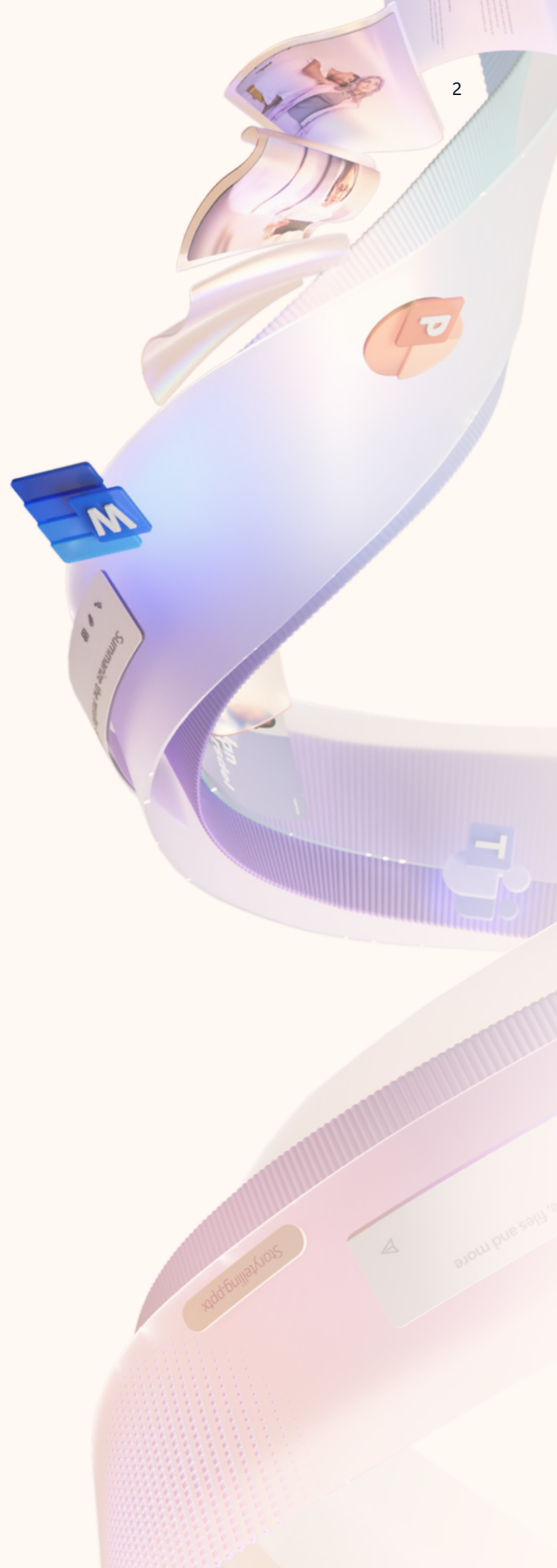Microsoft 365
Copilot

Measuring AI Impact in the Workplace

A leader's guide

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Introduction

Measuring (and enhancing) the impact of AI

AI is at the forefront of business transformation, enhancing decision-making, efficiency, revenue growth and cost optimisation – and securing a competitive edge.

Business leaders know that these benefits are too significant to overlook. They also have a responsibility to clearly demonstrate the impact that AI is having on their organisation to optimise their investment as their AI strategy unfolds. The challenge, then, becomes demonstrating how to accurately measure and report on the organisational impact of AI.

Today's leading AI solutions can provide the visibility and insights to help business leaders make informed decisions about AI deployment, encourage user adoption and measure the overall impact of AI across the enterprise.

In this eBook, we'll delve into how these AI solutions are equipping business leaders with the critical information they need to effectively measure and adapt to the evolving impact of their AI deployments, ensuring that their strategies remain aligned with their business goals and continue to deliver value over time.

Why does insight into AI data matter?

Clear insights into the impact that AI is having within the organisation enables:

- CFOs and CEOs to ensure optimal resource allocation and maximise ROI by strategically aligning AI investments with business goals

- CIOs to identify usage gaps, optimise technology investments and stay ahead of integration challenges, ensuring seamless and effective AI deployment

- IT team leaders to proactively address potential technical issues, enhance support strategies and tailor training programmes to meet user needs

# The future of your AI strategy depends on measuring the present

Business leaders recognise the transformative potential of AI but also worry about demonstrating its value. While the benefits of AI might be clear in practice, capturing them in ways that are easy to analyse – and that resonate with other stakeholders – can be tricky.

