Microsoft 365 Copilot

Beyond ROI

How to Compete (and Win) in the AI Economy with Microsoft 365 Copilot

Table of contents

01

Why AI changes what we measure

Most AI business case conversations reach dead ends. Leaders know adoption is critical, but every attempt to track ROI hits the same wall. Traditional metrics can't capture what's happening and business cases stall in budget reviews as a result.

That's because organisations are making a category mistake. They're evaluating capability investments using technology expense frameworks. But AI – like Microsoft 365 Copilot – doesn't fit the boxes your budget was built around.

Traditional evaluation frameworks track either infrastructure or human performance. They can't measure both simultaneously. As such, when finance evaluates AI as pure technology spend, the human performance improvements simply don't register in their analysis.

Your P&L reveals this structural problem: IT costs and labour costs appear as separate line items. Meanwhile, AI creates value across both at once, breaking traditional cost/benefit analysis before it begins.

> Instead of asking "What's the ROI on this technology investment?", the question needs to shift to: "What happens to our competitiveness if we don't adopt AI?"

The businesses pulling ahead with Microsoft 365 Copilot and agents have already made this shift. This guidebook shows you why traditional approaches fail, what measurement framework works instead, and how to build a business case that captures AI's real value.

02

Where AI actually belongs in your organisation

Most organisations default to funding AI through IT budgets. It's familiar, centralised and fits existing approval processes. But this choice creates the exact measurement problem you're trying to solve.

Traditional IT budgets fund infrastructure. **AI isn't infrastructure.**

Infrastructure serves everyone equally. Email systems, network security, enterprise software – everyone gets the same capability because value spreads uniformly. When benefits are distributed evenly, centralised ownership makes sense.

AI works differently. It concentrates value where it gets deployed. When Sales deploys agents to qualify leads, Sales captures that value. When HR uses Microsoft 365 Copilot to streamline onboarding, HR benefits. While there might be downstream value for other teams, the majority of AI benefits accumulate at the point of use.

But when IT owns the budget, other departments don't feel accountable for results. Sales can't argue for the expense because it's not their budget. HR likely won't champion adoption when it's not their line item. This gap between who pays and who benefits kills momentum.

Forward-looking organisations have made a different choice. They're moving AI costs out of centralised IT budgets and into the functions driving outcomes. Sales pays for the agents that improve deal win rates. HR invests in agentic workflows that cut onboarding time.

This distributed ownership means decisions happen where expertise lives, and value gets measured in terms that matter to each function.

When departments own the investment, they own the results.

03

How Frontier Firms are pulling ahead

Some organisations have already proven this works. They've stopped treating AI as centralised IT spend and started distributing ownership to the functions that capture the value.

Microsoft's 2025 Work Trend Index calls these organisations 'Frontier Firms'. These are companies that have built AI into the fabric of work by deploying agents as digital colleagues across their operations. They've moved beyond pilot programmes and have successfully scaled AI organisation-wide, driving real business transformation and seeing measurable impact.

These Frontier Firms are building capacity their competitors can't match. **55%** of Frontier Firm employees say they're able to take on more work, versus just **25%** globally.[1] At the same time, those employees are more likely to report having opportunities to do meaningful work (**90%** compared to **77%** globally).[1]

The Frontier Firm journey unfolds across three distinct phases. The first focuses on individual amplification, giving employees AI support to improve performance. The second moves to team transformation, where agents orchestrate entire workflows across departments. The third reaches enterprise operations, embedding digital colleagues across the entire business.

Each phase unlocks new value. Each requires different measurements. And each builds the foundation for what comes next.

The performance gap is striking

Compared to just **39%** globally[1]

04

The AI measurement framework

Microsoft 365 Copilot was built to power the Frontier Firm journey. It integrates across your existing Microsoft ecosystem – Teams, Outlook, Word, Excel, PowerPoint – giving employees AI assistance where they already work. Plus, using Microsoft Copilot Studio, you can build custom agents tailored to your specific business processes, extending AI capability from individual tasks to complete workflows.

What follows is the practical framework for measuring value at every phase of transformation.

