels and identify training needs to ensure employees are equipped to use AI effectively.

Adoption metrics

Once AI is implemented, it is essential to monitor how well it is being adopted across the organization. Adoption metrics help in understanding the extent of AI usage, identifying areas that require additional support, and recognizing and rewarding early adopters.

Key adoption metrics include:

Usage patterns: Track the frequency and intensity of AI tool usage and AI-assisted work across different teams, apps, and functions.

Employee feedback: Collect feedback on the AI adoption experience, including any barriers or challenges faced by employees.

Collaboration patterns: Analyze changes in collaboration and communication behaviors to understand the impact of AI on teamwork.

Impact metrics

Measuring the impact of AI involves assessing the outcomes achieved at various levels within the organization. Given AI adoption rates will differ from team to team, this requires ongoing evaluations of improvements in productivity, efficiency, and overall business performance. Copilot Analytics, for example, is designed to measure adoption and business impact of Copilot and agents—with out-of-the-box experiences (Copilot Dashboard and Microsoft admin center) and customizable reporting for deeper analysis against your KPIs.

Key impact metrics include:

Productivity gains: Measure the time saved, AI-assisted hours, and efficiency improvements resulting from AI adoption.

Business outcomes: Assess the impact of AI on key business metrics such as revenue growth, cost savings, and customer satisfaction. The Copilot Business Impact Report, available through Copilot Analytics, measures usage and adoption and the ROI of the AI investment based on significant business KPIs.

Employee experience: Evaluate changes in employee satisfaction, engagement, and overall work experience due to AI implementation.

7. Define success: Measure what matters

Holistic measurement strategy

A comprehensive measurement strategy should combine both behavioral data (for example, AI usage levels) and sentiment data (for example, employee willingness to integrate AI). This approach provides a full understanding of the AI transformation journey and helps in making informed decisions to optimize AI implementation across the entire adoption lifecycle. By taking advantage of real-time insights and continuous feedback—like those found in Copilot Analytics—organizations can ensure that AI initiatives are aligned with business goals and deliver the desired outcomes.

Measure AI adoption

Microsoft offers the AI Adoption Score to help organizations measure how effectively Microsoft 365 Copilot is becoming a daily habit among employees. This metric reflects the relationship between usage frequency and long-term retention. A score of 100 means that all licensed Copilot users in the organization used Copilot features for at least half of working days over the prior month—12 out of the past 28 days—a threshold that strongly correlates with sustained adoption.

By tracking this score, CIOs can gain insights into which AI behaviors drive engagement, how different departments are using Copilot, and where additional enablement strategies may be needed.

For further exploration

- Introduction to Microsoft 365 Copilot in Microsoft Viva
- Watch session: Microsoft 365 Copilot analytics: Measuring impact with analytics
- Accelerate Copilot Enablement with Microsoft Viva
- Gartner: How to Calculate Business Value and Cost for GenAI Use Cases

8. Expand AI capabilities: Intelligent agents

As Copilot rapidly enhances productivity and accelerates time to value for your workforce, the forward-looking CIO must look toward agents—scaling generative AI from simple interactions with an intelligent personal assistant to expert reasoners that work on behalf of employees, teams, and functions. Agents can exist directly within an employee's Microsoft 365 Copilot experience or operate autonomously to complete various business processes.

These agents are digital labor that can operate autonomously. They can perceive, understand, identify patterns, make sense of, create, reason, plan, solve problems, make decisions, and use tools as well as or better than humans. As your agent strategy matures, there will be a mix of agents you deploy—ones you build, ones built by Microsoft, and ones built by third-party, independent software vendors.

A recent Harvard Business School working paper notes, **"AI can effectively substitute for certain collaborative functions, acting as a genuine teammate by granting individuals access to the varied expertise and perspectives traditionally provided by team members"**[6].

Microsoft believes in human-centered AI where people and organizations should decide how and when to use technology. Microsoft recognizes it's going to be a journey for every customer.

The transformation to Frontier Firm is a three-phase process that represents the Microsoft vision for how customers can become AI-first.

