

OUTLOOK 2025

Microsoft AI Solutions in Business Processes

A revolution and a cultural shift

November 30th, 2022, is a day we'll never forget. It was the day ChatGPT came online, and artificial intelligence (AI) transitioned from being a niche technology to one everyone is now talking about.

Almost two years later, integrating AI—in all its variations—into business applications has become increasingly essential for companies seeking to innovate and enhance their operational efficiency.

In this year's "Microsoft AI Solutions in Business Processes: Outlook 2025," we delve into how AI technologies revolutionize how businesses manage processes, engage with customers, and extract actionable insights from large volumes of data.

As AI capabilities progress, companies and organizations leverage AI solutions to automate routine tasks, personalize customer interactions, and make more informed decisions.

The cultural shift that accompanies AI implementation within companies is transformative. Employees must adapt to new workflows and methodologies as AI redefines traditional roles and responsibilities.

This transformation necessitates a shift in mindset, encouraging a more agile and collaborative approach to problem-solving. Training and development programs become essential in preparing the workforce to engage effectively with AI systems. Additionally, fostering a culture of continuous learning and adaptability helps reduce resistance and ensures smoother integration.

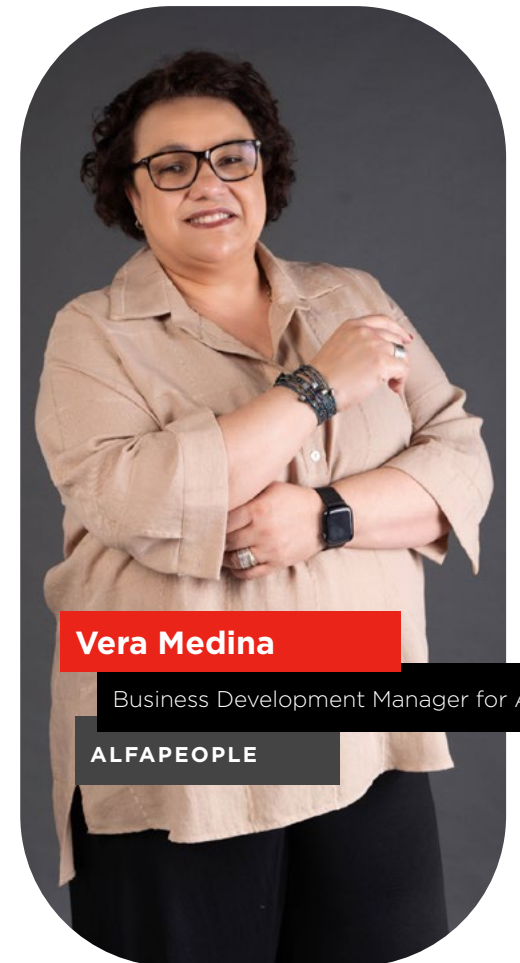
We also explore the diverse advantages of AI in business processes, extending beyond mere revenue growth. Companies benefit from improved operational efficiency, enhanced customer experiences, and the ability to make real-time, data-driven decisions.

In addition, AI's impact on business processes brings non-financial benefits such as increased agility, innovation, and strategic long-term positioning. However, the implementation of AI also presents challenges, including data integration, workforce readiness, and change management.

One thing is certain: AI is here to stay. According to the findings in this report, investment in AI solutions and technologies will continue to grow in the coming years, emphasizing that organizations see AI's potential impact on business processes as substantial moving forward.

You can read more about how AI transforms business processes across industries and organizations on the following pages.

We hope you enjoy the read.



Vera Medina

Business Development Manager for AI

ALFAPEOPLE




TABLE OF CONTENT

CHAPTER 1

About the report

4

It's almost a 50/50 split

5

CHAPTER 2

Rapid adoption of AI technologies

7

Barriers to AI adoption

9

Motivation for adoption AI in business processes

10

Prepare for rapid adoption

12

CASE: Bonava, Elisabeth Shishoo

13

CHAPTER 3

Benefits and challenges of AI implementation in business processes

16

Revenue increase because of AI

19

Non-financial benefits of AI integration

20

Major challenges to implementation

21

CASE: Nortel, Fernando Barbosa

23

CHAPTER 4

Current and future use of Microsoft AI solutions in business processes

26

Use of Microsoft AI capabilities

29

Future use of Microsoft AI capabilities

31

CHAPTER 5

Budget allocation and expected impact of AI on businesses

35

Potential impact of AI on business processes

37

A woman with a large afro hairstyle, wearing a plaid shirt over a grey top, is smiling and looking to her right. She is holding a tablet computer. The background is a modern office with a glass wall. On the glass wall, there are digital displays showing various data visualizations, including line graphs and bar charts. The office has a bright, airy feel with natural light coming from windows.

CHAPTER 1

About the report

It's almost a 50/50 split

Before we dive deeper into how companies adopt and implement Microsoft AI solutions in their business processes, let's have a quick look at the group of people who've contributed to the survey:

- 137 respondents have participated in the survey for "Microsoft AI Solutions in Business Processes: Outlook 2025"
- 51 percent of the respondents represent a medium-sized organization with 51-500 employees
- 68 percent of the respondents have a role as a manager or a role in the executive branch

Size of organization reflects AI utilization

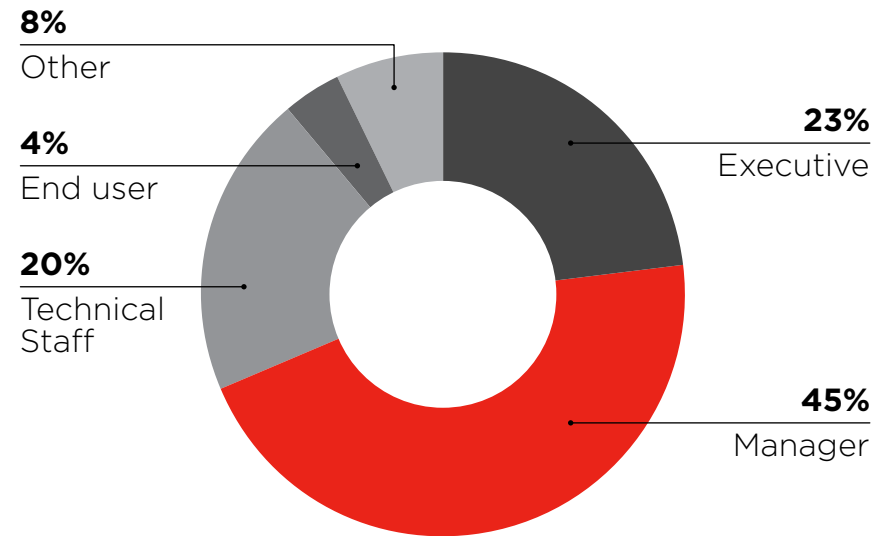
When looking at how organizations represented in the survey use AI solutions on a general basis in their business processes the size of the organization seems to play a prominent role.

45 percent of small businesses (1-50 employees) use AI while medium, large and enterprise organizations have significantly higher adoption rates with 51 percent, 61 percent and 50 percent according. In other words (or numbers) it seems that regardless of organization size there's an almost 50/50 split between those utilizing AI features in their business processes and those who do not.

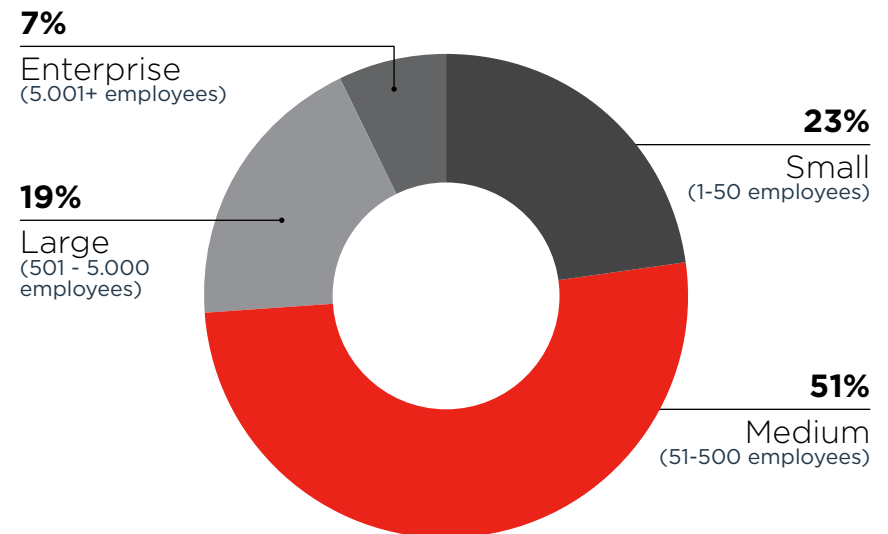
DATA COLLECTION:

The report is based on information provided by answers from respondents collected between May and September 2024. The respondents participating in the survey are from markets across the globe where AlfaPeople is present. Learn more about the respondents on this and the following page.

What is your role within your organization?



What is the size of your organization?



