

WHITE PAPER

HARNESSING THE POWER OF MICROSOFT COPILOT: A GUIDE FOR BUSINESS DECISION MAKERS

Introduction

What is generative AI?

Generative AI is a subset of artificial intelligence (AI) that leverages machine learning techniques to generate creative and novel content. It can create anything from written text to visual artwork, music, and even code. The key aspect of generative AI is its ability to learn patterns and structures from input data, and then use this learned knowledge to generate new, original content that is similar but not identical to the input data.

A further subset is Workplace AI, which refers to AI technologies used to increase productivity, efficiency, and decision making. Research from Stanford and MIT found that user productivity can increase between 15 – 35%, while McKinsey believe that up to 70% of employee time can be freed-up using AI.

This technology is at the heart of tools like Microsoft Copilot.

What is Microsoft Copilot?

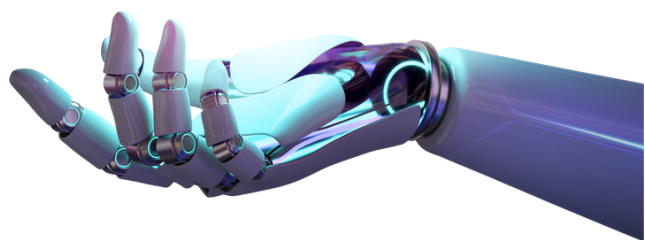
Microsoft Copilot is an AI-powered productivity tool that coordinates large language models (LLMs), content in Microsoft Graph, and the Microsoft 365 apps that you use every day - such as Word, Excel, PowerPoint, Outlook, Teams, and others. This integration provides real-time intelligent assistance, enabling users to enhance their creativity, productivity, and skills across core everyday products.

Pricing and licensing info

Microsoft Copilot is an “add-on” license, meaning it is a separate product that must sit on top of certain licenses, in this case the eligible base products are:

- Microsoft 365 E3
- Microsoft 365 E5
- Microsoft 365 Business Standard
- Microsoft 365 Business Premium

It was released to General Availability on November 1st, 2023.



Building a business case

Building a business case for AI implementation in your organisation can start with identifying a problem. This approach ensures that the use of AI is purposeful and targeted, rather than being used for its own sake.

Identify the problem

Start by pinpointing specific challenges or issues within your business operations. These could range from inefficiencies in data analysis to time-consuming manual processes. The key is to find areas where automation and intelligent systems could bring about significant improvements.

Ask the Right Questions

Once you've identified potential problem areas, ask yourself, "Could AI help us solve this?" This involves understanding the capabilities of AI and how they can be applied to your specific situation. For instance, AI can be incredibly useful in identifying trends, patterns, or anomalies in large data sets that might be difficult to discern manually.

Consider operational processes

Look at areas in your business where operational or transactional processes are tedious and require significant human effort. These are often areas where AI can bring about substantial efficiency gains. For example, AI can automate routine tasks, freeing up your team to focus on more strategic initiatives.

Build your business case

With a clear understanding of the problem and how AI can provide a solution, you're now in a position to build a compelling business case. This should outline the benefits of implementing AI, such as improved efficiency, reduced costs, and enhanced decision-making capabilities.



Measure impact

Finally, it's important to have mechanisms in place to measure the impact of AI on your business operations. This will not only help demonstrate the value of the investment but also provide insights that can guide future AI implementations.

By starting with a problem-focused approach, you're more likely to implement AI solutions that drive meaningful business impact and contribute to your organisation's success.



Defining value and metrics

Who needs a license?

Defining who needs a license is one of the first things you will need to consider, well before you get to the stage of purchasing any licenses. Not every user in your organization will need a Microsoft Copilot license - so how do you define who does need a license?

Microsoft licenses

One option is to base it on existing license allocation i.e. "all users with a M365 E3/E5 license." This is the easiest way, but may also lead to over-licensing of Microsoft Copilot, just as there is potentially already over-licensing of M365 E3/E5 among the user base.

Job role

Another option is to base licensing on job role i.e. "all managers, accountants, and sales staff." This again is relatively straightforward to implement, but there are points to consider with this approach, such as:

- How many different job roles are there within your organization?
- Does everyone with the same title perform the same tasks, or do they vary by team/department/geography?
- Will you make exceptions for certain people in other roles?
- If so, how do you define the criteria?
- How do you manage people who feel slighted and under-valued if they aren't allocated a license?

Problem focus

If you have taken the approach of identifying specific problems that can be solved by Microsoft Copilot (as detailed above), your initial license rollout should focus solely on users who experience those problems. This keeps the program laser focused and best able to deliver results successfully.