- In the first, human-first level, AI acts as an assistant to help people do the same work better and faster.
- In phase two, employees delegate large bodies of work to agents who complete jobs and return them for human review—enabling employees to take on entirely new kinds of work, like a researcher agent creating an end-to-end marketing plan.
- In phase three, humans will lead teams of autonomous agents that perform work on behalf of a team or entire functions. Agents become digital colleagues that collaborate and assign tasks to one another.

New agents are bringing the power of deep reasoning to Microsoft 365 Copilot. Deep Reasoning in Copilot Studio allows agents to combine reasoning models like Azure OpenAI o1 model with enterprise data to complete complex tasks with greater accuracy. Researcher and Analyst agents use deep reasoning over the web, work, and business data function as virtual employees.

8. Expand AI capabilities: Intelligent agents

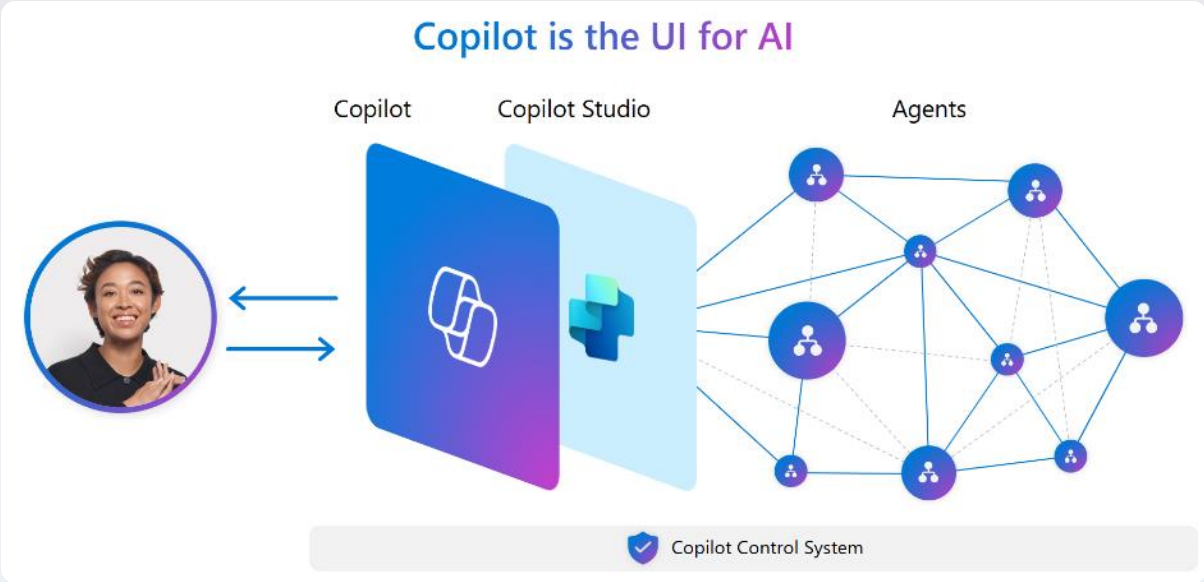
Researcher agent empowers organizations with strategic insights and deep reasoning capabilities, seamlessly integrating deep research models with work data, the web, and other agents.

It navigates and reasons over enterprise data sources such as emails, chats, meeting recordings, documents, and line of business applications. Like a highly paid research analyst, Researcher agent can make informed decisions and develop strategic insights with a depth and accuracy that saves employees hours of time and effort.

Analyst acts as your "data scientist in a box." This reasoning-powered agent is built directly into Microsoft 365, placing sophisticated data analytics capabilities right at your fingertips. Organizations get the power of a highly skilled, on-demand data analyst by taking advantage of a state-of-the-art reasoning model Microsoft has optimized for advanced data analysis. Users are empowered to unlock powerful insights across their work data. Analyst uses a Python reasoning engine to help users make sense of complex data across documents and spreadsheets, including the ability to generate advanced data visualizations.