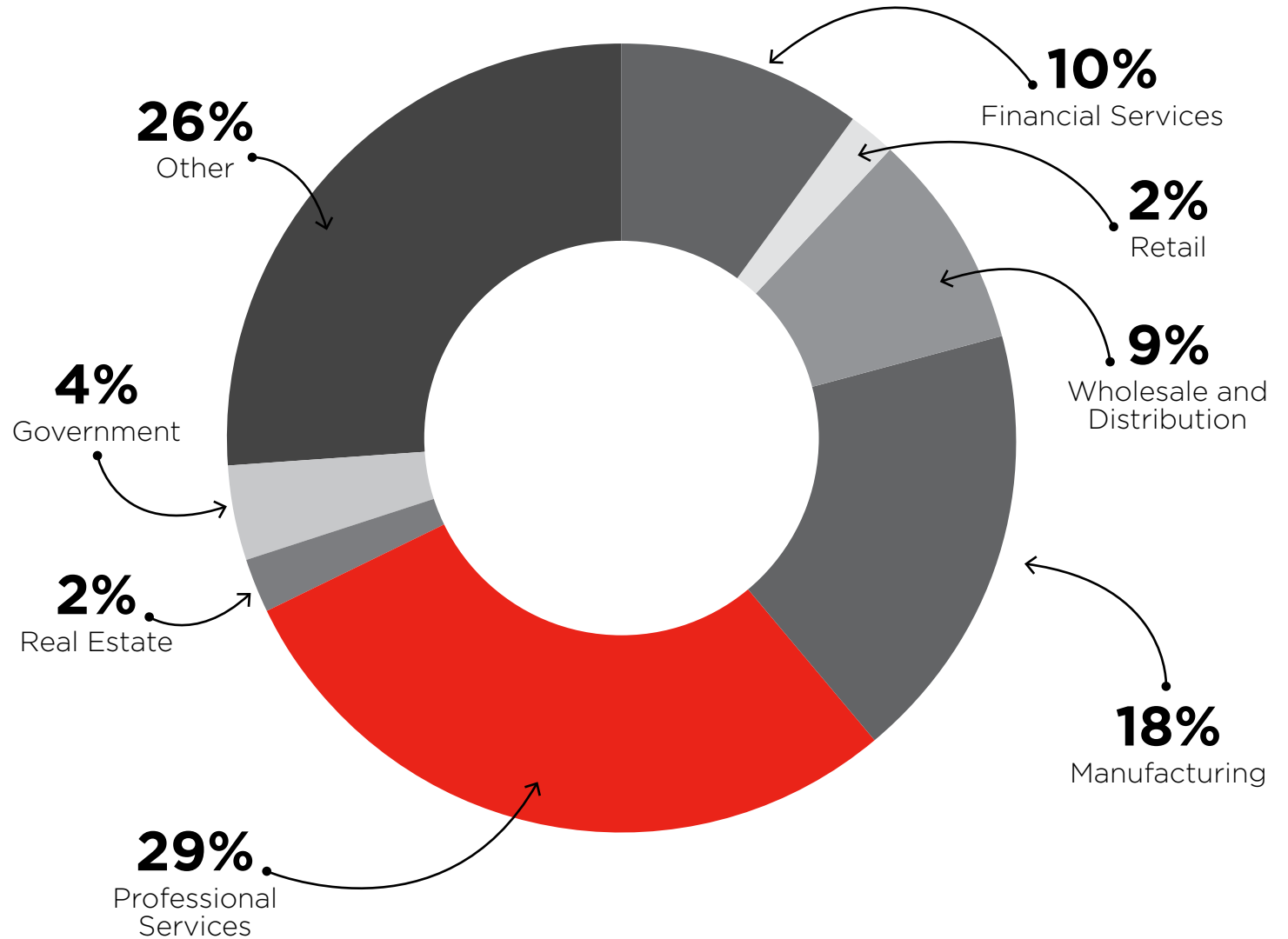
Some industries are much further along

The respondents are distributed with good representation from different industries, including Professional Services (29 percent) followed by Manufacturing (18 percent), Financial Services (10 percent), Wholesale (9 percent), Government (4 percent), Retail (2 percent) and Real Estate (2 percent).

However, it's in Financial Services where we find the largest percentage of organizations utilizing AI in their business processes with 78 percent. In Retail 67 percent are using AI followed by 62 percent in Professional Services and 50 percent in Manufacturing.

There's a significant gap between Real Estate (33 percent) and Wholesale (25 percent). Government is left in the dust as 0 percent of the respondents representing that industry are utilizing AI in their business processes.

What is your industry?



A man with a beard, wearing a blue beanie and a green hoodie, is sitting and looking intently at a silver laptop. He is in a modern office or workspace with a brick wall in the background. The lighting is warm and focused on him.

CHAPTER 2

Rapid adoption of AI technologies

According to [research conducted by Gartner](#), an American-based information technology consultancy and advisory firm, investigating AI readiness and adoption more than 80 percent of enterprises will by 2026 have utilized generative API's or applications enabled by such technologies.

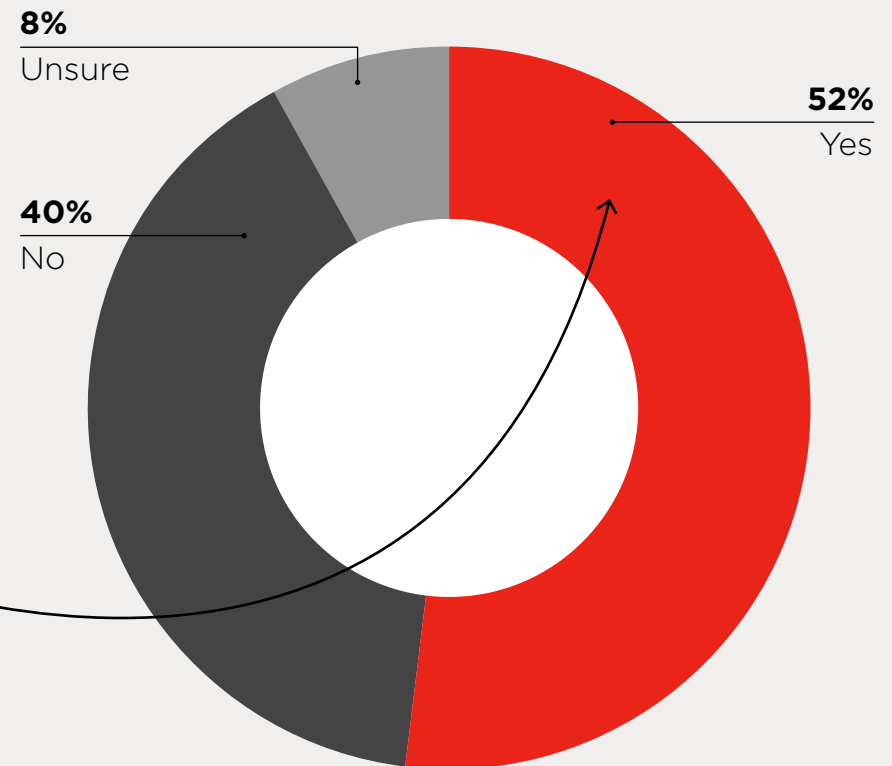
This rapid adoption is also reflected in the companies participating in this report's survey. 52 percent of respondents are currently utilizing AI features in their business processes. 40 percent are not, and 8 percent are unsure. When we cross-reference the organizations with specific Microsoft AI solutions integrated with Microsoft Dynamics ERP or CRM the largest adoption is seen with Microsoft 365 Copilot (Copilot for Office and Teams)

which accounts for 44 percent of organizations usage while Microsoft 365 Copilot for Sales accounts for an additional 21 percent.

52%

of respondents are currently utilizing AI features in their business processes.

Is your organization currently utilizing AI features in it's business processes?



Barriers to AI adoption

A Microsoft-commissioned study through IDC “[Business Value of AI Survey 2023](#)” highlights several challenges organizations have experienced or expect to experience when implementing AI technology. According to the research, the main challenges are: Lack of skilled workers (52 percent), Cost (28 percent), Concerns about data or IP loss due to improper use of AI (28 percent) and Lack of AI governance and risk management (26 percent)

The survey conducted with this report in many ways reflects the research findings from IDC. 42 percent of respondents not using AI in their business processes attribute it to Lack of education and training. 33 percent attribute Lack of awareness or understanding while 29 percent point to Lack of resources.

Lack of resources is equally highlighted as a barrier among small (29 percent), medium (29 percent) and large (30 percent) companies participating in the survey. However, Lack of awareness or understanding seems to be a larger issue with large (50 percent) and enterprise-sized (40 percent) companies. Lack of education and training is a big problem among small (41 percent) and medium-sized (50 percent) organizations while enterprise-sized (20 percent) organizations find it less of a challenge.

What are the main reasons for not using AI in your business processes?

Lack of awareness or understanding



Lack of education and training



Lack of executive support or vision



Fear or mistrust of AI



Lack of resources



Lack of talent with the right skill sets



Lack of technology infrastructure



Unknown risks

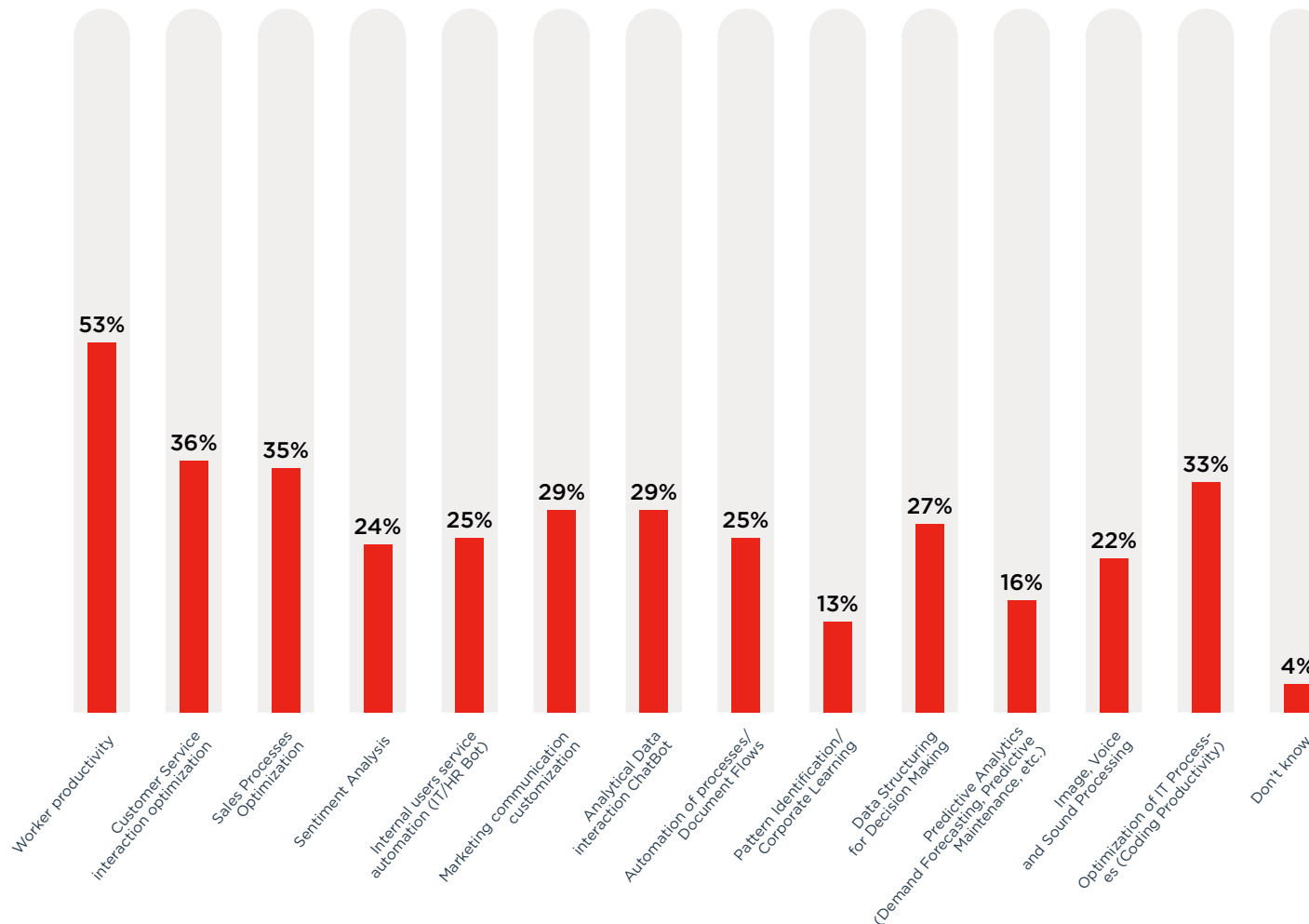


None of the above



Motivation for adoption AI in business processes

Which AI solution areas or capabilities are you currently using?



