



# Lead the transformation

How organisations can get ahead with cloud and AI innovations



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In this report, we examine how organisations are adopting a future-forward mindset to succeed despite risk, the key challenges that business leaders are facing in the current landscape and how investing in integrated technology solutions infused with AI gives modern organisations and their people the tools needed to meet key challenges and opportunities.

## Introduction: Navigating the era of AI

Today's business leaders face unprecedented challenges. Rarely has the world changed so much so quickly. In just the past few years, how people do business and interact every day has changed dramatically, going from in-person to online and now settling into a mix of both. Continuing societal, economic and technological disruptions are impacting organisational and investment strategies. Most recently, generative AI has joined the conversation, prompting many businesses to re-evaluate their operational processes and technology platforms.

Disruptions to global business operations starting in 2019 demonstrated how technology can help organisations adapt to major shifts in the landscape. Organisations that had strong digital foundations were able to adjust quickly to the disruption and remain competitive. To stay ahead, they now need to transform with advancements in cloud technology and AI to ensure they can continue to compete.

"AI is the next wave of transformation and disruption," says Kathleen Mitford, Corporate Vice President of Global Industry Marketing for Microsoft. "Employees are going to expect this AI to help them in the work they do. Your customers will also come to expect AI in the services you offer." The application of advanced generative AI presents organisations with incredible opportunity to enhance products and services while unlocking innovation and business value to help shape the future of every industry.

Organisations need to prioritise investments in the technologies that will deliver the most pragmatic and important business outcomes. The disruption of markets, economies and geopolitics of recent years is likely to continue, and organisations are continuing to examine spending, rethink resource allocation and guard against increasing risk. They must also be able to innovate and grow through any challenges that



may come next. Focusing on employees is also a key part of this conversation, as the workforce is managing a faster pace of work, access to vast amounts of data and an 'always-on' mentality. Organisations are providing employees the digital tools to thrive and encourage creativity and innovation.

Integrated solutions based on cloud technology and infused with AI can help organisations achieve this balance, enabling them to weather disruptions and improve employee satisfaction.

## Business leaders are facing shifts in the evolving nature of work

In addition to managing disruption, organisations will continue to contend with the evolving nature of work and growing security risks.

### Managing a more distributed workforce

Disruptions in recent years spurred a fast and dramatic shift to remote work, which has now settled into a hybrid model. In 2023, 90% of employers have embraced some kind of hybrid model, and more than 80% of employees who have worked in a hybrid



model over the past two years want to continue to do so.<sup>1</sup> Meanwhile, employees are dealing with potential burnout from remote work in addition to discussions over how AI will impact their jobs. In the 2023 Microsoft Work Trend Index Annual Report, 49% of people reported they were worried AI would replace their jobs. At the same time, 70% said they would delegate as much work as possible to AI to lessen their workloads.<sup>2</sup>

Organisations need to harness tools including AI to relieve the 'always-on' feeling associated with remote work, as well as how to foster meaningful and effective collaboration and communication that not only helps the employer, but also creates community and shared purpose for employees.

### Protecting organisations with increased security

Cyberattacks are increasingly frequent and sophisticated. A recent study found a 38% increase globally in cyberattacks (57% in the US) in 2022.<sup>3</sup> The financial impact of cybercrime on the global economy is projected to reach USD 10.5 trillion by 2025.<sup>4</sup> The number of password- or identity-related attacks per

second has risen from 579 to more than 4,000 in just the last two years. Factors such as hybrid work and edge computing have expanded the IT perimeter and increased attack surfaces, and therefore vulnerabilities. These increased risks have elevated security to the executive levels of many organisations, says Vasu Jakkal, Corporate Vice President, Microsoft Security Business. "Because of huge financial and fiduciary risks, security has moved from the backroom to the boardroom," she says. But a severe shortage of people with cybersecurity skills makes it challenging for organisations to hire the talent required.