Phase one: Human with AI assistant

Leverages Microsoft 365 Copilot's assistive features

Phase two: Hybrid teams of humans and agents

Uses Copilot Studio to build agents for departmental workflows

Phase three: Human-led, agent-operated

Deploys autonomous agents across enterprise operations

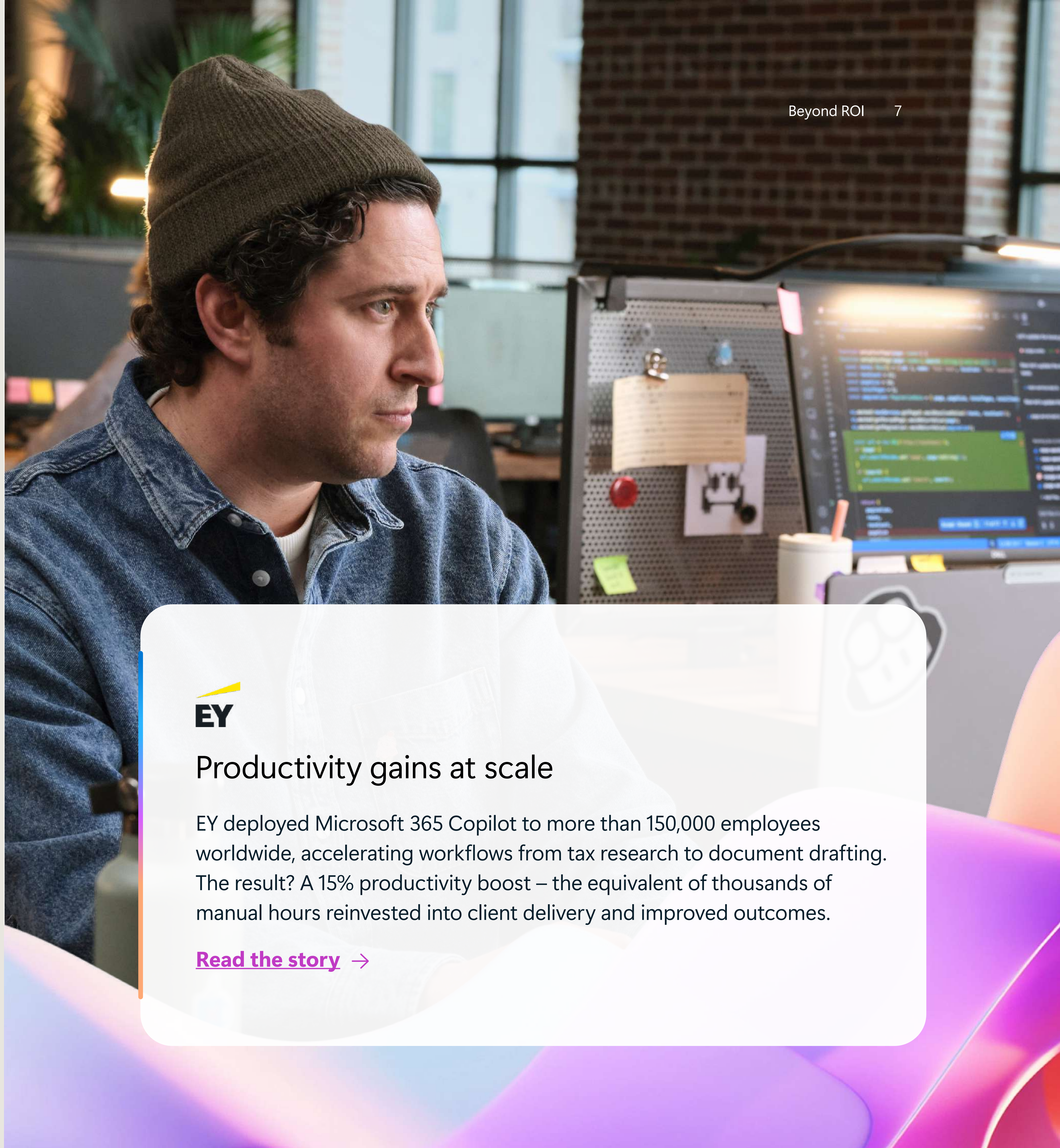
PHASE ONE

Human with AI assistant

In this phase, each employee gains a personal AI assistant. Microsoft 365 Copilot drafts emails, summarises meetings, creates presentations and finds information across your organisation. AI handles the mechanics, so people like you can focus on higher-value work.