The good news? The challenge of measurement can be turned into a strategic advantage.

Using traditional metrics, or establishing an AI strategy without emphasis on measuring and reporting, can prevent business leaders from understanding and demonstrating the full significance of their AI initiatives.
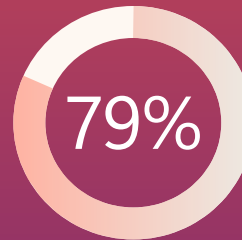
79% of leaders agree their company needs to adopt AI to stay competitive[1]
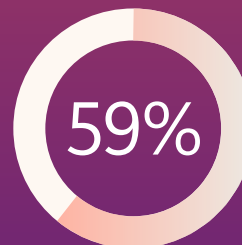
59% of those leaders worry about quantifying the productivity gains of AI[1]
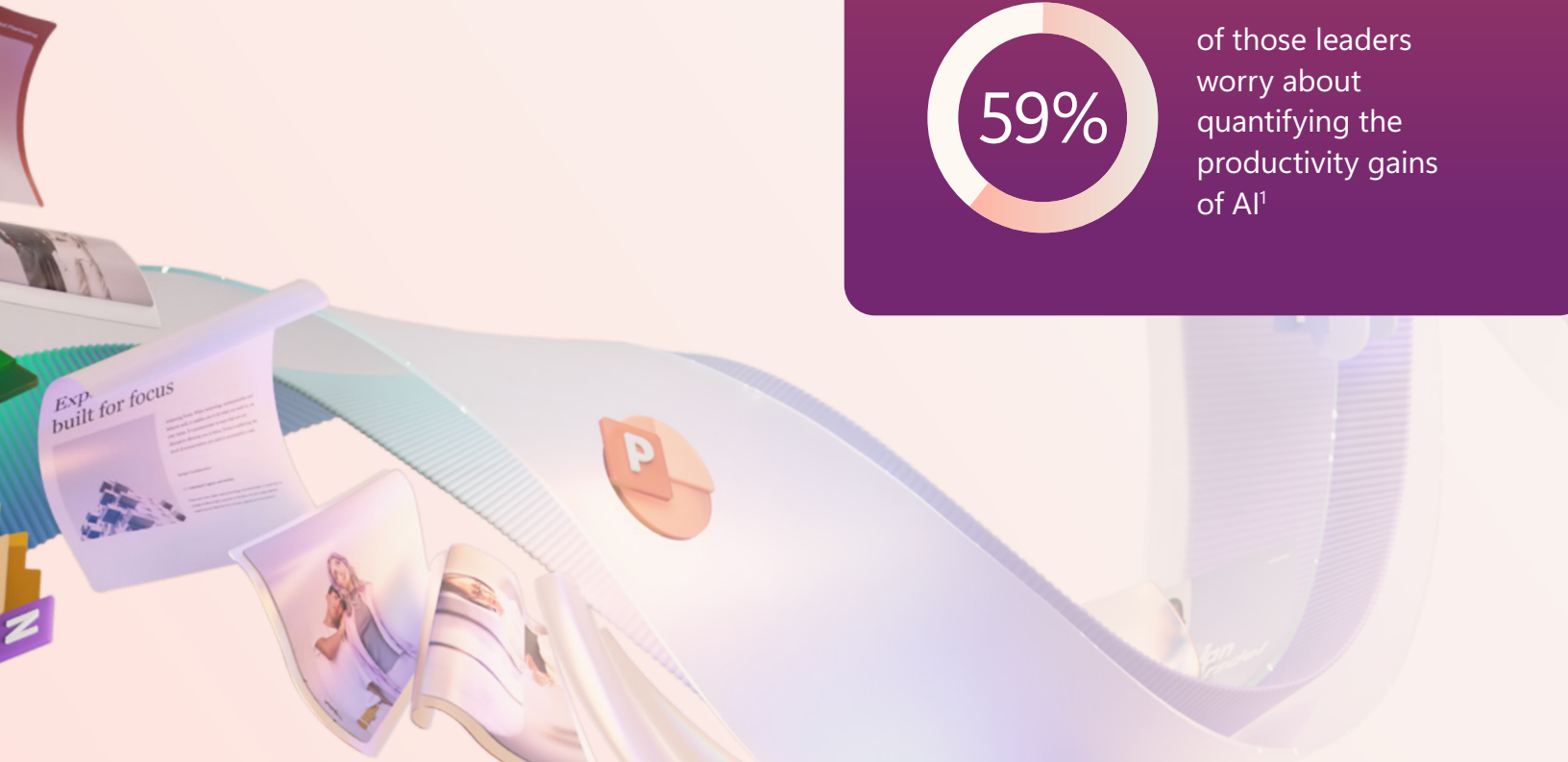
However, new AI solutions can generate the metrics that leaders are seeking, whether they are preparing for adoption, kicking off their AI implementation or measuring its ongoing impact. This includes clear, real-time data on AI readiness, user adoption, productivity gains and more.