Among the respondents in this report's survey who are currently utilizing AI features in their business processes Worker productivity (53 percent) is the capability most used. Customer service interactions optimization (36 percent) comes in second, while Sales processes optimization (35 percent) is a close third.

When cross-referenced with what motivated the organizations in the survey to adopt AI in their business processes the areas and capabilities currently being used neatly align with the organizational motivations.

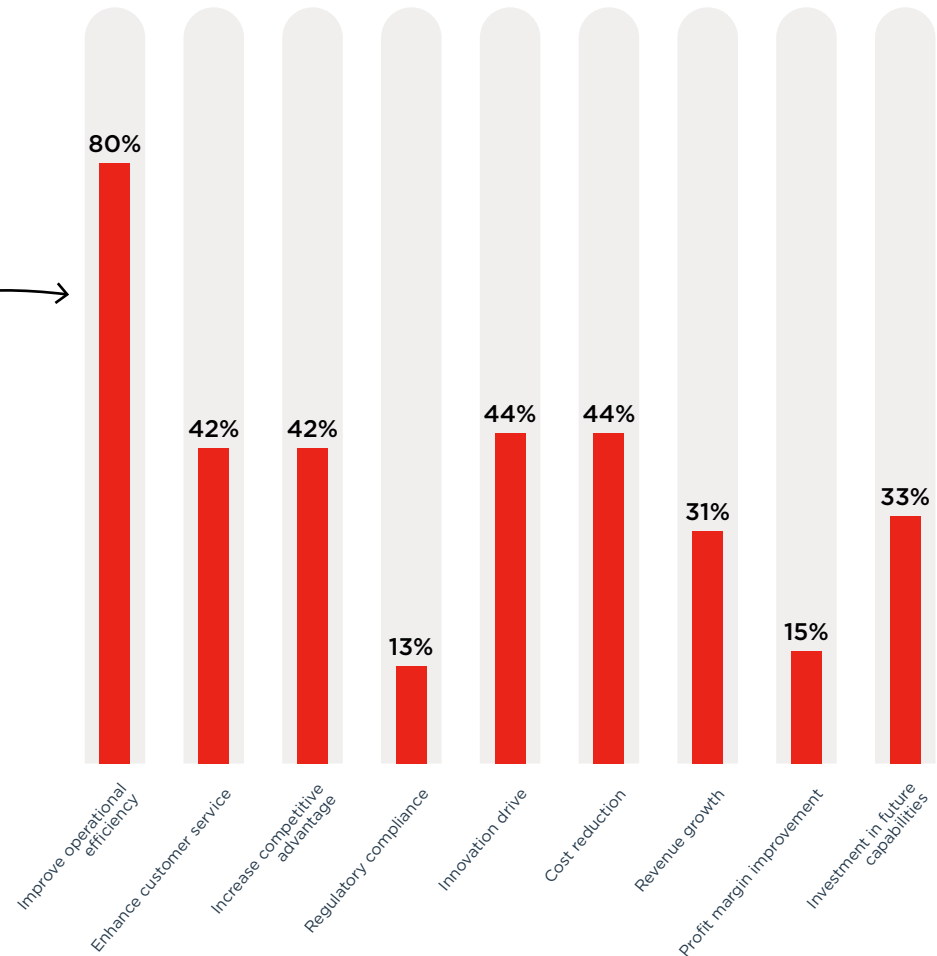
It's interesting that regardless of which AI capabilities are being used Improved operational efficiency seems to be the driving motivation among all organizations participating in the survey. However, it comes as no surprise that Enhance customer service is the largest motivation behind using AI capabilities that can optimize Customer service and automate Internal users service.

It's equally unsurprising that Improve operational efficiency (80 percent) is the largest motivation to adopt AI in business processes. What does come as a surprise is that Revenue growth (31 percent) and Profit margin improvement seemingly aren't motivational factors.

80%

of respondents are motivated by the ability to improve operational efficiency.

What motivated your organization to adopt AI in your business processes?



Prepare for rapid adoption

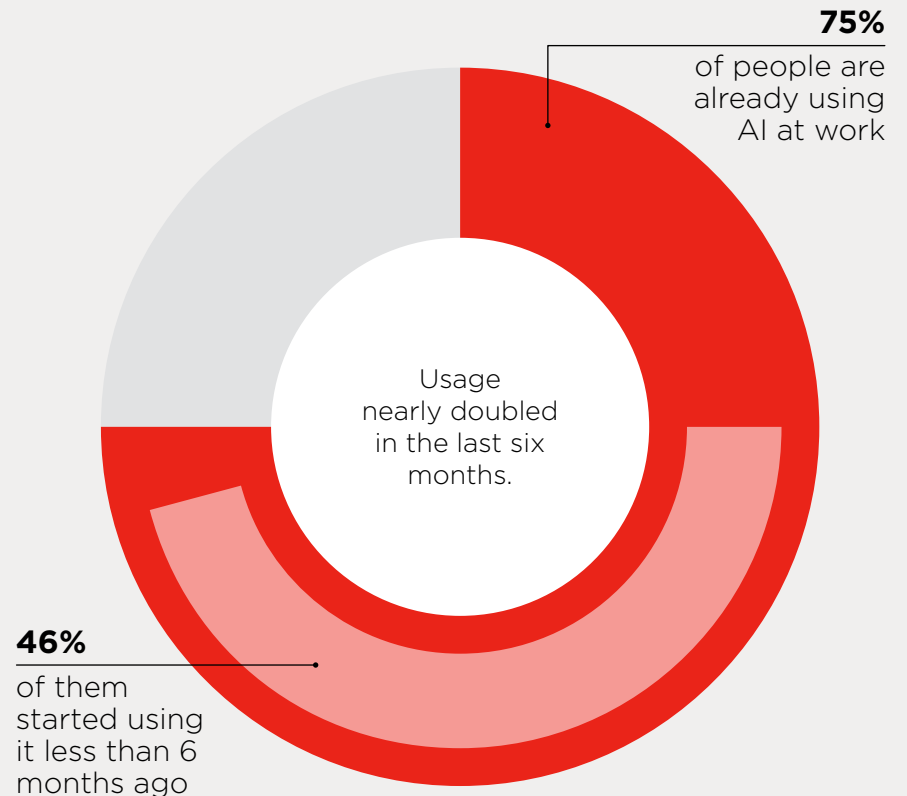
With 51 percent already utilizing AI features in their business processes AI technology adoption in the organizations represented in the survey is already well underway. However, the 40 percent not using AI need to start preparing.

According to [2024 Work Trend Index Annual Report](#) from Microsoft and LinkedIn the use of generative AI has nearly doubled in the last six months, with 75 percent of global knowledge workers using it.

[Insights by Forrester](#), a research and advisory firm working with business and technology leaders in a range of industries, emphasizes the importance of preparing for the rapid adoption and expansion of generative AI in the enterprise landscape.

Forrester highlights the need for companies to assess the readiness and implications of integrating such technologies into their operations and concludes that businesses that embrace generative AI technologies to deliver better experiences, create more innovative offerings, and boost productivity will realise outsized growth and outpace their competition.

Three out of four people use AI at work



Source: 2024 Work Trend Index Annual Report from Microsoft and LinkedIn

Residential development company Bonava is exploring how AI can help build the business

With an effort based on curiosity, Bonava has focused its endeavor into AI on increasing the knowledge level in the organization and realizing the benefits step by step.

Bonava is one of the leading housing developers in Northern Europe and develops and sells affordable and sustainable housing directly to consumers.

The residential development company is present in Sweden, Finland, Germany and the Baltics; Estonia, Latvia and Lithuania and acquires land to develop communities and neighbourhoods for people to live in.

Bonava is a shareholding company and has been in operation since the 1930s. The company's head office is located in Stockholm, Sweden. It employs 1,300 people across its six markets with the ambition to strengthen positions in regions with considerable potential for long-term value creation.

The company aims to create locations and environments where people thrive and future generations can grow.

"We create happy neighbourhoods for the many," says Group Digital Product Owner at Bonava, Elisabeth Shishoo.

Ensure progress

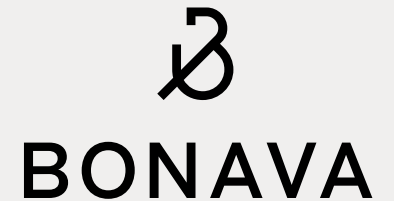
When AI, principally generative AI in the form of ChatGPT, made its world-altering debut on the stage in late 2022 the company's curiosity was quickly ignited – especially within Bonava's digital team.

"Me and my colleagues in the digital team have been very interested in this new technology, we spent quite a bit of time looking into generative AI, going to seminars and webinars – just learning

a lot. Then we started focusing on responsible usage, legal compliance and ethics. Now we're at a place where we explore what's possible and how we can implement it into the organization and ensure enablement for increased usage" explains Elisabeth Shishoo.

Bonava's digital team, which Elisabeth Shishoo is a part of took the lead on creating a cross-functional group – the Group Generative AI Forum.

"The purpose of the group is to ensure that we as a company are making progress in adopting AI in our processes and everyday work, in a responsible way," says Elisabeth Shishoo.



Elisabeth Shishoo

Group Digital Product Owner

BONAVA



Unexpected benefits

The point is that the main focus of Bonava's current AI efforts is to increase the knowledge level within the organization. Bonava is focusing on increasing the general usage of generative AI, and has recommended ChatGPT as the company platform of choice for now.

In parallel, Bonava is monitoring the progress of Copilot given that Bonava is a Microsoft-heavy organization.

Elisabeth Shishoo shares that the digital team in Bonava utilizes ChatGPT frequently. It speeds up writing an email, drafting a presentation or creating a meeting structure. However, it has also contributed in unexpected ways.

"It is also beneficial in other areas especially when it comes to suggesting alternative approaches, coaching and sparring," says Elisabeth Shishoo.

The use of generative AI has also resulted in new processes within Bonava.

