**LAB-**01 **Create your own AI assistant with 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

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| Level | Persona | Purpose | Estimated time to complete |
| 100 | Basic Maker | 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. | 15 minutes |

## Prerequisites

* Access to Microsoft 365 Copilot or Copilot Chat
* Ability to create a Copilot agent.

## Summary of targets

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

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

| Use case/topic | Tagline | Page |
| --- | --- | --- |
| Create and share an agent in Copilot Chat [Use Copilot Studio agent builder to create a declarative agent and obtain a shareable link] | Build smarter support, faster – Design a tailored agent that understands your audience and delivers answers grounded in trusted Microsoft documentation. Share these agents with other users to empower them. | 2 |
| Summary of learnings | Mastery is not a destination but a journey—a joyful path where every step brings growth, discovery, and endless possibilities. | 6 |
| Glossary | Speak the language, bridge the world—unlock hearts, opportunities, and the true essence of every land. | 7 |

## Documentation and additional training links

* [Overview of Microsoft 365 Copilot Chat](https://learn.microsoft.com/en-us/copilot/overview)
* [What is Microsoft 365 Copilot?](https://learn.microsoft.com/en-us/copilot/microsoft-365/microsoft-365-copilot-overview)
* [Declarative Agents for Microsoft 365 Copilot](https://learn.microsoft.com/en-us/microsoft-365-copilot/extensibility/overview-declarative-agent)
* [Use the Copilot Studio Agent Builder to Build Agents](https://learn.microsoft.com/en-us/microsoft-365-copilot/extensibility/copilot-studio-agent-builder-build)

# Use Case #1: Create an agent in Copilot Chat

*Use Copilot Studio agent builder to create a declarative agent.*

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| --- | --- | --- |
| 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 trusted Microsoft documentation | 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.

## Step-by-step instructions

1. Navigate to the **Microsoft 365 Copilot** home page.

[https://m365.cloud.microsoft/](https://m365.cloud.microsoft/?auth=2&home=1)

1. Go to the **Copilot** tab.

💡 **PRO TIPS:**

* **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).**
* **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),
  + Features, like image generation, code interpreter, etc.
  + 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 can uses the same underlying GPT models and can use data from the Web to generate answers to user queries.
  + Augmenting Copilot Chat with premium capabilities with a pay-as-you-go subscription
  + Copilot Chat can even leverage premium capabilities like organization-tenant grounding for answers (e.g., for example by generating answers from a SharePoint source) when tied to a pay-as-you-go Azure subscription.
* **Microsoft 365 Copilot and Copilot Chat offer predefined experiences for employees.**
* **They can be augmented and specialized with agents**. Two types of agents can be surfaced in Microsoft 365 Copilot or Copilot Chat. These are referred to as Copilot agents:
  + **Declarative agents**

They 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**

They 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.

1. 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 Web).

Ask it a test question, like:

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| --- |
| What are the top things to do around Düsseldorf in May? |

See how it replies with an answer grounded on various websites, just like many AI companions in the marketplace.

1. Select the **Start a new chat** icon to clean the canvas and start with a fresh conversation.
2. On the side pane, select **Create an agent**.

When prompted to **describe the agent**, reply with this:

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| --- |
| 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 the Copilot Studio agent builder. The agent should ask questions to validate and reinforce user understanding, encourage exploration, and act as a knowledgeable guide grounded in Microsoft documentation. |

Accept the **suggested name** or ask for a different one.

When prompted for a **style and tone**, reply with:

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| Friendly, personal, and emphatic tone. You can use irony and emojis when appropriate |

Continue replying to the agent with **desired choices**.

When asked about **publicly accessible websites** as knowledge sources for your agent, provide these URLs:

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| --- |
| You may use content from these websites: - https://learn.microsoft.com/en-us/microsoft-365-copilot  - https://learn.microsoft.com/en-us/copilot |

When asked for other modifications, you can instruct it to tweak the suggestions prompts:

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| Update the prompts with good title (less than 30 characthers) and messages for these topics: - Differences between Microsoft 365 Copilot and Copilot Chat  - Differences between declarative agents and custom engine agents.  - Copilot agents governance  - Pay-as-you-go options for Copilot Chat |

1. In the Configure tab, notice how you **can opt out of Web search**. This forces your agent to be

grounded only on the websites you have provided.

1. You can test your agent in the test pane, when ready, select **Create**
2. You can use the generated link to **share** your agents with others.
3. Select **Go to agent**.
4. **Try** your agent by **selecting one of the prompts** of by **pasting** this:

|  |
| --- |
| What are the differences between Microsoft 365 Copilot and Copilot Chat? |

💡 **PRO TIPS:**

* If you need to **update** an exiting agent, go to “**Create an agent**” > “**My agents**”

## A screenshot of a computer AI-generated content may be incorrect. Test your understanding

Now that you’ve created a Copilot agent in Microsoft 365 Copilot Chat, take a moment to reflect on what you’ve learned.

**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.

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# Summary of learnings

Une image contenant jaune, conception

Le contenu généré par l’IA peut être incorrect.*True learning comes from doing, questioning, and reflecting—so let’s put your skills to the test.*

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.

**Conclusions and recommendations**

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.
* **Disable generic AI when needed** – Rely on curated sources to reduce hallucinations and keep answers focused on trusted content.
* **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.

**We want your feedback!**

[**Start now**](https://aka.ms/MCSLabsFeedback)

# Glossary

*Speak the language, bridge the world—unlock hearts, opportunities, and the true essence of every land.*

**Agent**

A customized digital assistant built in Copilot Studio or surfaced in Copilot Chat. Agents can answer questions, retrieve information, and guide users through tasks based on configured instructions, prompts, and knowledge sources.

**Copilot Chat**

A web-based AI experience included in Microsoft 365 that leverages GPT models to answer user questions using public web data and configured agents. Unlike Microsoft 365 Copilot, it is not grounded in organizational data by default.

**Microsoft 365 Copilot**

An enterprise AI assistant integrated into apps like Word, Excel, and Teams. It uses Microsoft Graph data (emails, meetings, documents) and supports enhanced capabilities with licensing and agent extensibility.

**Declarative Agent**

An agent built using the Copilot Studio agent builder, Visual Studio Code, or the Microsoft 365 Agents Toolkit, configured through instructions, prompts, and knowledge sources. It runs on the Copilot platform and is ideal for scoped, instructional, or informational use cases.

**Custom Engine Agent**

An advanced agent with its own orchestration, knowledge base, and execution engine. It doesn’t rely on Copilot and can run outside Microsoft 365, offering more control and customization.

**Grounding**

The process of anchoring an agent’s responses to specific data sources (like websites, SharePoint sites, or files) to ensure accuracy and minimize hallucinations.

**Instruction**

A short configuration that defines how your agent behaves—tone, personality, priorities, and what it should or shouldn't do in certain scenarios.

**Prompt**

Predefined user questions or suggestions shown in the chat interface to guide user interaction with the agent.

**Web search toggle**

A setting that allows you to enable or disable the use of general web content for generating answers. Turning it off forces the agent to rely solely on defined knowledge sources.