

Total Economic Impact

The Total Economic Impact™ Of Microsoft's Agentic AI Solutions

Business Transformation Enabled By Microsoft Agentic AI

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY MICROSOFT, JANUARY 2026

The Forrester logo is displayed in white, serif, all-caps font within a black rectangular box. The background of the lower half of the page features abstract, flowing green and teal shapes against a black background.

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Executive Summary

Many organizations are pursuing agentic AI transformation as they expand their AI capabilities beyond generative AI (genAI).¹ While early genAI use cases often focused on individual productivity and creativity, organizations are now considering agentic AI for broader business processes and innovation. It is still early days for agentic AI, and companies are determining where agents can increase revenues, streamline operations, and empower employees. Microsoft offers various agentic AI solutions — including tools to build custom agents and off-the-shelf Microsoft-built agents — that organizations can use as part of their effort to pursue these outcomes.

Forrester defines agentic AI as “systems of foundation models, rules, architectures, and tools which enable software programs to flexibly plan and adapt to resolve goals by taking action in their environment, with increasing levels of autonomy.”² Forrester also differentiates agentic AI from prior technologies: “Building agentic AI into software systems across the enterprise will form the foundation of new knowledge economies and markets.³ Agentic AI is different because of its unique combination of capabilities that take it beyond existing approaches to automation and insights. What distinguishes agentic AI is that it can plan strategically, reason through complex scenarios, collaborate between different components, and leverage external tools to achieve objectives with remarkable autonomy.”

Microsoft's agentic AI solutions include a wide range of technologies to build and manage agents built in-house as well as an ever increasing portfolio of first-party agents that Microsoft builds and makes available to its customers. Build-your-own tools range from easy-to-use solutions such as Agent Builder intended for information workers to quickly create their own Microsoft 365 agents all the way up to the Azure AI solution stack designed for maximum flexibility and full-stack developers. First-party agents perform specialized tasks, which further empower employees.

Microsoft commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Microsoft's agentic AI solutions.⁴ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Microsoft's agentic AI solutions on their organizations.

120%

Return on investment (ROI)

\$24.2M

Net present value (NPV)

“The technology is already here, but change takes time. Agentic AI is absolutely going to change the scale of what we can do by lowering costs to serve customers and finding new opportunities.”

Head of applied AI and practice, financial services

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed eight representatives across six organizations and surveyed 420 respondents with experience using Microsoft's agentic AI solutions, including Azure Open AI, Copilot Studio, Agent Builder, and Microsoft Foundry (formerly Azure AI Foundry). For the purposes of this study, Forrester aggregated the experiences of the interviewees and survey respondents and combined the results into a single composite organization, which is a B2B organization with 10,000 employees and \$2.5 billion in annual revenues.

Interviewees said that prior to using Microsoft's agentic AI solutions, including Azure Open AI, Copilot Studio, Agent Builder, and/or Microsoft Foundry, it was difficult for their organizations to fully harness the value of proprietary information and processes were not optimized for business value creation and competitive advantage. They also saw agentic AI as a way to unlock more value from their prior genAI investments. Interviewees said they had security and compliance risks by not having an IT-sanctioned, integrated agentic-AI solution for the entire organization.

After the investment in Microsoft's agentic AI solutions, the interviewees' organizations were able to create more value by reimagining business processes and how people work. They also deployed agents more broadly in terms of user groups and use cases because of the full range of tools from the natural language/no-code capabilities within SharePoint and Copilot Studio to the full-stack capabilities found within Azure. Taken all together, this resulted in benefits across three broad business transformation categories: go-to-market, operations, and people and culture.

Key Findings

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

Go-To-Market Transformation

- **Improved marketing, sales, and customer service functions increase top-line revenue by 1.3% over three years.** The composite deploys a variety of AI agents to improve the marketing, sales, and customer service functions, and by Year 3, these agents increase the number of qualified leads by 2.5%, win rates by 5.0 percentage points, and customer retention rates by 2.0 percentage points. Over three years and applying a 7.33% net margin, these improvements are worth \$5.7 million in incremental net income to the composite organization.
- **Increased product and market innovation increases top-line revenue by 0.6%.** The composite uses agentic AI in various ways to harness years of in-house data in new and innovative ways that were not previously possible. This results in new offerings being created and brought to market faster. The organization also uses agents to deliver products and services more efficiently and with a higher level of customer self-service, enabling it to target new markets at lower price points than it could otherwise serve. By Year 3, this increases revenues by 1.5%. After applying the 7.33% net margin, the composite organization achieves \$2.4 million in incremental net income over three years.