Meanwhile, data protection and other security-related regulations are evolving and proliferating around the world, making it difficult for businesses to stay up to date. IDC predicts that by 2025, 70% of the G2000 will prioritise the trusted infrastructure of sovereign clouds to ensure consistent security and compliance with local and regional regulations.<sup>5</sup> Microsoft is actively fighting these threats. In 2022 it blocked 70 billion email and identity threat attacks as well as 2.75 million site registrations before they could be used for cybercrime.

**"Because of huge financial and fiduciary risks, security has moved from the backroom to the boardroom."**

– Vasu Jakkal, Corporate Vice President, Microsoft Security Business



## How to harness cloud and AI technology to empower your organisation

The Microsoft mission is to empower every person and organisation to achieve more. The Microsoft Cloud is a trusted, integrated and comprehensive digital foundation that helps to drive this mission. It offers both broad and deep solutions to help organisations adapt to disruption, enable employees to do their best work, protect corporate data and networks and keep up with changing regulations and requirements.

What's more, Microsoft products have built-in AI, and many organisations and customers are already experiencing the positive effects. For example, people can opt in to get automatic transcriptions of Microsoft Teams meetings, with more than 54 million hours of Teams meetings being transcribed in real time each month. Dynamics 365 Copilot is helping employees get through mundane tasks more quickly – for instance, Copilot in Dynamics 365 Sales helps write email responses to customers, a major win for sellers who spend about two-thirds of their day handling emails.<sup>6</sup>

Now the Microsoft Cloud is helping organisations radically accelerate employee productivity and

Microsoft is committed to the advancement of AI driven by ethical principles that put people first. Learn more about [Responsible AI](#).

capability by leveraging next-generation AI. Tools and services help organisations build their own intelligent applications and services. It will enable them to reduce costs, speed time to value and innovate quickly.

Customers can see three major benefits when they leverage the connected power of the Microsoft Cloud, says Mitford. "One, it enables organisations to put people first," she says, by providing AI-enabled tools so people can do their best work. "Second, it helps you maximise the value of your investments," she adds. Organisations can retire legacy point solutions and use the Microsoft open platform to integrate the best-of-breed solutions they want to keep. And third, foundational to every aspect of the Microsoft Cloud, is trust. Microsoft is a trustworthy cloud

### Microsoft's approach to Responsible AI



partner, committed to responsibility, security and sustainability. It already has more than 8,500 engineers and researchers focused on identifying and solving new security threats, and in 2021, it committed to investing USD 20B in cybersecurity over five years.

Microsoft defined its responsible AI principles in 2017. It uses these principles in the AI solutions it creates, and empowers customers and partners to adopt these principles by having responsible AI features embedded in its AI tools, providing training and best practices. “Customers can be sure that Microsoft is invested in their long-term success and isn’t trying to compete with them,” says Mitford.

The Microsoft Cloud includes products that empower organisations to adapt and thrive with solutions for infrastructure, security, digital and application innovation, data and AI, business applications and the future of work.

### **Build, monitor and manage critical infrastructure**

The market disruptions have proved how critical a strong digital infrastructure is when unexpected developments require a quick pivot. Similarly, having the right infrastructure will also be a prerequisite for transformational AI.

The foundation of the Microsoft Cloud is Azure, a hyperscale platform that ingests massive amounts of data and runs workloads at scale. To deliver on its potential, AI requires more scale and processing power than ever. As AI capabilities become more sophisticated, compute requirements are expected to increase by 10 to 50 times. Azure is fundamental to Microsoft’s partnerships with AI innovators like OpenAI, which built and runs ChatGPT on Azure. Azure AI infrastructure is designed to help organisations of all sizes build transformational experiences into their own apps and services so they can stand out from competitors.