Through it all, employees remain uniquely at the center of this innovation. Copilot serves as their UI for AI—enabling them to find answers, work faster, communicate more effectively, and boost their creativity.

As workers look to interact with business processes, they can take advantage of a network of agents that reason independently to deliver ongoing value from end to end.



8. Expand AI capabilities: Intelligent agents

The spectrum of agents

Different organizations are at various stages of their AI transformation. Some are building the next generation of agents with autonomous capabilities. Others are still building out their AI agents, focusing on retrieval and task completion, bringing their knowledge and automations into their agent experiences.

Recently, the term "agent" has been associated with autonomous systems. Microsoft believes agents are systems that combine perception, cognition, and action to perform complex jobs that have historically required some amount of human labor.

Agents vary in levels of complexity and capability depending on your unique needs and generally fit into one of three categories:

Retrieval agents: Designed with specific instructions on how to behave, their personality, and their overall objectives. These follow predefined rules and guidelines set by the creators.

Task agents: Connected to specific workflows or processes. These operate based on knowledge, skills, and rule-based automation. Their primary purpose is to automate repetitive tasks.

Autonomous agents: Operate independently, dynamically planning and learning from the processes. These adapt to changing conditions and make decisions without constant human intervention.

Customer zero: Transforming employee self-service

At Microsoft, generative AI is a driving force for business transformation. Internally, we've deployed the Employee Self-Service Agent in Copilot to streamline HR and IT support, helping employees find information and complete tasks faster while reducing ticket volume.

Employees were spending too much time searching for policies, navigating siloed systems, or filing support tickets for routine HR and IT requests, wasting valuable time and resources.

Using retrieval-augmented generation, the agent delivers instant, context-aware answers within Microsoft 365. Employees can now independently look up policies, submit requests, and resolve IT issues—freeing up human support agents to focus on higher priority tasks.

The impact:

36%
increase
in self-help success

34%
improvement
in information discovery

18%
boost
in IT user satisfaction

8. Expand AI capabilities: Intelligent agents

“HR is harnessing the power of AI to support our exceptional employees in achieving their professional goals and aspirations, while also addressing needs that affect their livelihoods.”

Prerna Ajmera
GM of Digital Strategy and Innovation for HR at Microsoft

By automating routine requests, Microsoft has freed up HR and IT teams, improved the employee experience, and set a new standard for AI-enabled self-service at scale.

Read more

Boosting HR and IT services at Microsoft with our new Employee Self-Service Agent in Microsoft 365 Copilot

The journey begins with the first step

As with any generative AI innovation, a deliberate and phased approach to adopting agents is critical for success. Rather than diving into complex, organization-wide deployments, CIOs should plan with purpose, identifying well-defined tasks and correlating data that will enable the agent to solve user challenges. Whether streamlining workflows in Microsoft 365, enhancing customer interactions in Dynamics 365, or automating business processes in Power Platform, it’s critical that strict security and governance foundations underpin your rollout.

By launching smaller, controlled deployments, CIOs can fine-tune performance, establish governance best practices, gather employee feedback, and ensure AI agents align with business objectives before scaling. This approach not only mitigates risk but accelerates adoption and demonstrates value, positioning teams to fully use generative AI’s transformative potential within a trusted ecosystem.

With 80% of enterprise software vendors embedding generative AI into their solutions by 2026[7], CIOs who adopt agents now can lead in AI-driven efficiency and security—while those who wait risk falling behind.

For further exploration

- Agent Overview Guide
- AI agents — what they are, and how they'll change the way we work
- Explore agents pre-built for you in Microsoft Copilot Studio
- New sales agents accessible in Microsoft 365 Copilot help teams close more deals, faster
- Introducing Researcher and Analyst in Microsoft 365 Copilot

9. AI is today's business imperative

Generative AI is no longer a distant aspiration; it is the defining force in business transformation. CIOs are uniquely positioned to drive AI initiatives, secure business alignment, and support sustainable success. **As 92% of CIOs believe AI will be fully implemented in their organizations by 2025**[3], the challenge ahead is not just adoption but achieving measurable impact.