Yes, these capabilities span the organisation – everyone gets the same AI assistant. That's why IT often ends up owning the budget at this phase. But the impact isn't uniform. Consider what different employees can accomplish with time back:

- A sales rep saves 30 minutes drafting a proposal. The value isn't the time. It's using those minutes for the extra customer conversation that closes a deal.
- An HR specialist onboards new hires faster. The value appears when employees feel productive sooner and stay longer, even when competition for talent is fierce.



EY

Productivity gains at scale

EY deployed Microsoft 365 Copilot to more than 150,000 employees worldwide, accelerating workflows from tax research to document drafting. The result? A 15% productivity boost – the equivalent of thousands of manual hours reinvested into client delivery and improved outcomes.

Read the story →

PHASE ONE: HUMAN WITH AI ASSISTANT

What to measure

The key is tracking outcomes, rather than time saved. Time back only matters if it converts to measurable results, like more deals closed, faster response times and higher retention. What did people accomplish? How did their work improve?

- **Sales:** Individual close rates, qualified opportunities generated, deal progression
- **Marketing:** Campaign performance, content quality, engagement rates
- **HR:** Time to complete onboarding tasks, employee inquiry resolution, satisfaction scores
- **Customer Service:** Individual resolution rates, customer sentiment, first-call resolution
- **Finance:** Time per analysis, report accuracy, cost per request
- **Legal:** Time per contract review, accuracy rates
- **IT:** Ticket resolution time per employee, response speed

The business case

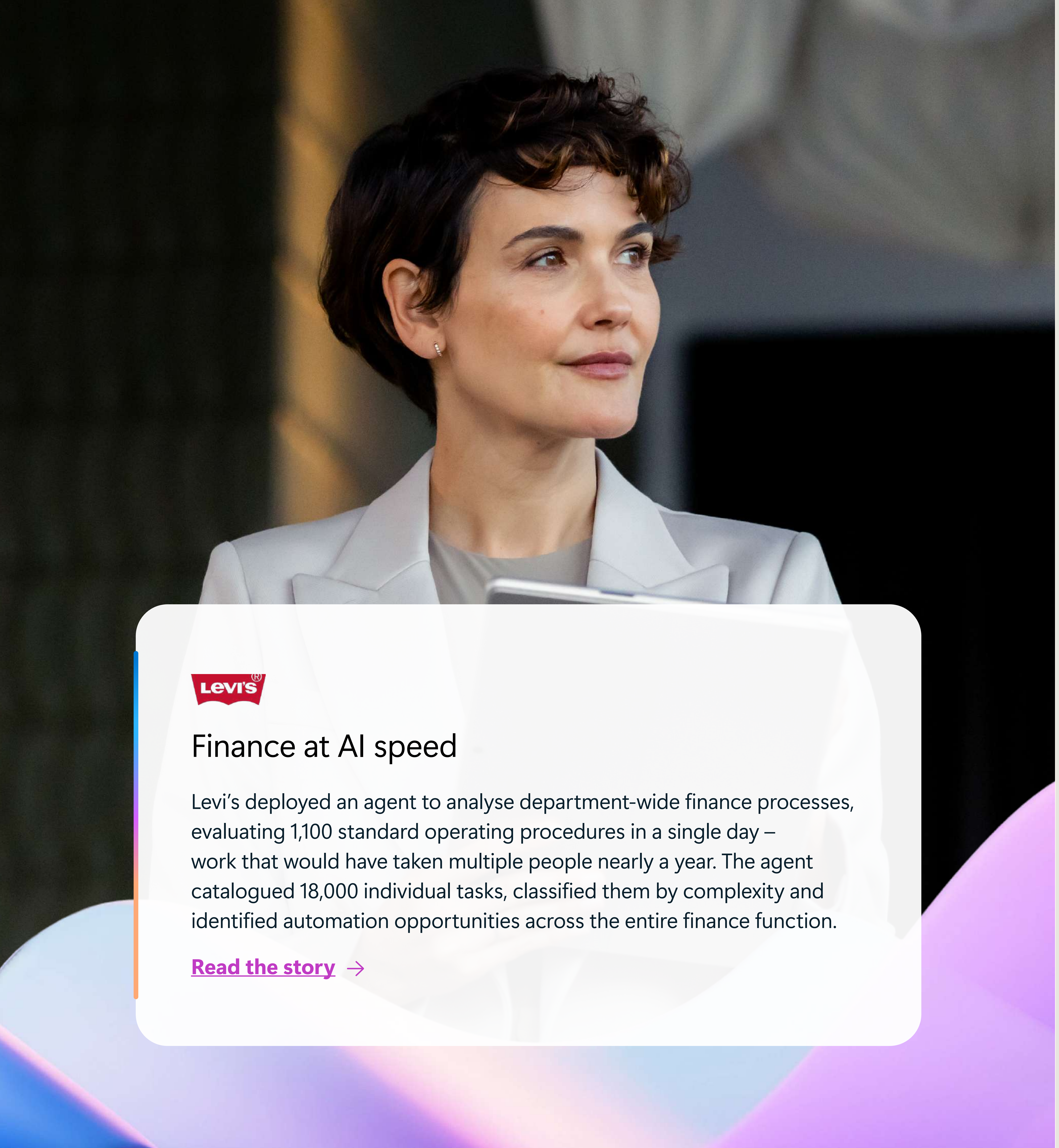
Microsoft 365 Copilot
elevates individual performance