Business leaders and executive sponsors can now accurately assess the impact that AI is having on broader organisational performance. This increased visibility allows for a nuanced understanding of how AI tools are driving specific outcomes – including improved decision-making, enhanced efficiency, increased customer satisfaction and reduced operational costs.

Gaining greater insight into how AI is being used can also create a positive feedback loop: When the impact of AI is measured effectively, adoption within the organisation tends to follow.

The future direction of your AI initiative begins with putting the tools in place to measure today's outcomes. And when AI insights are gathered effectively, they help build a stronger case for AI investment and support continuous optimisation and innovation.

Critical considerations when selecting AI tools

By prioritising AI solutions with robust measurement and reporting capabilities, you can demystify the effects of AI, using clear visualisations and insights to answer challenging questions about their effectiveness:

Which metrics should we focus on to accurately measure the impact of AI?

Once you've identified the business outcomes you want to drive using AI, you can set KPIs that directly align with those goals – such as efficiency gains, cost savings or customer satisfaction – and ensure that they tie back to your strategic objectives. By considering AI solutions that can provide clear, predefined insights in service of these KPIs, you'll be able to help your organisation quantify the benefits and improvements that are a direct result of your AI initiative.

How can we attribute specific outcomes to AI initiatives, especially in complex environments with many influencing factors?

Detailed analytics and reporting on AI usage make it easier to pinpoint the tangible and intangible benefits of AI – by integrating customer satisfaction metrics, decision-making improvements and innovation indexes into a cohesive view. For example, you could correlate customer feedback scores with AI-enabled service enhancements, demonstrating improved satisfaction levels.

Can a framework for tracking and measuring AI metrics be easily integrated into our existing systems and processes?

In short, yes. There are AI measurement solutions with streamlined integration capabilities for most existing systems and processes. These solutions provide the ability to measure the impact of AI across different parts of your organisation, easily.

Is our AI initiative adequately future-proofed?

Gain insights into how well AI solutions are scaling and adapting to new data and changing business needs. This helps to ensure that AI implementations remain effective over time.