The marketing department used to be responsible for sales descriptions for the homes and publishing them on the web – they are now created using generative AI. Instead of having an agency produce the sales descriptions, the team can use AI to produce them based on data and parameters from the project, Elisabeth Shishoo explains.

We don't need to be trailblazers and be first on building new solutions, we will take it step by step. But I'm sure that long-term it'll change many parts of the business.

Elisabeth Shishoo,

GROUP DIGITAL PRODUCT OWNER

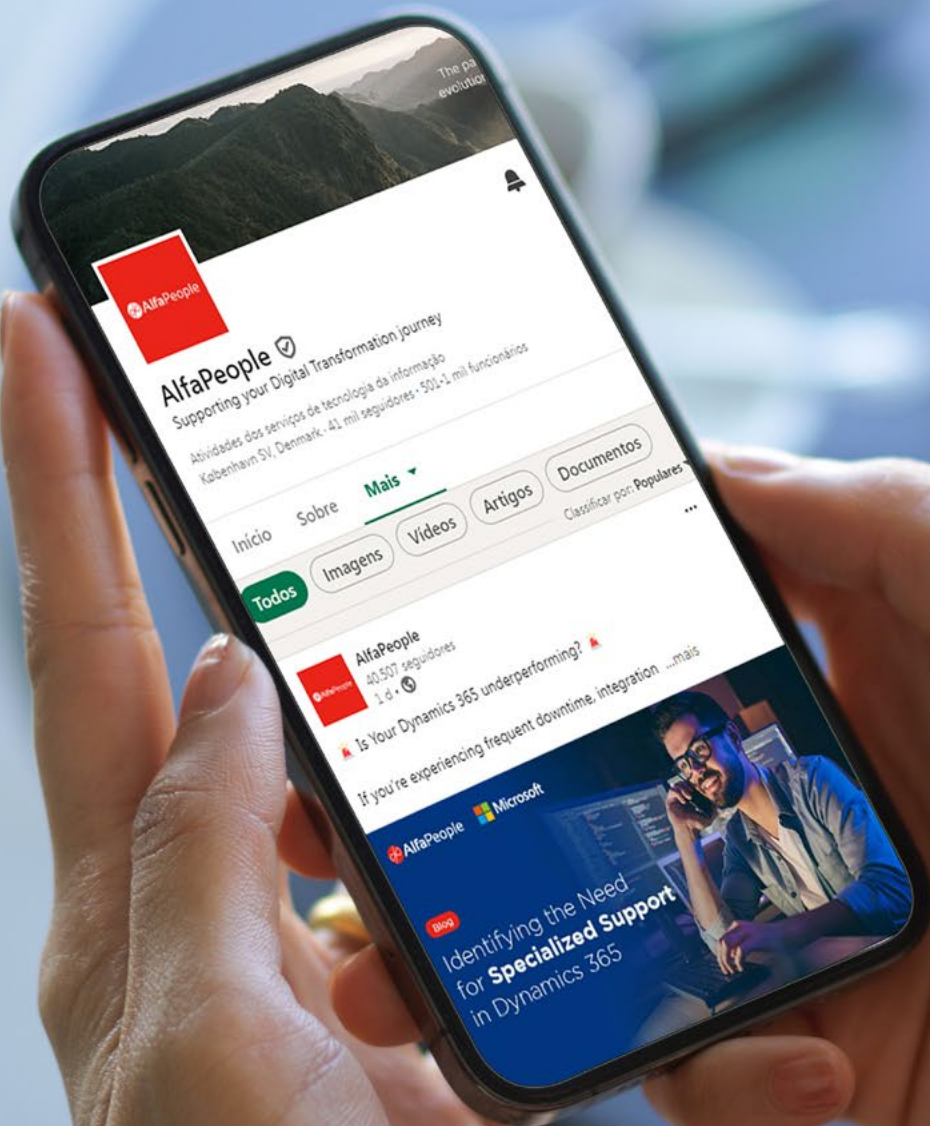
Get new knowledge and inspiration

- follow AlfaPeople on LinkedIn

As one of Microsoft's largest partners, AlfaPeople has a finger on the pulse of global business and industry and has a deep knowledge of how organizations can adopt and integrate business technologies.

Follow us on LinkedIn to gain access to knowledge that can set your business up for success.

**FOLLOW
ALFAPEOPLE
HERE**



A man and a woman are smiling and looking at a laptop screen in a bright office setting. The man is wearing glasses and a light blue sweater, and the woman is wearing a grey t-shirt. They appear to be in a collaborative work environment.

CHAPTER 3

Benefits and challenges of AI implementation in business processes

In the latest “[2024 Work Trend Index Annual Report](#)” from [Microsoft](#) and [LinkedIn](#) most leaders agree that AI is a necessity, but the pressure to show immediate ROI is making leaders move slowly.

However, if data from the [IDC Business Value of AI Survey 2023](#) is to be believed: Organizations are realizing a return on their AI investments within 14 months. For every \$1 a company invests in AI, it is realizing an average return of \$3.5X.

This aligns well with the findings of the survey conducted in this report. When asked to quantify the cost reductions in their organization, attributable to the implementation of AI in their processes 25 percent answered 2.1-5 percent cost reduction. 11 percent answered 5.1-10 percent cost reduction while 7 percent said 0.1-2 percent. 9 percent have seen no cost reductions.



Those using Microsoft AI integrated with Microsoft Dynamics ERP or CRM profit from the AI benefits in their business processes. 29 percent attribute 2.1-5 percent cost reductions when using Microsoft Copilot (within Microsoft Edge navigator) to AI, while 21 percent attribute 5.1-10 percent cost reductions to AI.

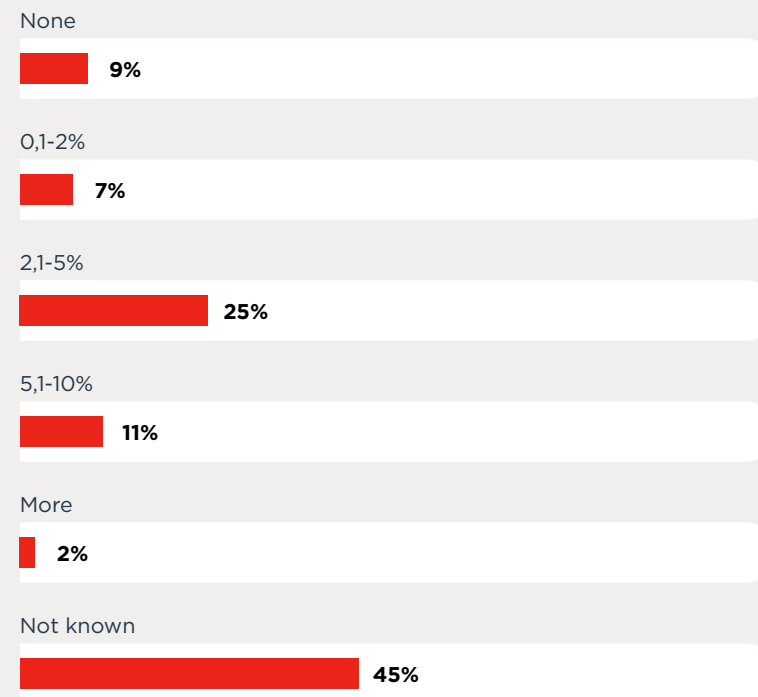
54 percent attribute from 2.1-10 percent cost reductions when using Microsoft 365 Copilot (Copilot for Office and Teams) to AI implementation. 43 percent of those using Copilot for Sales attribute cost reductions of 2.1-5 percent to AI, while 67 percent of those using Copilot for Services attribute cost reductions of 2.1-5 percent to AI.

50 percent of those using AI Builder (Power Platform) attribute 2.1-5 percent in cost reductions to AI implementation, while 75 percent of those using Azure AI Services attribute up to 10 percent in cost reductions to AI.

45%

of respondents cannot quantify the cost reductions attributable to the implementation of AI.

Can you quantify the cost reductions in your organization, attributable to the implementation of AI in your processes?



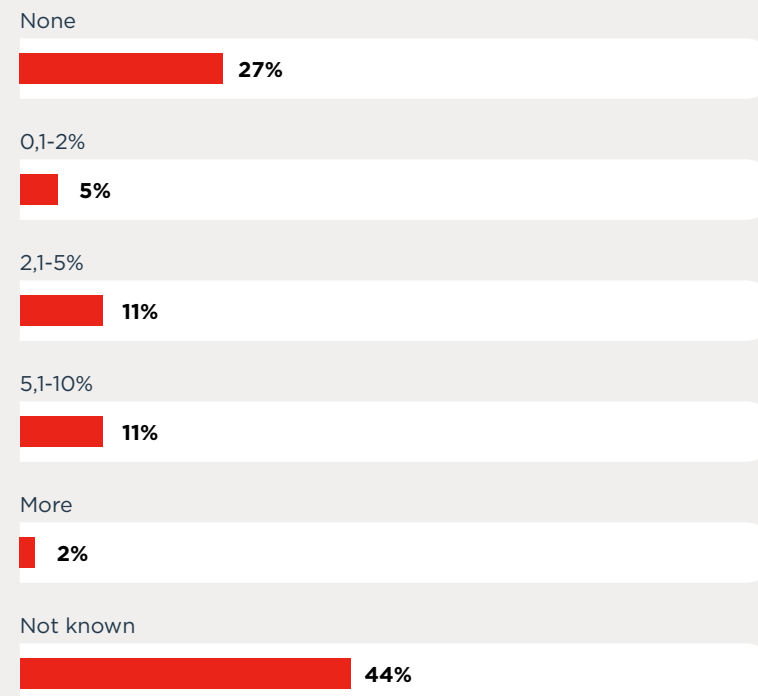
Revenue increase because of AI

The IDC “[Business Value of AI Survey 2023](#)” commissioned by Microsoft projects that generative AI will add nearly \$10 trillion to global GDP over the next 10 years.

When the survey respondents were asked to quantify the revenue increase in their organization, attributable to the implementation of AI in their processes 5 percent said they experienced a 0.1-2 percent increase. 11 percent said they experienced a 2.1-5 percent increase, while 11 percent answered 5.1-10 percent increase in revenue. 44 percent said they did not know.

Of those using Microsoft Copilot (within Microsoft Edge navigator) 36 percent say they attribute between 2.1-10 percent revenue increase to AI implementation. 53 percent of those using Microsoft 365 Copilot (Copilot for Office and Teams) attribute 2.1-10 percent in revenue increase to AI implementation in their processes. 46 percent of Copilot for Sales users attribute up to 10 percent revenue increase to AI, while 99 percent of Copilot for Services attribute up to 10 percent revenue increase to AI.

Can you quantify the revenue increase in your organization, attributable to the implementation of AI in your processes?