Operations Transformation

- **Labor efficiencies result in 3.2% of positions opened up by leavers not being refilled.** Each year, existing employees across all functional areas voluntarily leave the composite organization, either to join other companies or to retire. Agentic AI creates labor efficiencies so not all of these open positions need to be refilled, and the percentage of positions not refilled varies by function. All sales and IT positions are refilled, while customer service is the department most impacted. Over three years, the composite does not refill 158 of the nearly 5,000 leaver positions, which is worth \$8.9 million in reduced payroll spend.
- **Non-cost of goods sold (non-COGS) external spend reduces by 3.2%.** Agentic AI contributes to reducing the composite organization's external spend in several ways. Because employees are more efficient and able to complete tasks they couldn't otherwise do because of a lack of skills (e.g., translation), the organization spends less money on outsourced services. By Year 3, external spend on these services is reduced by 8%. It also uses agentic AI to create IT solutions that previously would have required external vendors. Between the IT savings and decreased spend on other AI solutions, the composite reduces its IT software spend by 6% in Year 3, and the total value of the benefit is \$16.2 million over three years.

People And Culture Transformation

- **Employee attrition decreases by up to 10%.** Using agentic AI helps the composite's employees complete their work more successfully while significantly reducing repetitive and boring tasks. The specific ways this benefit shows up vary by role. For example, salespeople meet their quotas more consistently and realize their full variable compensation. Departments such as IT report feeling less overworked, improving their working environment and quality of life. Marketing and product development teams can devote more time to creative work, increasing their sense of contribution. Across all roles and functional areas, fewer leavers means lower new-hire costs, which is worth \$4.9 million to the composite over three years.
- **New-hire and mover onboarding time decreases by up to 50%.** The composite organization continues to refill the vast majority of positions that open, and many employees who change departments or roles need to ramp up new skills and knowledge. Across both scenarios, the time it takes employees to ramp up and begin creating value for the organization decreases by 50% in Year 3. After reducing this benefit by half because not all time savings translate into value-added work, the reduced onboarding productivity gain is worth \$6.5 million over three years.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Improved security and compliance.** Interviewees described several ways Microsoft's agentic AI solutions contribute to improved security and compliance. They pointed to Microsoft's suite of security and compliance solutions (e.g., Purview), the

security built into Azure, Microsoft's commitment to secure and ethical AI, building agents in ways that ensure compliance with internal and regulatory requirements, applying agents within the IT security function, and a reducing unauthorized use of agentic AI.

- **Better information quality and management.** Interviewees described most agentic AI use cases as being predicated on access to accurate and consistent information. As a result, an important part of establishing an agentic AI program is good data hygiene. Interviewees also noted that, going forward, agents and the associated business processes can help maintain improved information quality, which in turn unlocks additional value.

Flexibility. The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Microsoft's agentic AI solutions and later realize additional uses and business opportunities, including:

- **The incremental value of Microsoft first-party agents.** Microsoft is increasingly releasing off-the-shelf agents that can enhance the value of Microsoft 365. Interviewees said some of the most commonly used include the Researcher agent, Analyst agent, and Facilitator agent for meetings. Survey respondents said they anticipate that as Microsoft releases more first-party agents, 45% of the total value of agentic AI will come from first-party agents. For the composite organization, using first-party agents along with those built in-house could increase net benefits by 12.5%, improve the ROI by 17 percentage points, and reduce the payback period by one month.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Planning, deployment, and ongoing management.** Planning, deployment, and ongoing management costs for the composite organization include internal effort to set up and manage an agentic AI program, deploying and maintaining an agentic AI technology program, and professional services. These efforts and costs are incremental to other work completed as part of a broader AI program and prior work around genAI, such as the adoption of Microsoft 365 Copilot. Over three years, the composite's costs for this category consist of both internal labor and external spend totaling \$2.6 million.
- **Agent development.** The composite organization's agent development costs include the time spent by low-code and full-stack developers, the efforts of line-of-business subject-matter experts and process engineers, time spent by citizen developers in training and building their own agents, and additional professional services directly tied to IT-built agents. The total costs over three years are \$15.1 million.
- **Subscriptions and consumption.** The composite organization thinks of the direct technology spend on agentic AI (subscriptions, consumption, and an agentic AI technology platform) as the "digital employee payroll." As a general principle, approximately 25% of the human-labor payroll savings go toward "paying" the digital workers (e.g., AI agents). Additionally, this spend is frontloaded since the money needs to be spent on building and deploying agents before realizing any human labor savings.