Focusing on clear metrics, thoughtful integration and a comprehensive understanding of the long-term impact of AI allows you to adapt to new challenges, scale efficiently and maintain a competitive edge in the data-driven business world.
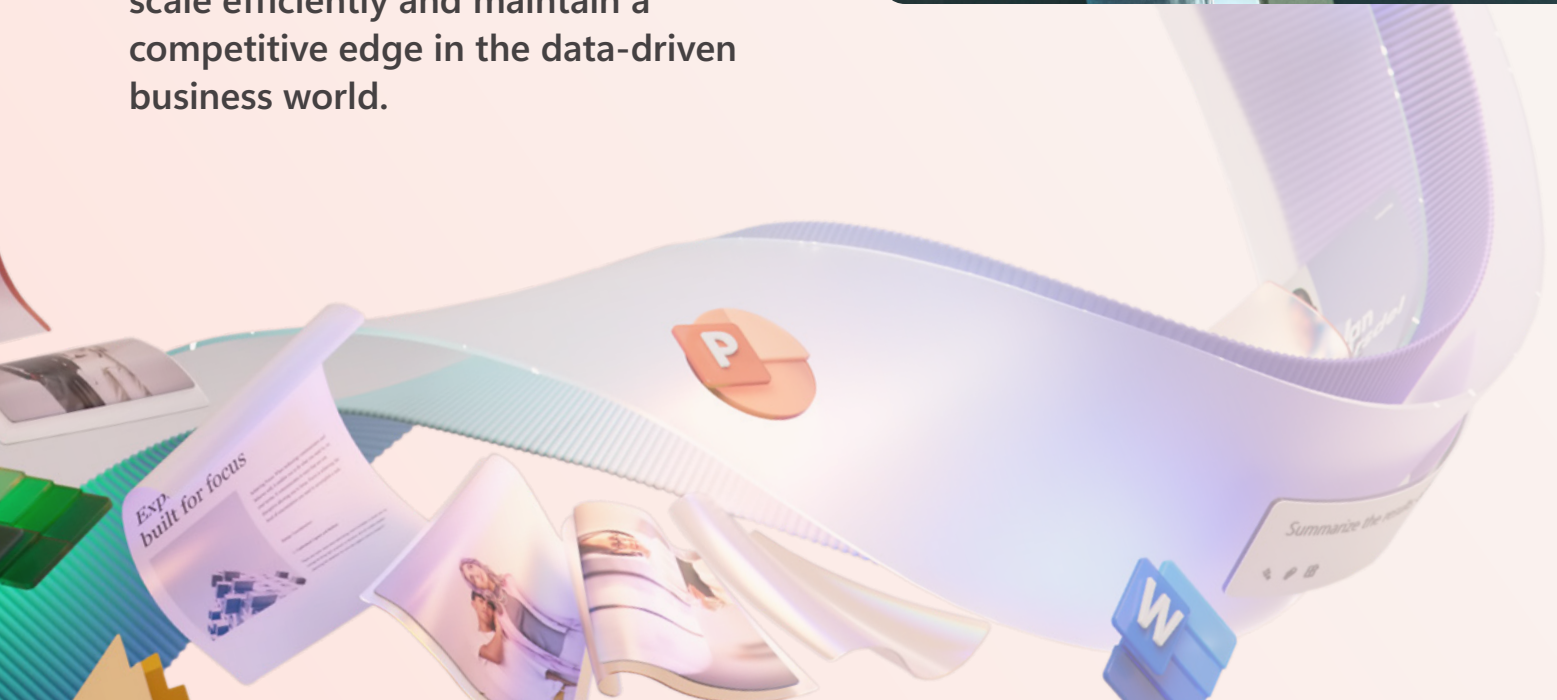
Achieving operational excellence through AI reporting

Let's turn our focus to an example of how AI insights can drive real, tangible outcomes. The following hypothetical organisation can demonstrate how a well-implemented measurement and reporting framework for AI transforms operations and contributes to strategic success:

Our example organisation has fully integrated an AI solution into its operations, featuring comprehensive reporting capabilities that offer deep insights and metrics about the role AI plays in its operations.

AI reporting in action

The AI solution provides a clear overview of adoption within the business, showcasing the volume of users engaging with AI-powered applications. It highlights which apps are being utilised the most and in what capacities, giving leadership a precise understanding of tool deployment.

For example, AI-driven analytics tools are extensively used in sales and marketing, while AI chatbots see heavy use in customer service. This data allows the business to allocate resources more effectively, ensuring that the most impactful tools receive the necessary support and development.

The impact of AI on productivity

Metrics reveal significant behavioural changes across common workplace activities, such as meetings, emails, chat interactions, document creation and information searches. The data indicates a marked reduction in meeting times and an increase in focused, high-priority activities.

The role of AI in managing email flow has streamlined correspondence, allowing employees to concentrate on strategic tasks. Document creation and management have become more efficient, with AI assisting in drafting, editing and organising content. Search functionalities, enhanced by AI, deliver faster and more accurate results, boosting productivity.

Assessing cultural response to AI

User sentiment is captured through regular surveys and reflects a positive reception to AI integration. Employees report higher satisfaction levels, citing AI tools as key to reducing workload and improving work-life balance. This feedback loop is essential for ongoing refinement and user-centric development of AI applications.