Non-financial benefits of AI integration

However, AI integration is not just about cost reduction and revenue increase. Several non-financial benefits can be the result of AI integration within an organization's business processes.

According to the survey conducted in this report, 58 percent have experienced Enhanced Employee Productivity. 45 percent have experienced Innovation and Competitive Advantage, while 40 percent report Improved Customer Satisfaction. On the lower end 25 percent see Faster Decision-making, while only 11 percent experience Better Compliance and Risk Management.

Data from the IDC "Business Value of AI Survey 2023" support these findings concluding that AI has demonstrable business value within areas like employee

experience, customer engagement and internal business processes, adding that AI can also help bend the curve on innovation.

58%
have experienced Enhanced Employee Productivity.

Which non-financial benefits have the integration of AI within your business processes led to?



Major challenges to implementation

Even though companies in the survey report cost reduction, revenue increase and other benefits attributed to AI, many companies still see some major challenges in implementing AI.

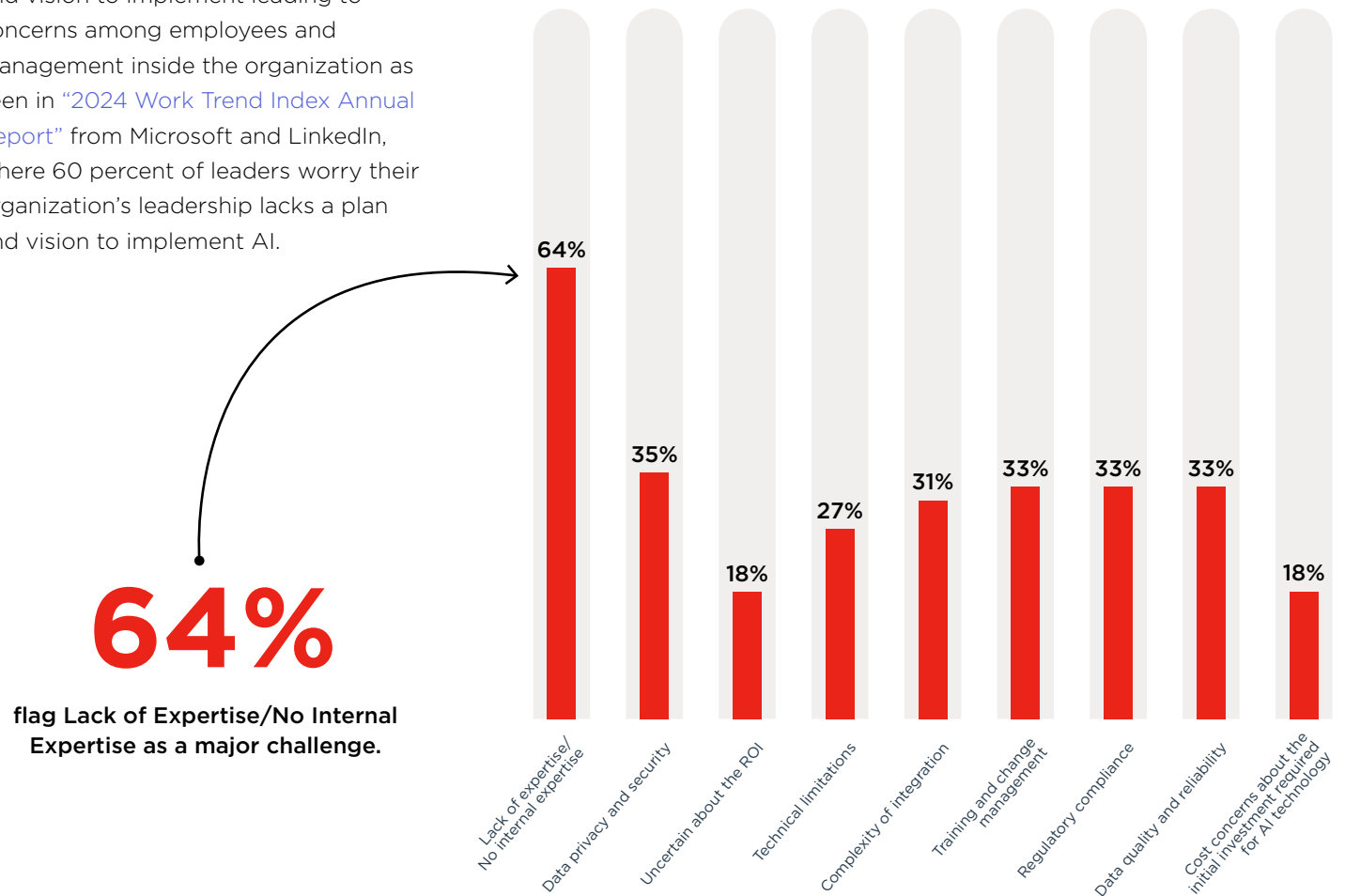
64 percent flag Lack of Expertise/No Internal Expertise as a major challenge. Data Privacy and Security (35 percent) takes second place among challenges, while Training and Change Management, Regulatory Compliance, and Data Quality and Reliability (33 percent) share third place.

Taking a look at company size the same picture comes into view. 54 percent of small companies, 71 percent of medium-sized companies, 60 percent of large companies and 75 percent of enterprise-size companies identify Lack of Expertise/No Internal Expertise as a major challenge.

It's important, however, not to let these challenges slow the implementation and stall executive vision. This could be

seen as a lack of leadership, planning and vision to implement leading to concerns among employees and management inside the organization as seen in "2024 Work Trend Index Annual Report" from Microsoft and LinkedIn, where 60 percent of leaders worry their organization's leadership lacks a plan and vision to implement AI.

What do you see as the major challenges to implementing AI?



64%

flag Lack of Expertise/No Internal Expertise as a major challenge.

64%

see lack of expertise or lack of internal expertise as a major challenge to AI implementation.

Electrical materials distributor Nortel use AI to power their business processes

To optimize its business processes and reduce the amount of repetitive manual tasks, Nortel has developed its own AI tool, which has already greatly increased productivity.

Nortel, part of the Sonepar Group, is Brazil's largest electrical materials distribution company serving different types of industries all over the country. The electrical products distributor is based in Campinas in the state of São Paulo. The company serves 15,000 customers and employs 800 people through 60 branches across Brazil.

Since 1966, the company has been engaged in the distribution of electrical materials and safety equipment, tools, industrial panels and automation as well as providing maintenance, repair and operation products.

The company aims to be the leading electrical distributor in Brazil and provide businesses with the optimal solutions for their needs.

"We primarily serve B2B customers, helping them optimize their operations in various segments," says Commercial Director at Nortel, Fernando Barbosa.

Replacing manual tasks

Nortel operates under two different business models: contracts and spot sales. The contract model offers a solution for large organizations that require an offer with fixed prices for a specific period. Spot sales are for mainly customers preferring to receive a different price each time they purchase a product.

"For both contract and spot sales, for making a quotation/offer to our customers, our team must manually find the right products in our ERP that match our customer's products

specifications, we quote over 150,000 items per month. At Nortel, we reached a point where we couldn't keep up with market demand due to the manual nature of our processes.

"That's when we decided to explore AI as a solution for speeding up the process and replacing some of the manual tasks," explains Fernando Barbosa.

Nortel started discussing AI internally at the beginning of last year, discussing how to handle the development of AI solutions for their business processes.

"We decided to partner with a local startup company called VOLIX to develop an MVP (minimum viable product) to demonstrate that it could work. Fortunately, we had a wealth of

Nortel
A Sonepar Company



Fernando Barbosa

Commercial Director

NORTEL

data detailing customer requests and the product solutions we proposed to them,” says Fernando Barbosa.

Not going back

The result was the AI tool “QuoteGPT” specifically developed to help Nortel optimize its business processes. The goal is to improve productivity and let the team focus on what truly matters: consulting selling.

“We want to shift our team’s focus from repetitive manual tasks to negotiating with customers and suppliers, better understanding their needs, and building relationships,” says Fernando Barbosa.

Nortel constantly improves the tool’s accuracy and soon launches a more user-friendly web version. Right now QuoteGPT is only used for contract sales but the goal is, according to Fernando Barbosa, to scale the tool across the entire sales operation within the next year.

“It’s still early days but I’m confident that improving our hit rate by even 1 percent would increase our monthly revenue by millions of reais [Brazilian currency]. We’re happy with the ROI of the tool,” he says.

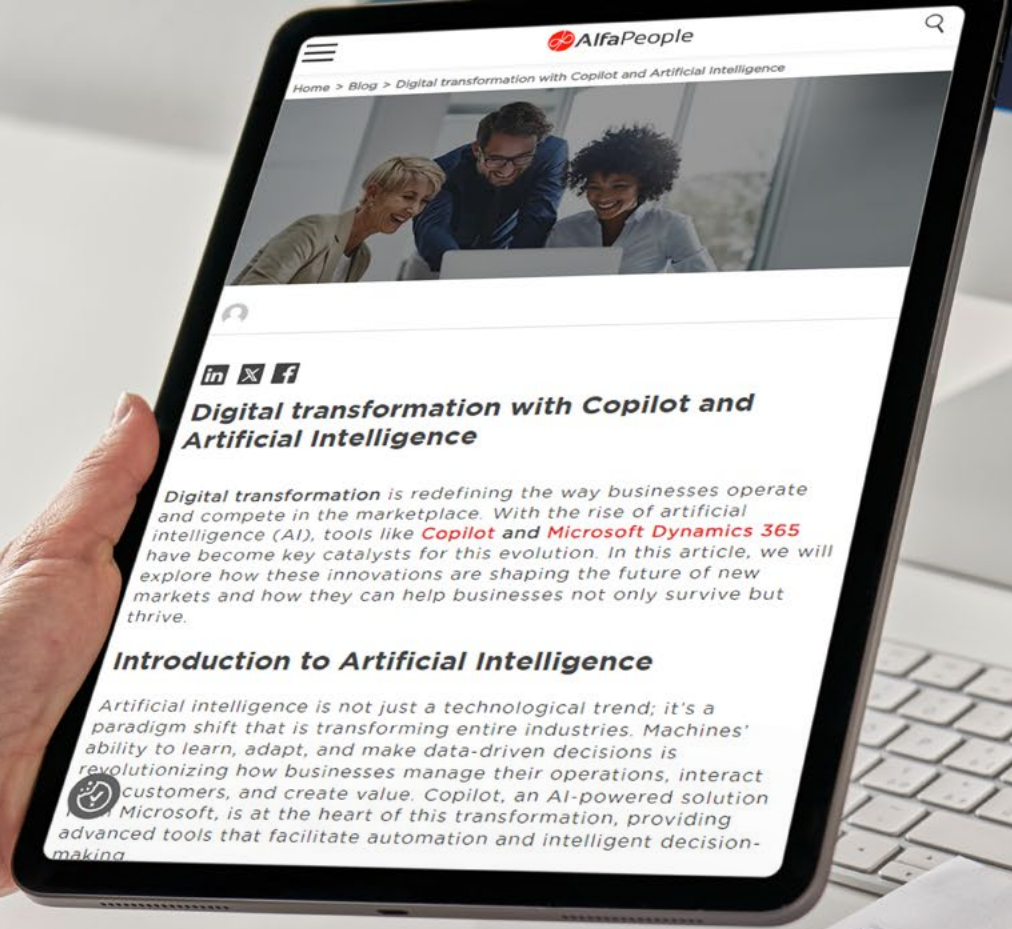
Another benefit is that Nortel can respond to customer enquiries much faster greatly increasing their experience. However, despite the obvious business benefits, Fernando Barbosa also has had to reassure the team that the tool isn’t going to take their jobs, explain the value and bring everyone on board.