Microsoft agentic AI solutions have various pricing models for subscriptions and consumption, and costs vary based on how agents are built (e.g., using Copilot Studio vs. Azure), the function and number of messages generated by an agent, the audience (e.g., internal vs. external), and whether or not the person interacting with the agent has a Microsoft 365 Copilot license. For the financial analysis, the composite's total spend on Copilot Studio and Azure is \$2.5 million over three years.

If an organization pursues a buy-first approach or if the agentic AI industry more broadly moves in the direction of buying off-the-shelf agents, these expenses would be more in the form of subscriptions than consumption charges. Regardless, the total cost should be roughly the same (see Flexibility).

The financial analysis that is based on the interviews and survey found that a composite organization experiences benefits of \$44.5 million over three years versus costs of \$20.2 million, adding up to a net present value (NPV) of \$24.2 million and an ROI of 120%.

"We've adopted a 70/20/10 approach. We want 70% of the agents to be pre-packaged, 20% low-code/no-code, and 10% fully custom-built."

Executive leader, engineering professional services

Increase in net margin due to operations transformation

1.12 percentage points

“We are becoming an AI-first company and using agentic AI to improve operational efficiencies and reduce costs. We are also embedding agents in our existing offerings as well as defining completely new services to create new revenue streams.”

Enterprise applications architect, healthcare technology

Key Statistics

120%

Return on investment (ROI)

