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Microsoft's AI Vision: Initiatives & Impact

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Aiming for Alignment: AI Landscape in 2024

In 2024, business and tech leaders will capitalise on the spotlight on GenAI engines to integrate AI across their operations. Organisations will prioritise aligning initial GenAI initiatives with broader AI strategies, setting clear short-term and long-term goals for their AI investments.

ORGANISATIONS' SHORT-TERM & LONG-TERM AI GOALS DIFFER

GOALS FOR THE SHORT-TERM*

40%

Increased customer satisfaction/retention

39%

Reduction of process time

29%

Product improvement/innovation

GOALS FOR THE LONG-TERM*

51%

Increased revenue

44%

Increased profit margin

40%

Reduction of headcount

* Short-term – 6-12 months; Long-term – More than 2 years

Source: Ecosystem, 2024



As tech providers such as Microsoft enhance their capabilities and products, they will impact business processes and technology skills, and influence other tech providers to reshape their product and service offerings.



Microsoft recently organised briefing sessions in Sydney and Singapore, to present their future roadmap, with a focus on their AI capabilities.

“Don’t ask what computers can do, ask what they should do.”

Brad Smith

Vice Chair & President, Microsoft



Ecosystem Advisors provide insights on Microsoft's recent announcements and messaging.



Achim Granzen

Principal Advisor



Peter Carr

VP Ecosystem Consulting



Tim Sheedy

VP Research



What are your thoughts on Microsoft Copilot?



Tim Sheedy
VP Research

The future of GenAI will not be about single LLMs getting bigger and better – it will be about the use of multiple large and small language models working together to solve specific challenges. It is wasteful to use a large and complex LLM to solve a problem that is simpler. Getting these models to work together will be key to solving industry and use case specific business and customer challenges in the future. Microsoft is already doing this with Microsoft 365 Copilot.



Achim Granzen
Principal Advisor

Microsoft's Copilot – a shrink-wrapped GenAI tool based on OpenAI – has become a mainstream product. Microsoft has made it available to their enterprise clients in multiple ways: for personal productivity in Microsoft 365, for enterprise applications in Dynamics 365, for developers in Github and Copilot Studio, and to partners to integrate Copilot into their applications suites (E.g. Amdocs' Customer Engagement Platform).



How, in your opinion, is the Microsoft Copilot a game changer?



Achim Granzen
Principal Advisor

Microsoft's Customer Copyright Commitment, initially launched as Copilot Copyright Commitment, is the true game changer.

It safeguards Copilot users from potential copyright infringement lawsuits related to data used for algorithm training or output results. In November 2023, Microsoft expanded its scope to cover commercial usage of their OpenAI interface as well.

This move not only protects commercial clients using Microsoft's GenAI products but also extends to any GenAI solutions built by their clients. This initiative significantly reduces a key risk associated with GenAI adoption, outlined in the product terms and conditions.

However, compliance with a set of Required Mitigations and Codes of Conduct is necessary for clients to benefit from this commitment, aligning with responsible AI guidelines and best practices.



Where will organisations need most help on their AI journeys?



Peter Carr

VP Ecosystem Consulting

Unfortunately, there is no playbook for AI.



The path to integrating AI into business strategies and operations lacks a one-size-fits-all guide. Organisations will have to navigate uncharted territories for the time being. This means experimenting with AI applications and learning from successes and failures. This exploratory approach is crucial for leveraging AI's potential while adapting to unique organisational challenges and opportunities. So, companies that are better at agile innovation will do better in the short term.



The effectiveness of AI is deeply tied to the availability and quality of connected data. AI systems require extensive datasets to learn and make informed decisions. Ensuring data is accessible, clean, and integrated is fundamental for AI to accurately analyse trends, predict outcomes, and drive intelligent automation across various applications.



What advice would you give organisations adopting AI?



Tim Sheedy
VP Research

It is all about opportunities and responsibility.



There is a strong need for responsible AI – at a global level, at a country level, at an industry level and at an organisational level. Microsoft (and other AI leaders) are helping to create responsible AI systems that are fair, reliable, safe, private, secure, and inclusive. There is still a long way to go, but these capabilities do not completely indemnify users of AI. They still have a responsibility to set guardrails in their own businesses about the use and opportunities for AI.



AI and hybrid work are often discussed as different trends in the market, with different solution sets. But in reality, they are deeply linked. AI can help enhance and improve hybrid work in businesses – and is a great opportunity to demonstrate the value of AI and tools such as Copilot.



What should Microsoft focus on?



Tim Sheedy
VP Research

Microsoft faces a challenge in educating the market about adopting AI, especially Copilot. They need to educate business, IT, and AI users on embracing AI effectively. Additionally, they must educate existing partners and find new AI partners to drive change in their client base. Success in the race for knowledge workers requires not only being first but also helping users maximise solutions. Customers have limited visibility of Copilot's capabilities, today. Improving customer upskilling and enhancing tools to prompt users to leverage capabilities will contribute to Microsoft's (or their competitors') success in dominating the AI tool market.



Peter Carr
VP Ecosystem Consulting

Grassroots businesses form the economic foundation of the Asia Pacific economies. Typically, these businesses do not engage with global SIs (GSIs), which drive Microsoft's new service offerings. This leads to an adoption gap in the sector that could benefit most from operational efficiencies. To bridge this gap, Microsoft must empower non-GSI partners and managed service providers (MSPs) at the local and regional levels. They won't achieve their goal of democratising AI, unless they do. Microsoft has the potential to advance AI technology while ensuring fair and widespread adoption.



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