“I don’t see us going back to the old way of working. Our team is getting used to the tool and is already benefiting from it. We’re also ambitious about where we can take this. Eventually, we want to integrate it into our webshop—enabling our customers to upload their own lists and get quotes without any manual intervention,” says Fernando Barbosa.

I don’t see us going back to the old way of working. Our team is getting used to the tool and is already benefiting from it. We’re also ambitious about where we can take this.

Fernando Barbosa,

COMMERCIAL DIRECTOR



Your gateway to news and insights around the Microsoft Dynamics ecosystem

Explore our blog archive and get tips & tricks, industry insights, and extensive knowledge around the Microsoft Dynamics ecosystem. You will discover a wealth of knowledge and insights from our experienced experts regarding topics such as AI, data, ERP, CRM and automation.

[VISIT THE ALFAPEOPLE BLOG HERE](#)



A photograph of two men in an office setting. The man on the left is seated, wearing a light blue blazer over a yellow shirt, and is smiling while looking at a laptop. The man on the right is standing, leaning over the seated man, wearing a white sweater, and looking intently at the laptop screen. The background is a blurred office environment with glass partitions and warm lighting.

CHAPTER 4

Current and future use of Microsoft AI solutions in business processes

It's only been a year since Microsoft introduced Microsoft 365 Copilot to bring the power of next-generation AI to work. The ambition was and still is to combine the power of large language models (LLMs) with your data in Microsoft Graph and the Microsoft 365 applications providing interactive, AI-powered assistance across business functions.

However, the question is whether businesses, companies and organizations are aware of the AI capabilities offered by Microsoft.

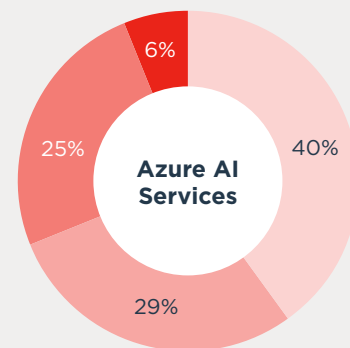
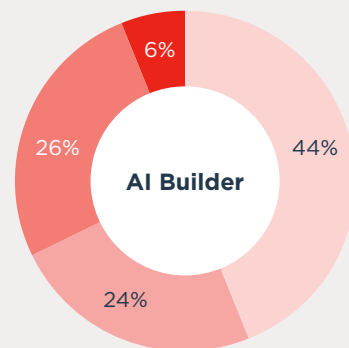
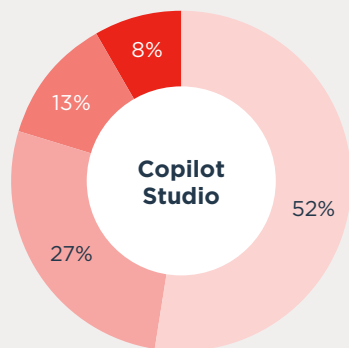
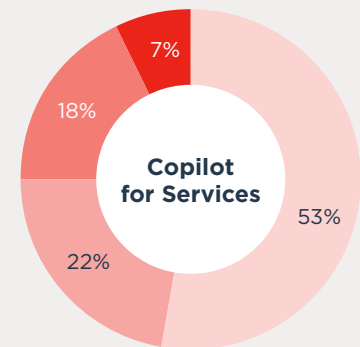
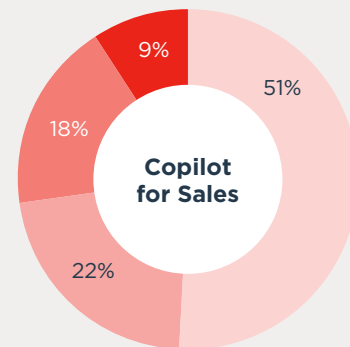
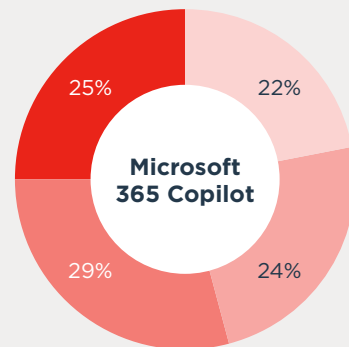
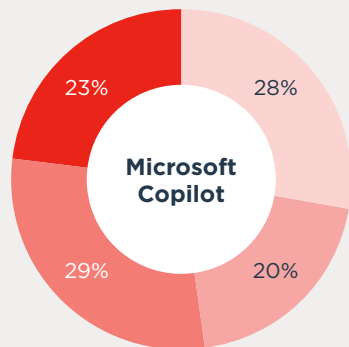
According to the survey conducted in this report, the answer to that question is both yes and no. When looking at Microsoft Copilot (within Microsoft

Edge navigator) and Microsoft 365 Copilot (Copilot for Office and Teams) the awareness is spread almost evenly from 0-3 when respondents were asked to rank them from Not Known to Very Known.

Looking at the awareness of other AI capabilities doesn't paint a prettier picture. 51 percent of respondents rate their awareness of Copilot for Sales a zero. 53 percent do the same when asked about their awareness of Copilot for Services. 52 percent rate their awareness of Copilot Studio a zero, while 44 percent rate their awareness of AI Builder (Power Platform) a zero. 40 percent do the same with AI Azure Services.

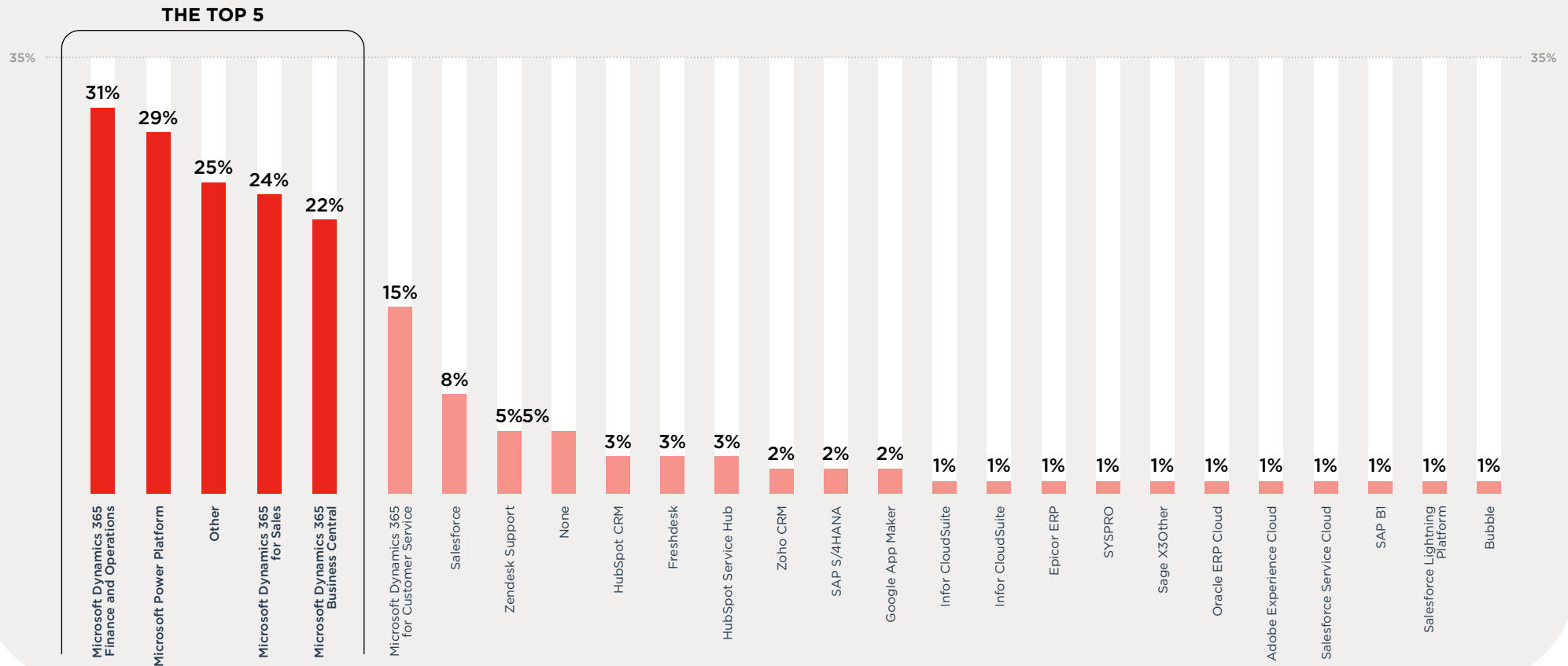


Are you aware of the AI capabilities offered by Microsoft?



Use of Microsoft AI capabilities

Which business applications or platforms does your organization currently use?



The top five most used business applications or platforms in this report's survey are Microsoft Dynamics 365 Finance and Operations (31 percent), Microsoft Power Platform (29 percent), Microsoft Dynamics 365 for Sales (24 percent), Microsoft Dynamics 365 Business Central (22 percent) and Microsoft Dynamics 365 for Customer Service (15 percent).

By cross-referencing these Microsoft business applications or platforms with the use of Microsoft AI integrated with Microsoft Dynamics ERP or CRM we can better understand the current use of Microsoft AI capabilities.