25%

faster employee onboarding[2]

2.5%

better deal win rate[2]



Finance at AI speed

Levi's deployed an agent to analyse department-wide finance processes, evaluating 1,100 standard operating procedures in a single day – work that would have taken multiple people nearly a year. The agent catalogued 18,000 individual tasks, classified them by complexity and identified automation opportunities across the entire finance function.

Read the story →

PHASE TWO

Hybrid teams of humans and agents

In this phase, assistive agents handle complete workflows on behalf of teams. You build these agents in Copilot Studio using natural language and deploy them across departments to tackle end-to-end processes. People remain in control. Agents assist at scale.

Organisations no longer measure AI's impact at the individual level, but at the departmental level. Budget ownership shifts accordingly, with each department funding their team's agents. Consider these changes:

- Sales deploys agents across the team to qualify leads and research accounts. Reps still close deals, with value showing up in total pipeline velocity and department win rates.
- HR uses agents to execute onboarding workflows, like extending offer letters and inviting new hires to tools. HR professionals still lead the onboarding experience, but with lower administrative burden and costs.

The business case

Microsoft 365 Copilot and agents accelerate team performance

30.6%

faster employee upskilling[2]

2.7%

more qualified leads generated[2]

What to measure

Agents now handle complete workflows, so measurement shifts from individual task completion to end-to-end process efficiency. Focus on department-level outcomes and Total Cost of Ownership (TCO) across deployments:

Sales: Total deal size, department win rates, pipeline velocity, revenue per rep

Marketing: Total lead volume, departmental campaign ROI, agency spend efficiency

HR: Department retention rates, total admin costs, hiring costs per employee

Customer Service: Total calls answered, department resolution rates, cost per interaction

Finance: Total outsourcing spend, department cost per analysis, time to close

Legal: Contract throughput, outside counsel spend, cost per matter

IT: Total operations costs, department-wide ticket resolution, IT outsourcing spend