Creating tailored reports

Custom reports provide detailed KPIs for specific business functions. In sales, for example, AI has enabled precise targeting and personalised customer interactions, leading to a significant increase in conversion rates. In HR, AI-driven insights into employee engagement and performance have informed more effective talent management strategies.

Overall, the integration of AI solutions has resulted in a streamlined, efficient and adaptive business environment. The insights and metrics provided are instrumental in driving continuous improvement, ensuring that the organisation remains at the forefront of innovation and operational excellence.

Microsoft Copilot Dashboard: Explore the impact of your AI investment

The level of operational efficiency and agility outlined in the previous section shows the powerful impact that a considered approach to AI reporting can have on an enterprise. Businesses can get started on their journey toward AI-enabled operational excellence today and use Microsoft Copilot Dashboard to unlock more value from their Microsoft 365 Copilot investment.

Copilot Dashboard provides the actionable insights business leaders need to help their organisations prepare for AI, measure how it's transforming workplace behaviour and assess and adapt to its evolving impact.

The dashboard breaks insights into key areas that can enable leaders to shape and iterate their organisation's approach to AI responsively and accurately. The following reporting areas are easily navigated through individual tabs:

Readiness

Gain visibility into your technical eligibility, licensing and activation status. You'll also see how many people in your organisation are using the applications that you consider key for your AI integration. This will help you assess the potential impact of scaling AI across your organisation.

Adoption

Measuring adoption will help you understand which team members are applying AI, to which applications and in what ways. This insight allows you to compare adoption trends across groups and job functions within your organisation and compare how your users are using key features in selected applications. Results could be scoped to include the entire organisation or limited to a subset of users.

Adoption metrics help you understand where and how AI is being used and where further enablement could drive even more benefit.
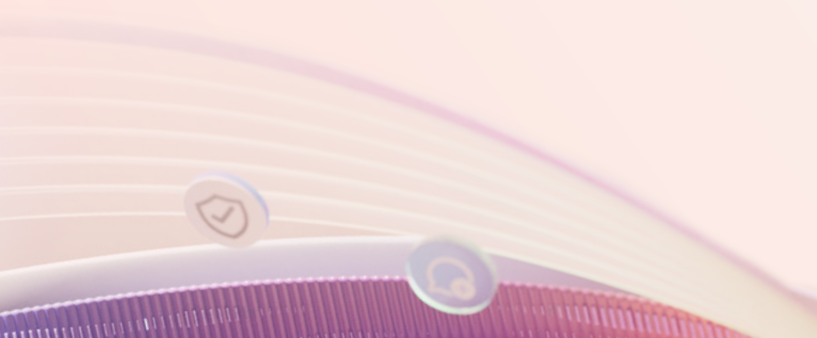
Impact

How is AI adding value? This is where you can find out. Get an estimate of the time during which AI was used to help your employees create higher-quality outputs, more efficiently complete their tasks and enable new approaches for them to drive positive business outcomes. You can also convert these estimated time savings into a dollar value based on average labour rates or customise wages using your organisation's specific financial model.

See a summary of user actions and behavioural changes across common workplace activities, including meetings, email and chat, documents and search. Dig deeper into assisted actions, collaboration metrics between user cohorts and workplace behaviours between AI users and non-users.

Explore user sentiment through survey feedback from any integrated tool, or use prebuilt survey templates to quickly collect and understand user perception. Organisation-wide results can even be benchmarked against the results of a worldwide survey of users operating the same AI solutions.

Learning

Continuous learning will help ensure that your AI strategy evolves and adapts to deliver the best possible experience and outcomes. Harness a library of research and best practices to provide support along your AI journey.

Conclusion

Microsoft 365 Copilot brings tangible enhancements to your organisation, helping your teams work smarter and make more informed decisions. Now it's easier than ever to access data that provides feedback on relevant Copilot metrics.

Microsoft Copilot Dashboard provides clear, functional insights that help you understand – and demonstrate – the impact of your AI tools, organisation – wide. Increased visibility ensures that your AI initiatives are driving the outcomes that matter most to your business.

Accelerate your AI strategy today with Microsoft 365 Copilot

[1] '[AI at Work is Here. Now Comes the Hard Part](#)', 2024 Work Trend Index Annual Report, Section 1. Microsoft, Inc., and LinkedIn, Inc., May 8, 2024