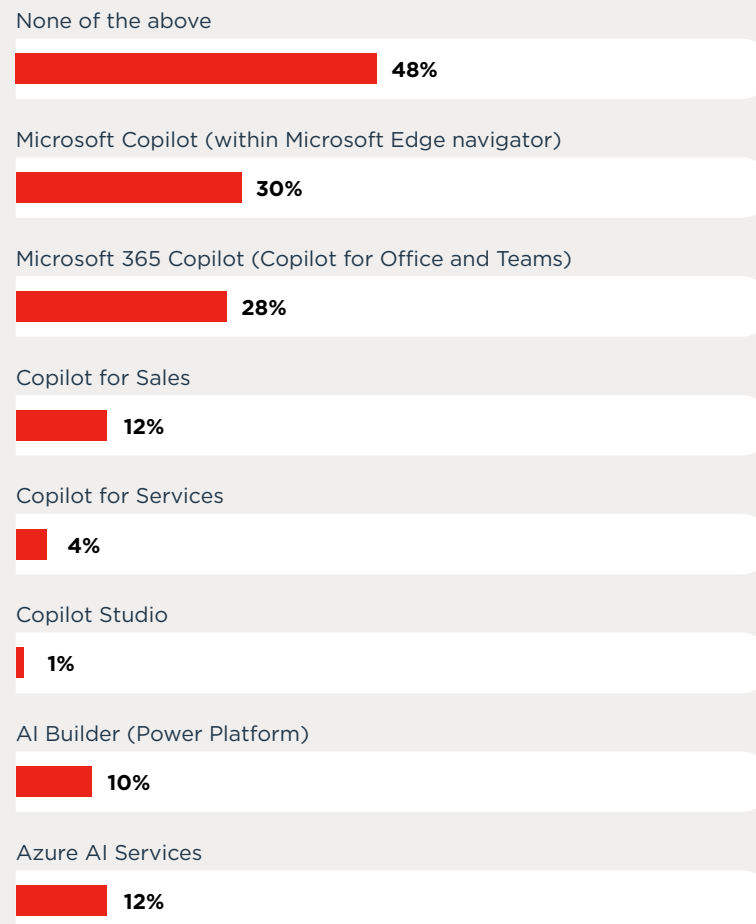
41 percent of Microsoft Dynamics 365 Finance and Operations users are not using any Microsoft AI integrated with Microsoft Dynamics ERP or CRM. However, 38 percent are using Microsoft Copilot (within Microsoft Edge navigator), 27 percent are using Microsoft 365 Copilot (Copilot for Office and Teams) and 21 percent AI Azure Services.

55 percent of Microsoft Dynamics 365 Business Central users are not using any Microsoft AI integrated with Microsoft Dynamics ERP or CRM but 25 percent use Microsoft Copilot (within Microsoft Edge navigator) and 35 percent use Microsoft 365 Copilot (Copilot for Office and Teams).

36 percent of Microsoft Dynamics 365 for Sales users and 46 percent of Microsoft Dynamics 365 for Customer Service users do not use Microsoft AI integrated with Microsoft Dynamics ERP or CRM. But 36 percent of Microsoft Dynamics 365 for Sales users have implemented Copilot for Sales, while 23 percent of Microsoft Dynamics 365 for Customer Service users are using Copilot for Services.

74 percent of Microsoft Power Platform users have either implemented Microsoft Copilot (within Microsoft Edge navigator) or Microsoft 365 Copilot (Copilot for Office and Teams).

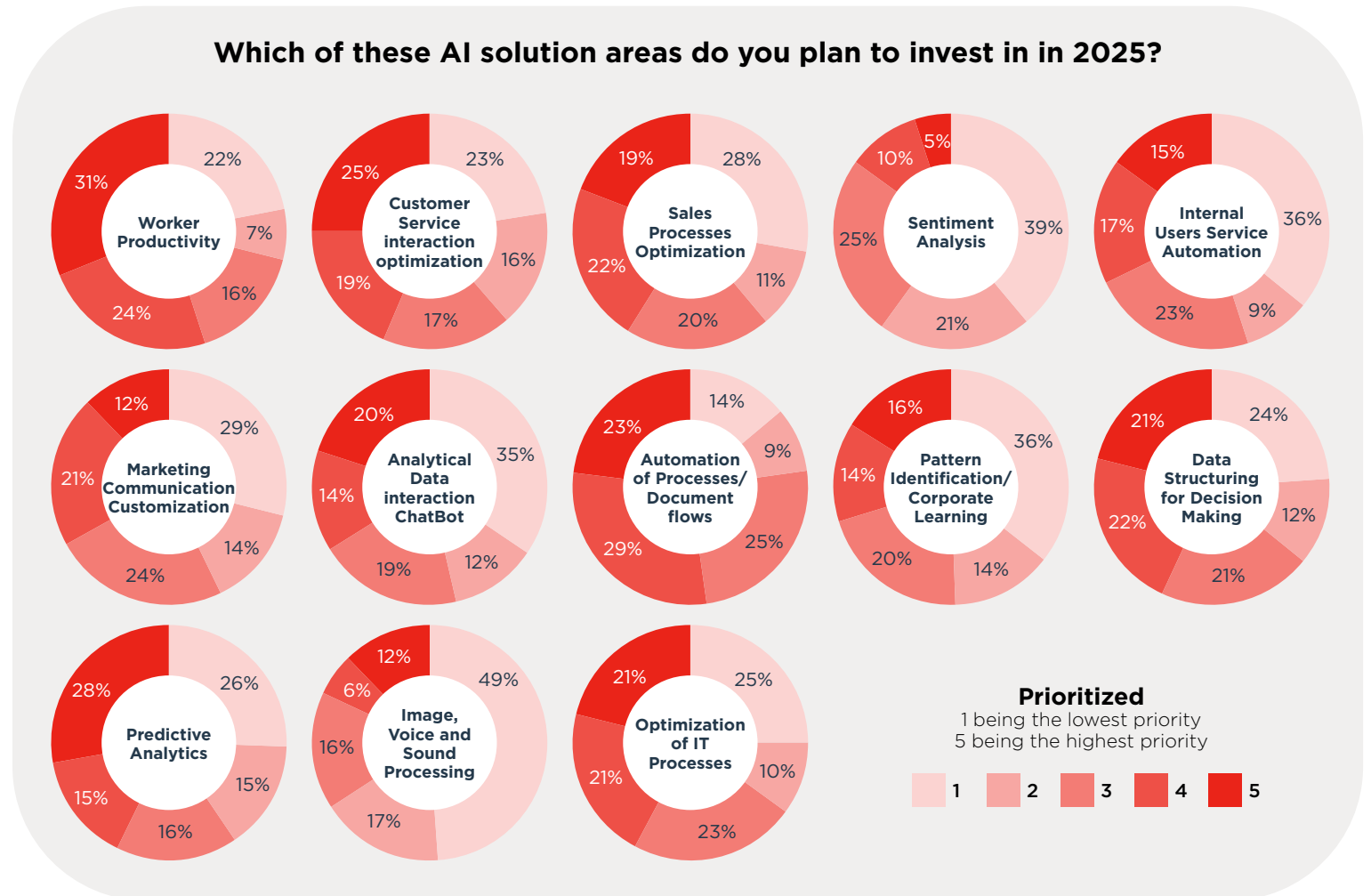
Are you using Microsoft AI integrated with Microsoft Dynamics ERP or CRM?



Future use of Microsoft AI capabilities

According to the survey in this report, companies and organizations are mainly planning to invest in AI solutions regarding Worker Productivity, Customer Service interaction optimization, Predictive Analytics (Demand Forecasting, Predictive Maintenance, etc.), Automation of Processes/ Document flows and Data Structuring for Decision Making.

Areas where businesses are not planning to invest as much are Image, Voice and Sound Processing. 49 percent give this the lowest priority. 39 percent give Sentiment Analysis the lowest priority, while 36 percent give Internal Users Service Automation (IT/HR Bot) and Pattern Identification/Corporate Learning the lowest priority of 1.





When looking at what Microsoft tools companies plan to use next year one is the clear winner. 48 percent plan to use Microsoft 365 Copilot (Office/Teams). In second place is Copilot in Microsoft Dynamics ERP with 39 percent. In third is Microsoft Copilot Microsoft Edge (35 percent) followed closely by Copilot for Sales (33 percent) with Azure AI Services in fifth place with 30 percent.

48%

are planning to use
**Microsoft 365 Copilot (Office/
Teams) next year.**

MICROSOFT COPILOT:

Microsoft Copilot is an artificial intelligence (AI)-powered tool primarily meant to support Microsoft 365 users with automation features for Word, Excel, PowerPoint, Outlook and Teams. Microsoft Copilot also offers Business Chat which works across the LLM, the Microsoft 365 apps, and your data — your calendar, emails, chats, documents, meetings and contacts — to for example help you generate a status update based on the morning's meetings, emails and chat threads.

Are you planning to use any of the following Microsoft tools next year?

Microsoft Copilot in Microsoft Edge



Microsoft 365 Copilot (Office/Teams)



Copilot for Sales



Copilot for Services



Copilot Studio



AI Builder (Power Platform)



Azure AI Services



Copilot in Microsoft Dynamics ERP



Copilot in Microsoft Dynamics CRM



Other



74%

of Microsoft Power Platform users have either implemented Microsoft Copilot (within Microsoft Edge navigator) or Microsoft 365 Copilot (Copilot for Office and Teams).

Get free knowledge and insights in your inbox

Sign up for our AlfaPeople newsletter and gain knowledge and inspiration for your digital transformation.

The newsletter is published 1-2 times a month and is filled with knowledge, trends and insights on how to drive digital transformation with Microsoft Dynamics 365 and Power Platform.

The newsletter focuses on content that aims to inform and inspire enabling your digital transformation to reach new heights.

**SIGN UP FOR
THE ALFAPEOPLE
NEWSLETTER HERE**



A photograph of three business professionals in an office setting. A woman with curly hair, wearing a yellow blazer, is smiling and looking towards a man in a light blue sweater who is also smiling. A woman with glasses, wearing a light grey blazer, is seated and gesturing with her hands as if explaining something. The background shows a window with a grid pattern and some indoor plants.

CHAPTER 5

Budget allocation and expected impact of AI on businesses

Goldman Sachs Economic Research expects global investment in AI technologies will reach \$200 billion by 2025. Additionally, Forrester's May 2024 Artificial Intelligence Pulse Survey find that 67 percent of AI decision-makers say their organization plans to increase investment in generative AI in the coming year.

The survey conducted in this report is aligned with the findings from Goldman Sachs and Forrester. 36 percent of organizations participating in the survey say that between 6 percent and 20 percent of their companies' IT budgets in 2025 will be allocated to AI investments. 5 percent will allocate 21 percent or more of the company's IT budget to AI technologies. 36 percent answer that they expect their organizations to invest between 0 and 5 percent of their IT budgets in AI solutions.