Learn more about [Microsoft Azure](#)



**“Microsoft builds security into every product we deliver, starting from the first line of code and from chip to cloud.”**

– Vasu Jakkal, Corporate Vice President,  
Microsoft Security Business

### **Uncover and respond to threats faster**

Security is built into Microsoft offerings in several layers. The first is foundational security. “Microsoft builds security into every product we deliver, starting from the first line of code and from chip to cloud,” Jakkal says. It also has built a USD 20-billion business, offering comprehensive security solutions. Microsoft Security brings together more than 50 security categories to provide end-to-end, integrated, multicloud and multiplatform protection for the entire digital estate, including identity, data, apps, endpoints, compliance, infrastructure and network. This best-in-class and best-in-suite portfolio typically enables organisations to save about 60%, compared to an equivalent stack of point solutions. “That means you are saving six out of every ten dollars, which is now freed up for other investment,” says Jakkal.

Microsoft Security uses AI to improve visibility, intelligence and automation. Microsoft processes huge volumes of security data – 65 trillion signals every



day across its digital estate. It builds this intelligence into its security offering, along with insights from its world-class threat intelligence capabilities, to catch and respond to threats others might miss.

Microsoft continues to harness AI and automation to improve security and enhance productivity. “It recently released adaptive protection, which automatically adjusts access policies based on a person’s individual risk profile,” says Jakkal.

Most recently, Microsoft introduced a new generative AI product, Security Copilot, which combines the most advanced ChatGPT-4 model with a Microsoft security-specific model. “Security Copilot empowers you to defend your organisation at machine speed,” she adds.

Microsoft Security also helps organisations keep up with changing data privacy and security regulations around the world. “In any region, there will be some global regulations that apply, but also some local ones,” notes Jakkal. “Microsoft Purview has more than 300 regulations built into its compliance manager, and comprehensively helps organisations keep their data safe with a range of solutions for unified data governance, information protection, risk management and compliance.”

Learn more about [Microsoft Security](#)

### **Boost creativity and work more productively**

An organisation’s digital work platform can help set up overwhelmed employees for success by enabling them to be more productive, effective and creative. With better communication, collaboration and efficient processes, organisations can help lift the burden of time-consuming tasks. With the right tools, employees can stay connected and engaged, whether they are at home, in the office or on the road. The debut of ChatGPT in November 2022 moved next-generation AI to the mainstream. Consumers quickly utilised the free tool and it reached 100 million users in two months.<sup>7</sup>

The Microsoft Cloud powers AI copilots that harness AI to unleash creativity, unlock productivity and uplevel skills. Microsoft 365 Copilot, for instance, enables employees to be more creative in Word, more analytical in Excel, more expressive in PowerPoint, more productive in Outlook and more collaborative in Teams.

“We’re moving from AI on autopilot, to AI as your copilot,” says Colette Stallbaumer, General Manager at Microsoft 365 & Future of Work. “With AI working alongside you, you can spend more time on the important work that fuels innovation. That’s not only going to make a difference to the bottom line, it’s also more fulfilling.”





**“AI is a game-changer that has the potential to unlock productivity for everyone – not just individuals, but the entire organisation.”**

– Colette Stallbaumer, General Manager at Microsoft 365 & Future of Work

Microsoft 365 Copilot combines the power of large language models (LLMs) with users’ data in the Microsoft Graph – calendars, emails, chats, documents, meetings and more – to turn people’s words into a powerful productivity tool, using natural language. For example, employees will be able to ask Microsoft 365 Copilot for a summary of what’s going on with a particular customer, highlight project milestones or risks or create new content using references from across their data.

“We’re at this amazing inflection point with natural language,” Stallbaumer said. “Using just your own words, Microsoft 365 Copilot can reason over all the data inside your company to find exactly what you need and give you the source of the information – it’s incredibly powerful.”

At the same time, Stallbaumer highlights how, in developing this technology, Microsoft works with a multidisciplinary team of researchers, engineers and policy experts who review these AI systems for potential harms and mitigations and who are guided by the company’s AI principles as well as decades of research.