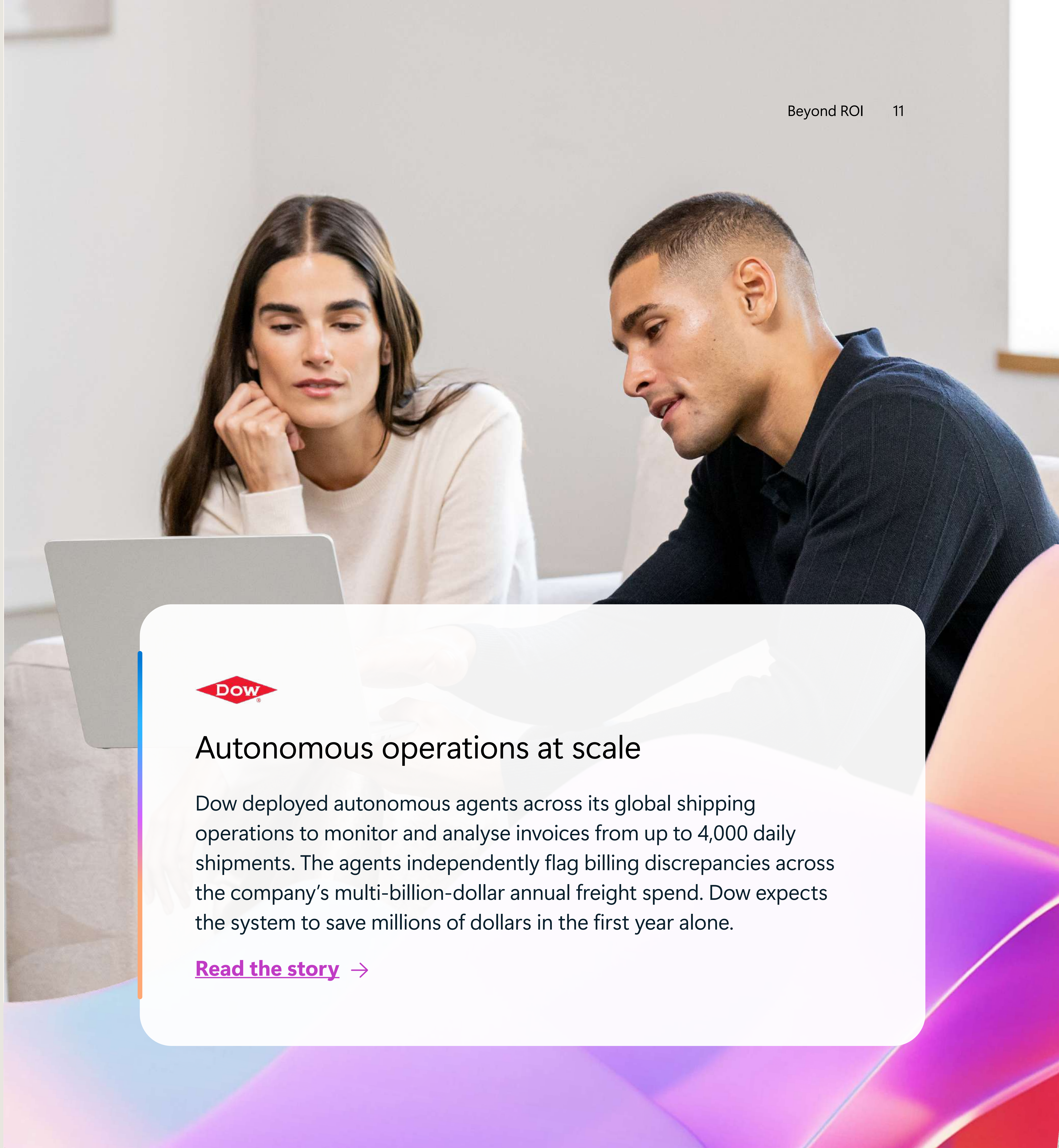
PHASE THREE

Human-led, agent-operated

In this phase, digital agents operate independently across your entire enterprise. These agents work across platforms, systems and departments – running processes end-to-end without constant human intervention. People provide strategic oversight and handle exceptions, while agents execute operations autonomously.

When this happens, you can capture the total business impact on your P&L, such as:

- Revenue growth from improved go-to-market effectiveness across all customer-facing functions
- Cost savings from automated operations spanning finance, legal, HR and IT
- Market position gains as your organisation operates faster than competitors who rely exclusively on manual processes or deterministic automations



Dow

Autonomous operations at scale

Dow deployed autonomous agents across its global shipping operations to monitor and analyse invoices from up to 4,000 daily shipments. The agents independently flag billing discrepancies across the company’s multi-billion-dollar annual freight spend. Dow expects the system to save millions of dollars in the first year alone.