What does success look like?

Once you have allocated Microsoft Copilot licenses to your chosen set of users, how do you then monitor and manage success? There are two common approaches that organisations can review, user output and employee wellbeing:

User output

Is there an observable increase in the rate at which users are producing output? This output could encompass a variety of regular tasks such as the generation of customer proposals, scheduling of appointments, creation of internal reports or dashboards, development of pitch decks, and the production of marketing collateral among others.

Do you rely on quantitative data to measure this increase - for instance, by comparing the volume of a particular output produced within a specific timeframe with and without the aid of Microsoft Copilot? Alternatively, do you adopt a more qualitative approach, focusing on the enhancement in the quality of output rather than the quantity? In other words, do you observe that while the volume of output may not have increased significantly, the quality of what is being produced has improved?

Furthermore, would these observations vary across different business units within your organization?

Employee wellbeing

Has there been a noticeable improvement in user satisfaction since the implementation of Microsoft Copilot? Do users report experiencing a reduction in stress levels as a result of the daily assistance provided by Microsoft Copilot?

The introduction of AI-powered tools like Microsoft Copilot can often lead to enhanced user experiences. By automating and streamlining tasks, these tools can alleviate the pressure on users, potentially leading to increased job satisfaction and reduced stress levels. How you measure this is something which also needs to be considered at an organizational level.

Ongoing reporting

Consideration must be given to the methodology employed for data collection and analysis, as well as the decision-making process based on this data.



One crucial aspect to monitor is the utilization of Microsoft Copilot licenses by users. It's important to establish a system that can detect if users are not making optimal use of their licenses. This could involve tracking usage patterns or gathering user feedback.

The frequency of this monitoring process is another factor to consider. Is it a continuous, rolling process, or is it conducted at regular intervals - such as every 3, 6, or 12 months? The choice between a constant monitoring system and periodic checks can have implications for resource allocation and the responsiveness of the system to changes in usage patterns.

Decisions regarding license allocation should involve a collaborative approach. The responsibility could fall on various stakeholders such as the user's manager, the Human Resources department, the Finance department, or a designated Microsoft Copilot coordinator. Each stakeholder could bring a unique perspective to the decision-making process.

Furthermore, it's essential to have a mechanism in place for identifying potential new users for Microsoft Copilot licenses throughout the year. This could be based on changes in job roles, project requirements, or identified needs from performance reviews. A proactive approach to license allocation can ensure that all users who can benefit from Microsoft Copilot have access to it.

Quantifying ROI for Microsoft Copilot



As we have seen, Microsoft Copilot costs \$30 per user per month, which equates to \$360 per user annually and \$1,080 per user over the course of a 3-year agreement. One way to quantify return on investment (ROI) is to calculate time saved as a percentage of the user's annual wage.

Example:

User A has a salary of \$100,000 p/a so roughly \$48 per hour which is \$0.80 per minute. The inflection point for Return on Investment (ROI) is determined by the ratio of the cost of Microsoft Copilot to the Salary per Minute (SPM):

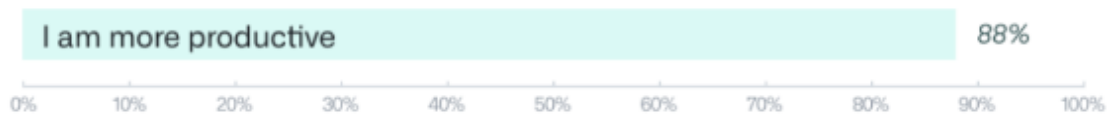
$$30 / .80 = 37.5$$

So, if Microsoft Copilot saves User A 38 minutes per month, it is paying for itself at a minimum.

If you choose to use "user satisfaction" as one of your metrics, it will be beneficial to gather user feedback or conduct surveys to assess the impact of Microsoft Copilot on user happiness and stress levels. This could provide valuable insights into the effectiveness of Microsoft Copilot and its contribution to improving the work environment. Microsoft GitHub Copilot has been available since 2021, and a piece of research from Microsoft shows the impact on user's wellbeing and performance:

When using GitHub Copilot...

Perceived Productivity



Satisfaction and Well-being*



Efficiency and Flow*



Launching a Microsoft Copilot proof of concept

Embarking on a proof of concept for Microsoft Copilot involves a strategic approach from the onset, which includes:

- Defining success metrics
- Establishing a pilot period
- Formulating a hypothesis

For instance, one might hypothesize that, *"over the initial 90-day period, we anticipate that Microsoft Copilot will augment the number of sales interactions recorded in our CRM by 20%."*

The next step involves deploying Microsoft Copilot to a select group within your organization. This group - referred to as the "treatment group" - will be the primary users of Microsoft Copilot during the pilot phase. It's crucial to carefully choose this group to ensure it is representative of the broader organization and that it includes users who can benefit most from Microsoft Copilot.