Learn more about [Microsoft 365](#)

### **Enhance digital and application innovation**

Today’s world demands not only productivity, but also meaningful technology development. Every organisation has become a technology company, developing its own custom applications and solutions. Azure app services enable an organisation’s developers to build, deploy and scale mobile and web applications and APIs so they can focus on application innovation, not infrastructure. Microsoft customers achieve up to 54% total cost of ownership savings with Azure app services versus on-premise solutions.

GitHub has been a rich resource for developers as a platform to collaborate, automate and secure their code and DevOps solutions. 90% of global Fortune 100 companies trust GitHub to help run their business. Now the Microsoft Cloud includes GitHub Copilot, in which AI helps with programming, dramatically accelerating developer productivity. Tests conducted by independent third parties found that developers using GitHub Copilot are 55% more productive in completing tasks and applications.<sup>8</sup> More important is how Copilot can transform how development teams work. Some 74% of GitHub Copilot users report focusing on more fulfilling work and enjoying their jobs more.

Microsoft also has an AI copilot for Power Apps, its low-/no-code service for building and using custom business apps. The copilot uses the power of LLMs to advance to the next evolution of code abstraction:



moving from custom code to low code to natural language authoring where human and machine work side by side to build applications together. Now employees can build an app just by describing what they need through multiple steps of conversation. Describe the app, and Power Apps generates it.

Learn more about [Microsoft Power Apps](#) and [GitHub Copilot](#)

### Maximise the value of your data

Microsoft Azure provides a unified, secure and governed data and AI platform that helps organisations quickly innovate and scale using analytics and machine learning. With the Microsoft Intelligent Data Platform, which integrates operational databases, analytics and governance solutions, organisations avoid the integration penalty that often plagues data projects so they can focus their time and effort on innovation. The Intelligent Data Platform includes Power BI, the business analytics tool used by 97% of Fortune 500 companies, which incorporates AI capabilities to find insights, make decisions and take action even faster.

A key to transformational AI is Azure AI, a portfolio of AI services designed for developers and data scientists. Through these services, organisations

can leverage decades of breakthrough research and responsible AI practices to build and deploy their own AI solutions. The service offers access to high-quality vision, speech, language and decision-making models. Organisations can create their own machine learning models, using an AI supercomputing infrastructure.

With Azure OpenAI Service, a cloud application platform that allows developers and organisations to access and use the most advanced AI models in the world – including GPT-3.5, Codex and DALL-E 2, developers can use large-scale, generative AI models for things such as writing assistance, code generation, reasoning over data for inferencing and comprehension. The supported OpenAI models can either be used as is or can be customised to meet an organisation's specific needs.

Learn more about [Microsoft Intelligent Data Platform](#)

### Adapt and innovate with business applications

Further helping employees focus on creative and meaningful work is Dynamics 365 Copilot. By providing powered assistance across business functions, Dynamics 365 Copilot helps automate various business functions, connecting pieces of data to help employees be more productive and efficient. It harnesses the power of generative AI to speed up the traditionally laborious processes behind customer relationship management (CRM) and enterprise resource planning (ERP), and leave more time for innovation in the workforce.

In sales, Copilot offers personalised coaching that enables salespeople to close deals faster with AI-assisted email replies. In marketing, Copilot offers new email campaign ideas based on just a simple request. In the Microsoft Supply Chain Centre, Dynamics 365 Copilot proactively flags issues such as weather and geography that could hinder supply-chain processes. With customer service, it drafts answers to possible questions and utilises knowledge bases and case histories to offer an interactive chat experience. Microsoft is tailoring similar Copilot experiences for every line of business.

Learn more about [Microsoft Dynamics 365](#)



# How organisations are innovating for the future

Microsoft offers industry-tailored bundles and workflows through its cloud solutions. Learn how organisations are transforming and improving business with these solutions.