Read the story →

PHASE THREE: HUMAN-LED, AGENT-OPERATED

What to measure

Enterprise-wide deployment unlocks enterprise-scale results. When agents run processes across your entire organisation, outcomes register in your P&L. Focus on the metrics that impact the bottom line:

- Revenue growth from go-to-market effectiveness
- Total cost savings from automated operations
- Employee retention and reduced attrition rates
- Technology costs versus revenue growth
- Market share and competitive position
- Organisational profits and losses
- Bottom-line financial performance

The business case

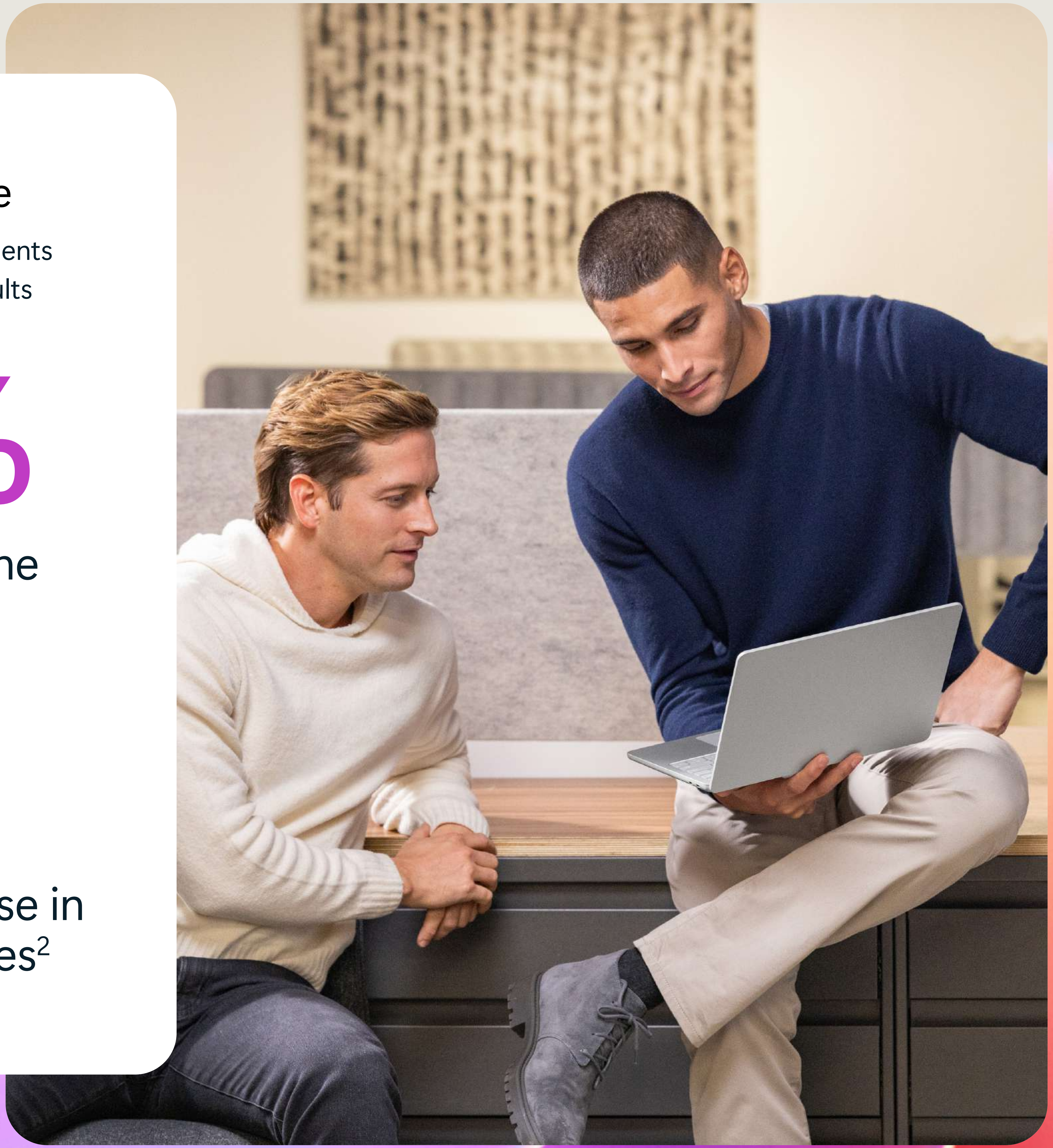
Microsoft 365 Copilot and agents deliver enterprise-wide results