In parallel, it's advisable to maintain a "control group" comprising individuals in similar roles who will not be using Microsoft Copilot during this period. This group serves as a benchmark against which the performance and impact of Microsoft Copilot can be measured. By comparing the productivity and efficiency of the treatment group with that of the control group, you can assess the effectiveness of Microsoft Copilot in a real-world setting.

Furthermore, regular check-ins and feedback sessions with both groups can provide valuable insights into user experiences and potential areas for improvement. This iterative feedback process is crucial for fine-tuning the implementation and maximizing the benefits of Microsoft Copilot.

In essence, launching a successful proof of concept for Microsoft Copilot involves careful planning, strategic deployment, and continuous evaluation.

Uncovering budget for Microsoft Copilot



In addition to defining a strategy for testing, implementing, and reviewing Microsoft Copilot, organizations also need to allocate budget to ensure they can benefit from these capabilities as quickly as possible. This involves several key steps:

Optimising licensing and procurement

It's crucial to ensure that your software licensing and procurement processes are optimized. Performing an in-depth analysis of your Microsoft estate may well uncover areas of spend which can be diverted to provide budget for your Microsoft Copilot implementation. This can include licenses no longer needed as well as over-provisioned licenses - i.e. where a user may require lower (and thus cheaper) license than they have currently been allocated.

Replacing 3rd-party products with Microsoft 365

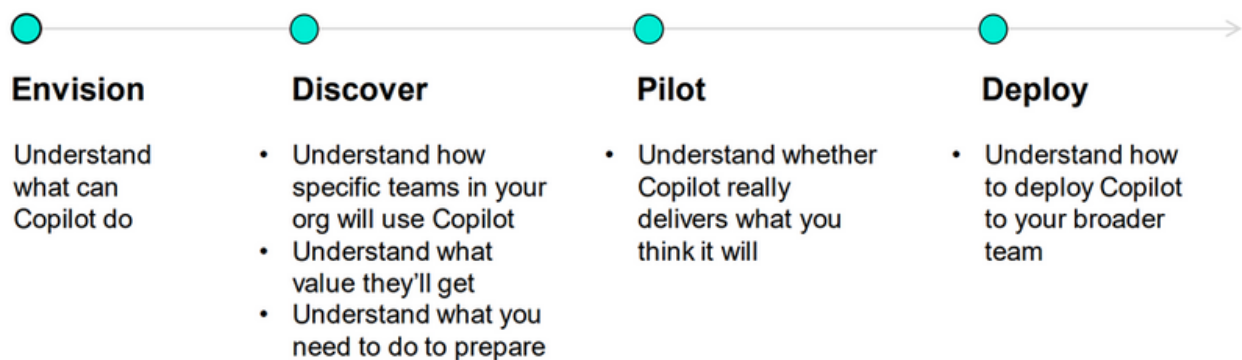
The Microsoft 365 E3 and E5 suites contain a wide variety of products and tools. With focused exploration, it is often the case that it can replace many 3rd-party products, potentially leading to significant cost savings.

Organizations should conduct a thorough review of their current software portfolio and identify opportunities where Microsoft 365 can be used instead of other products. This not only reduces costs but also simplifies IT management by reducing the number of different systems that need to be supported.

Negotiating with Microsoft

Finally, organizations should not shy away from negotiating with Microsoft. This could involve negotiating the price of licenses or asking for additional support during the implementation process. Remember, Microsoft is keen for organizations to adopt Microsoft Copilot, so they may be willing to offer incentives to make the acquisition and implementation easier.

By focusing on these three areas, organizations can ensure they are in the best position to take full advantage of the capabilities offered by Microsoft Copilot. Working with partners such as SoftwareOne to perform these tasks as you move through the Microsoft Copilot deployment process (below) can help ensure you identify benefits and implement changes as efficiently and effectively as possible.



Conclusion

Microsoft Copilot is an innovative tool that brings a wealth of features and advantages to the table. It not only enriches the user experience but also transforms the way users approach their daily tasks. By harnessing the power of, it enables users to be more productive and gives them the time to focus on more strategic tasks that require human ingenuity, imagination, and innovation.

Workplace AI products such as Microsoft Copilot represent a once in a generation opportunity for change and advancement in the way many people, and organizations, work. Ensuring your business is in the best place to take advantage of these tools is critical and following the steps in this guide and engaging with 3rd-party experts where necessary is a key element of being successful.