## HEALTHCARE SPOTLIGHT

### St. Luke's is transforming patient access

The backbone of St. Luke's University Health Network and operations is its access centres, where agents have crucial responsibilities including scheduling appointments, handling referrals, answering patient questions and directing calls to various providers. This process has not been without its challenges, which is why St. Luke's partnered with Microsoft on an ambitious digital transformation plan in 2018. Before the partnership, tracking patient cases across multiple calls and teams was a tedious process. Employees lacked a unified view of patient data, making it difficult to search for information while on the phone. By 2023,

St. Luke's had streamlined its access centre experience, using Microsoft technology, including:

- **Dynamics 365:** St. Luke's started its transformation journey by using Dynamics 365 to connect patient data to access centre technology.
- **Power BI:** St. Luke's used the analytics from more than 20 Power BI apps to promote diverse workflows.

"We understand the potential that this access centre project has in our long-term transformation," says Chad Brisendine, St. Luke's Chief Information Officer. "We have our foundation in place on Microsoft solutions, so we can really ramp up our efforts."



## BANKING & CAPITAL MARKETS SPOTLIGHT

### VeriPark is helping customers keep up with industry trends

For almost 25 years, software company VeriPark has been empowering the financial services industry across the globe. The company has recognised the need to help banks adapt to new technologies and “transform with these digital waves of change,” according to Özkan Erener, Chief Executive at VeriPark. VeriPark had been working with Microsoft for years, including using [Azure](#) to deploy solutions and [Power Platform](#) to help bring business applications to its customers. But it has been able to innovate further using industry-tailored solutions from the [Microsoft Cloud for Financial Services](#), which can:

- deliver differentiated experiences
- empower employees
- combat financial crime
- manage risk across the organisation

“Microsoft Cloud for Financial Services provides an amazing infrastructure for companies like VeriPark to build solutions on top,” Erener says. “We were developing all these data models ourselves, but now, thanks to Microsoft Cloud for Financial Services, lots of that plumbing work is removed from our shoulders. We’re now able to focus on creating solutions that add direct value for our clients.”





## MANUFACTURING SPOTLIGHT

### FLSmidth is driving more sustainable operations

FLSmidth has big plans to achieve sustainability goals. The Danish company provides engineering, equipment and service solutions for the global mining and cement industries. That is why FLSmidth is taking action, with its MissionZero plan to make its operations carbon neutral by 2030 and help its customers to make similar progress.

FLSmidth has partnered with Microsoft, which offers crucial technology solutions that can help it set emissions baselines, create goals and track progress. This includes the Microsoft Cloud for Sustainability, which helps customers:

- unify data intelligence
- build a sustainable IT infrastructure
- reduce the environmental impact of operations
- create sustainable value chains

The Microsoft Cloud for Sustainability includes Microsoft Sustainability Manager, a product that helps organisations such as FLSmidth record, report and reduce their environmental impact using automated data. FLSmidth also has big ambitions to incorporate technology like AI and digital twins into its process to reduce emissions, and will lean on Microsoft and its other partners to do so.

“Sustainability for the full value chain is the ultimate goal, and we look forward to working with Microsoft to get there for ourselves and our customers,” says Mikko Tepponen, Chief Digital Officer and Group Executive Management Member at FLSmidth. “We’ve already pledged that by 2030 we will have delivered the equipment and services our customers need to reduce their emissions by 56%, and we are confident Microsoft can help us achieve that.”



## Conclusion

The business world is constantly changing, but cloud and AI innovations help organisations not only keep up, but also gain a competitive advantage. The Microsoft Cloud provides a complete, well-integrated platform that enables organisations to apply the world's most advanced AI models to meet business imperatives responsibly, securely and with confidence. The leading-edge digital

platform delivers the technology, tools and services to navigate the unexpected, adapt to disruptions, guard against risks, empower employees and capitalise on new opportunities. By harnessing the power of the Microsoft Cloud, organisations can make AI a key part of their business model and drive pivotal transformation for the future. For more information, visit [microsoft.com/microsoft-cloud](https://microsoft.com/microsoft-cloud) and [microsoft.com/AI](https://microsoft.com/AI).

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