2.6%

increase in top-line revenue[2]

24

basis points decrease in operating expenses[2]



05

Building your business case

You know what to measure at each phase. But how do you connect this framework to the work already happening in your organisation? Here's how to start.

Step 1

Pick your pilot department

Choose a function with three characteristics: existing performance tracking, leadership willing to champion adoption and metrics that matter to your CFO. Sales close rates, marketing lead quality or HR onboarding speed work well. Deploy Microsoft 365 Copilot to a small team within this function for a defined period. Document their performance at specific moments in time.

Step 2

Use growth rate to prove AI impact

Track the growth rate of your metrics, not just the metrics themselves. If sales win rates improved gradually before Microsoft 365 Copilot and accelerated after deployment, that change in trajectory proves AI's impact. Compare the slope of improvement, not the absolute numbers. This differentiates AI value from incremental team optimisation.

Step 3

Build the competitive risk case

Present two scenarios to leadership: your current performance trajectory versus competitors operating faster with AI. Show what your pipeline looks like when they improve, and you don't. The case builds itself when you frame stagnation as the risk.

Step 4

Scale deployments with evidence

Expand to adjacent teams using the same measurement approach. Build custom agents in Copilot Studio for department-specific workflows as teams move from Phase 1 to Phase 2. Let early success build momentum. Some departments will reach Phase 3 while others optimise Phase 1. Don't worry about this – that uneven progress works for you: early wins create the evidence and budget for broader adoption.

Step 5

Distribute ownership organisation-wide

Roll out Microsoft 365 Copilot to every department, inviting leaders to champion their AI deployments. Departments fund their licences and own their results. Meanwhile, IT maintains security, governance and infrastructure on the backend. Use Copilot Analytics to track adoption patterns and identify where additional support is needed.

Resources to support your case

Want help quantifying AI's value for your organisation? We're here for you.

Work with Microsoft Sales Representatives

Access tools and resources to model potential ROI

Leverage Microsoft Business Value Advisors

Develop comprehensive value assessments tailored to your situation

Partner with Outside Specialists

Conduct a detailed business case analysis with third-party suppliers

Connect with a Microsoft expert today →

06

Your next move

Frontier Firms aren't waiting. They've already reframed the conversation, moved AI ownership to the functions driving results and are seeing measurable performance improvements. And every day, they pull further ahead.

The right measurement framework accelerates how you compete and win. It turns budget conversations into strategic decisions. It helps departments see value in their terms, leading to adoption. It builds momentum that compounds across your organisation.

The sooner you start measuring what matters, the faster you move toward becoming a Frontier Firm.

See how other organisations are building their transformation strategies:

Explore Microsoft 365 Copilot events for leaders

Sources:

[1] '2025: The Year the Frontier Firm Is Born', Microsoft Work Trend Index Annual Report, April 23. https://www.microsoft.com/en-us/worklab/work-trend-index/2025-the-year-the-frontier-firm-is-born.

[2] Based on the study, Total Economic Impact™ of Microsoft 365 Copilot, a commissioned study conducted by Forrester Consulting, 2025. Forrester constructed a projected financial model representative of data collected from 16 customer interviews and survey responses from 367 organisations using Microsoft 365 Copilot. For the purposes of this study, Forrester aggregated the experiences of the interviewees and survey respondents and combined the results into a single composite organisation, a global entity that generates USD 6.25 billion in annual revenue and employs 25,000 people.

The Work Trend Index survey was conducted by an independent research firm among 31,000 full-time employed or self-employed knowledge workers across 31 markets between February 6, 2025 and March 24, 2025. Knowledge workers in this context means those who typically work at a desk (either at home or at an office).