CIOs are the architects of AI transformation. Now is the time to act decisively by:

- Developing an **AI strategy** aligned with business outcomes.
- Implementing **governance and security best practices** to mitigate AI risks.
- Fostering **AI literacy and training** across the workforce.
- Prioritizing **high-value AI projects** that demonstrate **clear ROI.**
- Measuring AI success continuously with **organization-wide analytics.**

Key lessons from the playbook

Reshaping work: The year 2025 will go down as the year the Frontier Firm was born[8]—the moment when companies stopped experimenting with AI and started rebuilding around it. Frontier Firms, powered by hybrid teams of humans and agents, have an opportunity to deliver more value with people and agents working together. Frontier Firms deploy AI organization-wide, actively investing in it and measuring ROI on these investments. Leaders at these firms say they believe AI is critical to their company's long-term success and that agents will be key to realizing a return on their company's AI investments.

AI strategy and prioritization: Despite growing investment in AI, only 37% of CIOs report achieving measurable value from their initiatives[3]. CIOs should consider prioritizing use cases based on business impact, feasibility, and ROI.

Security and governance: By 2028, enterprises using AI governance platforms will achieve 30% higher customer trust ratings and 25% better regulatory compliance scores than their competitors[9]. Strong AI governance and compliance frameworks are essential to mitigating risks.

Cross-functional collaboration: AI needs to be embedded into core business workflows. Adoption success derives from the CIO's deep partnerships with functional leaders to define, prioritize and execute pilots that are specific to their function, coupled with clear, measurable business metrics to understand the ROI of the AI investment in that function.

AI-first workforce and culture: AI adoption requires upskilling and cultural transformation. While 69% of CIOs plan to reskill employees in 2024, only 15% believe their workforce is ready[3]. Driving AI literacy and firsthand AI training should be a priority.

The future with AI agents: AI agents will reshape operational efficiencies, enabling organizations to scale automation, intelligence, and decision-making.

A final thought: AI is a journey

As IT budgets continue to rise, with a projected 3.6% growth in 2025[10], the ability to demonstrate AI's value, secure business buy-in and drive real transformation will define the next generation of CIOs.

The future will belong to CIOs who take decisive action, those who embrace AI with a sharp vision, align it with business goals, and lead with confidence to evolve their organizations to Frontier Firms.

Are you ready to shape the next era of digital transformation and make AI a driving force in your organization's success?

Resources summary

CIOs as AI partners: Drive cross-functional AI adoption

- Want Real AI Transformation? Focus on Your People and Processes
- Get AI Ready: Action plan for IT Leaders
- Guide to Engaging Functional Business Leaders
- The AI Decision Brief

Build the data foundation for AI readiness

- Microsoft 365 Copilot admin guide for E5 + SAM licenses
- Microsoft 365 Copilot Technical Readiness Guide

Establish security and governance for generative AI

- Microsoft 365 Copilot blueprint for oversharing
- Learn about Microsoft Purview
- Data, Privacy, and Security for Microsoft 365 Copilot
- Enterprise data protection in Microsoft 365 Copilot and Microsoft 365 Copilot Chat
- Microsoft 365 Copilot Risk Assessment QuickStart
- Grow Your Business with AI You Can Trust

Make AI work for everyone

- 10 best practices to accelerate your employees' AI skills
- Copilot for all: Introducing Microsoft 365 Copilot Chat
- Conor Grennan on Moving Beyond the "Search Engine Mindset"
- User Experience Strategy Overview for Microsoft 365 Copilot
- Microsoft 365 Copilot user engagement tools and templates

Business first: Prioritize workflows with the most impact

- Microsoft Copilot Scenario Library
- Introducing Copilot Analytics to measure AI impact on your business
- IDC: The Business Opportunity of AI

Define success: Measure what matters

- Introduction to Microsoft 365 Copilot in Microsoft Viva
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Microsoft 365 Copilot

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5. Gartner: How to Calculate Business Value and Cost for GenAI Use Cases
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