When looking at the willingness to allocate parts of the IT budget to AI investments in organizations utilizing

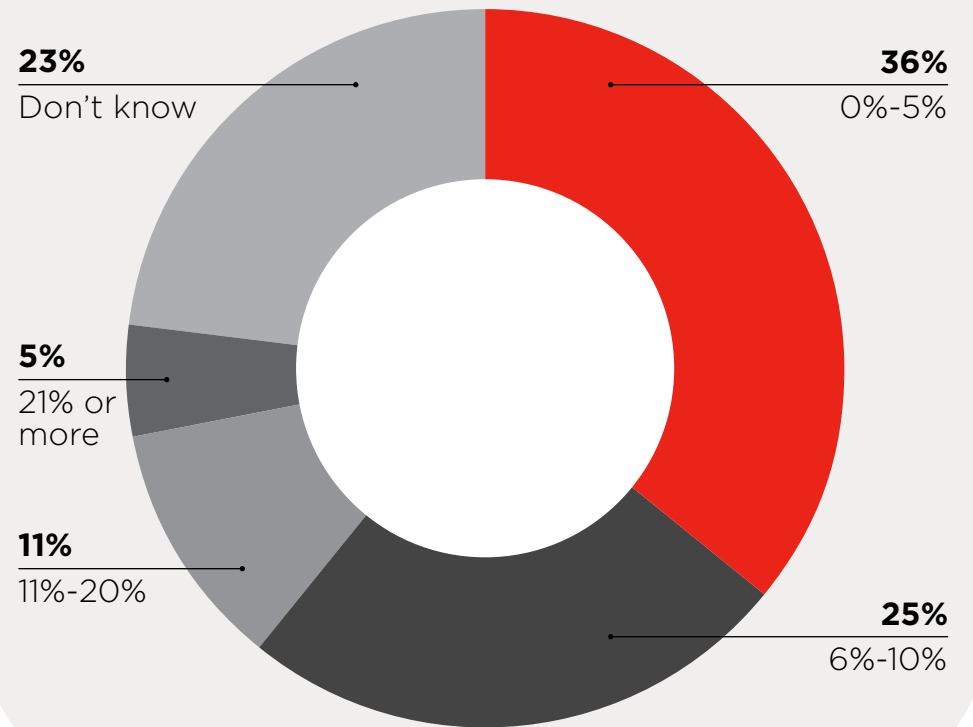
or not utilizing AI in their business processes an interesting pattern emerges.

43 percent of organizations currently not utilizing AI features in their business processes are considering allocating 0-5 percent of their IT budgets to AI investments, while 7 percent plan to use 11-20 percent, 2 percent plan to use 21 percent or more of their IT budget.

However, when looking at the organizations currently utilizing AI features the investment intentions shift. 29 percent consider allocating 6-10 percent of their IT budgets to AI investments. 12 percent intend to allocate 11-20 percent, while 9 percent plan to use 21 percent or more of their IT budgets.

What seems to be the conclusion is that organizations already using AI in their

How much of your company's IT budget in 2025 should be allocated to AI investments?



business processes want to invest more in AI while businesses that have not yet started using AI are more apprehensive.

This is supported by findings in the IDC Business Value of AI Survey 2023. 43 percent of organizations plan to reduce

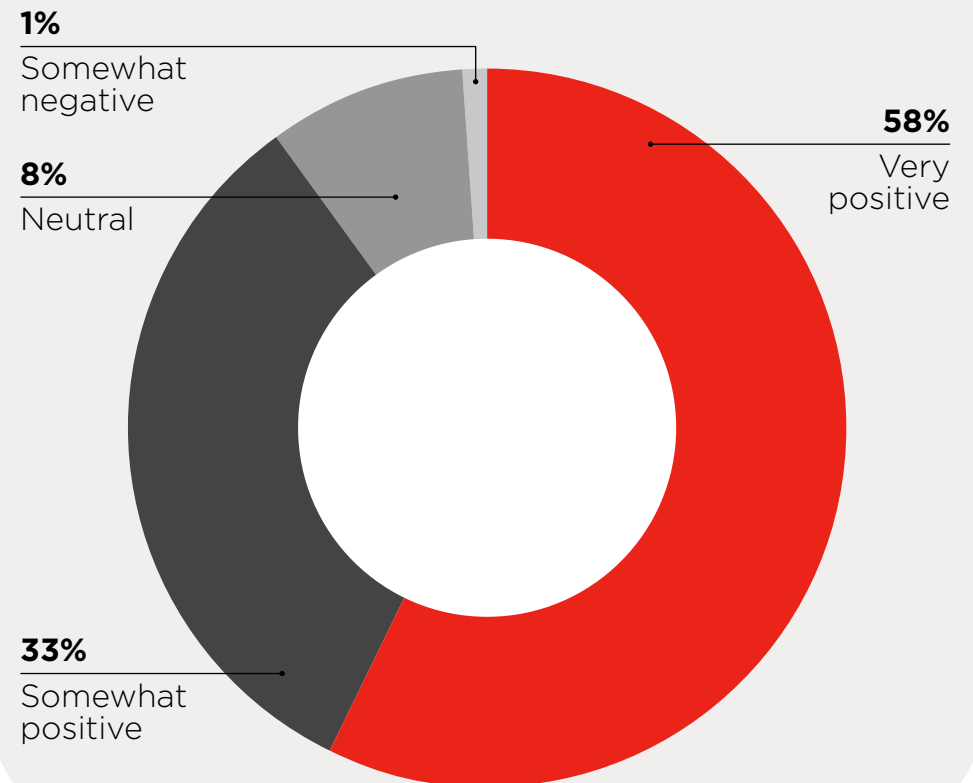
spending in other areas of the business to reallocate spending towards AI within 24 months. 32 percent of organizations have already reduced an average of 11 percent of spending on certain business areas to fund AI projects.

Potential impact of AI on business processes

58 percent of the respondents in this report rate the potential impact of AI on their business processes within the next two to four years as Very positive. 33 percent rate it as Somewhat positive, while 8 percent rate it as Neutral.

In total, 91 percent of the organizations participating in the survey rate the potential impact of AI on their business processes within the next two to four years as Somewhat positive or Very positive.

How would you rate the potential impact of AI on your business processes within the next two to four years?





Research from Forrester highlights generative AI as one of the top emerging technologies, projecting significant returns on investment within the next two to four years.

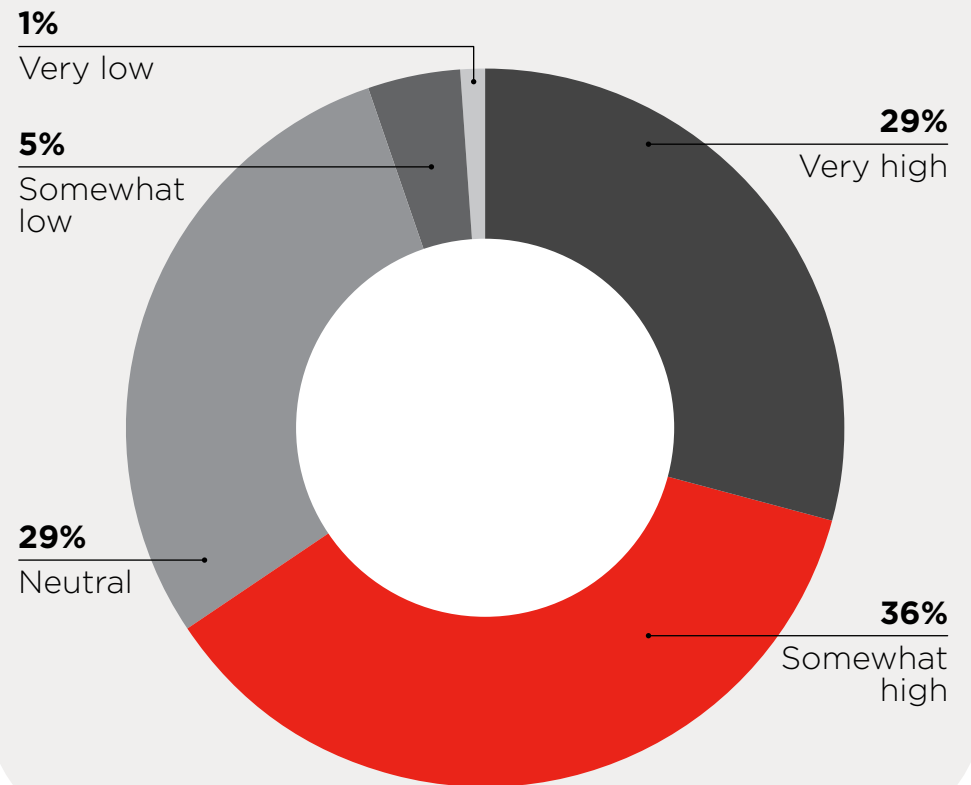
Their findings suggest that generative AI will not only enhance existing business processes but also drive substantial growth across various sectors by enabling new capabilities in productivity and innovation.

In addition to that the Forrester Total Economic Impact study revealed that Azure AI customers have seen a 284 percent return on investment over three years, illustrating the tangible benefits of integrating Microsoft's AI capabilities.

The survey in this report also reflects these findings. 50 percent of Azure AI Services users have Very high expectations of the ROI on the AI investments within two to four years. 78 percent of Microsoft 365 Copilot (Copilot for Office and Teams) have Somewhat high or Very high ROI expectations while 70 percent of Microsoft Copilot (within Microsoft Edge navigator) have the same sentiment.

More generally speaking 67 percent of the respondents have Very high or Somewhat high expectations of the ROI on your AI Investments within the next two to four years. A small minority of 6 percent have Very low or Somewhat low expectations.

What are your expectations of the ROI on your AI Investments within the next two to four years?



91%

rate the potential impact of AI on their business processes within the next two to four years as Somewhat positive and Very positive.

About AlfaPeople

AlfaPeople is a global consulting company that offers proven implementations and support for Microsoft Dynamics 365. We help organizations adopt and integrate business technologies to develop and implement unique business processes with Microsoft Dynamics 365, Power Platform and Microsoft AI Solutions.

Founded in 2009 in Denmark, AlfaPeople is now present in Europe, the Middle East, and North, Central, and South America. With over 630 employees, including more than 450 certified consultants, we speak your language and work your way.

As one of Microsoft's largest partners, we keep our finger on the pulse of global business and industry — to know where they're going and to understand where our solutions can take root in your business processes to best position you for success.

CONTACT US TODAY

To learn how we can help your business thrive.



Microsoft AI Solutions in Business Processes: Outlook 2025 is published by the global consulting company AlfaPeople. The report is based on data collected between May and September 2024. Responses were collected via telemarketing, the AlfaPeople newsletter and LinkedIn. In total, 137 respondents participated in the survey.