\$44.5M

Benefits PV

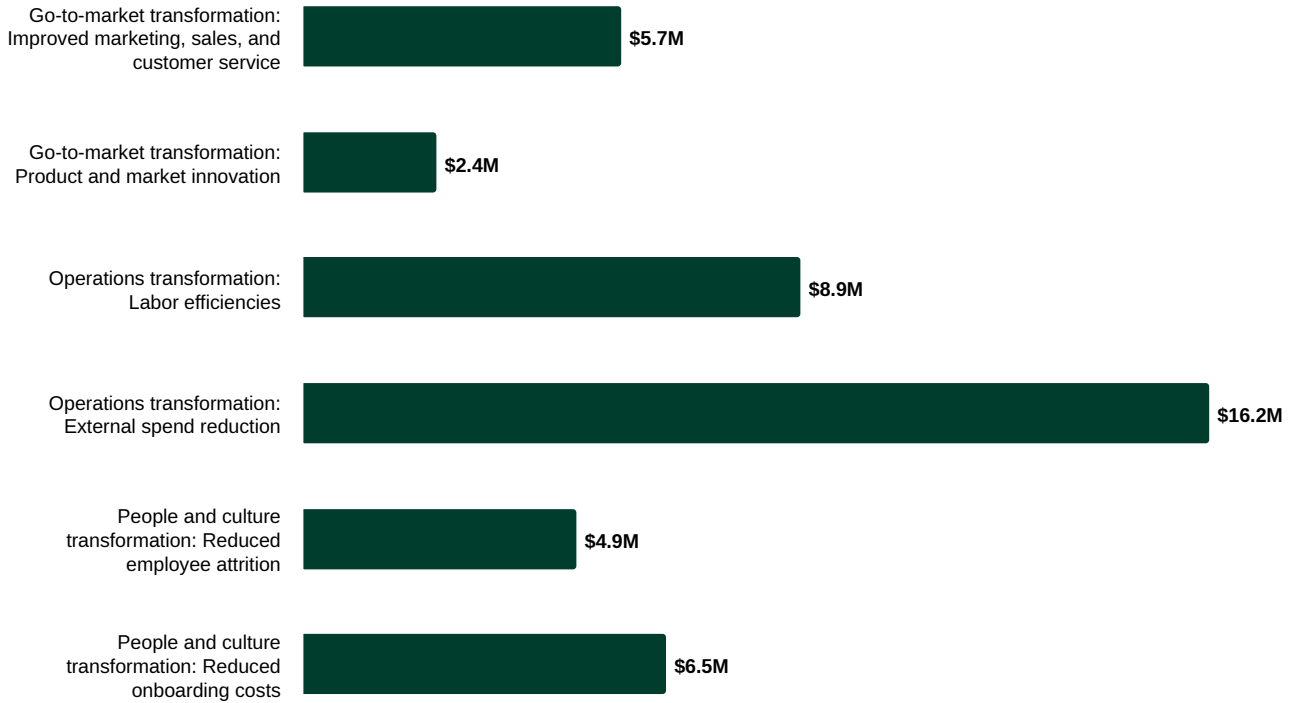
\$24.2M

Net present value (NPV)

15 months

Payback

Benefits (Three-Year)



The Customer Journey Of Microsoft's Agentic AI Solutions

Drivers leading to the investment in Microsoft agentic AI

Interviews			
Role	Industry	Region	Headcount
Head of colleague productivity and technology Managing director, strategic supplier relationships and AI transformation Chief AI officer	Media and entertainment	Global (HQ: UK)	25,000
Information governance manager	Energy	Global (HQ: US)	40,000
Enterprise applications architect	Healthcare technology	US	2,500
Head of applied AI and practice	Financial services	US	50,000
Executive leader	Engineering professional services	Global (HQ: APAC)	10,000
CTO	Technology professional services	Global (HQ: US)	50,000

Key Challenges

Interviewees said that prior to building AI agents with Microsoft's solutions, their organizations experienced a range of challenges they wanted to address with an enterprisewide, wholistic agentic-AI program. These included difficulty harnessing the value of proprietary information and streamlining operations for innovation and labor efficiencies, as well security and compliance concerns if employees were undertaking AI initiatives in disparate ways. These challenges negatively affected customer and employee satisfaction, resulted in higher costs, and stymied revenue growth.

Interviewees and survey respondents noted how their organizations struggled with common challenges, including:

- Past attempts at innovation that partially failed.** The organizations used many different IT solutions for automation and innovation, and in many cases they were successful, but sometimes they were not able to deliver on the vision. But interviewees believe agentic AI has the potential to deliver success where other technologies have failed. The managing director of strategic supplier relationships and AI transformation at a media and entertainment company said: "There are areas where we can automate that were not possible with approaches like robotic process automation. These things require end-to-end transformation, which agentic AI can do."
- Extending the benefits realized with genAI.** Early genAI innovation was mostly about empowering the individual to be more productive and creative. However, many interviewees saw the potential to get even more out of their genAI investments and believed agentic AI would be a way to increase the personal productivity benefits of genAI and create new benefits through the integration of genAI with agentic AI business process transformation. The information governance manager at an energy company said: "We have started moving to agentic AI so we can move the needle on business value. We can do some of the things with Copilot, but agents can change our workflows and impact our KPIs. Agents can take action while keeping humans involved. ... We are in a highly regulated industry and are very safety-centric, but we have an agentic AI use case that can be a significant differentiator."
- Data protection risk because of unsanctioned tools.** Because the organizations' employees are using AI, the companies needed to provide the tools and frameworks to do so securely. The enterprise applications architect at a healthcare technology organization said: "We know our users are going to use agents regardless of what we formally do. This would create a lot of data protection issues. Since we are a Microsoft shop for business operations, it made sense for us to use Copilot Studio for agentic AI."
- Dissatisfied customers.** Companies often struggle to have consistent, accurate, and fast interactions with prospects and customers. This can be during the sales cycle, customer service interactions, or the delivery of products and services. Interviewees said agentic AI can leverage internal information to empower employees to better serve customers and enable

customer self-service. The executive leader at an engineering professional services company said, “Our goal for agentic AI is to support customers in the achievement of their objectives, and to do so faster and more efficiently.”

“It is our belief that AI will be highly disruptive for professional services, so we are reorienting our entire company. We are using agents to change the ways we work and starting with the business processes that have the most friction in them. ... We are marrying together our internal and go-to-market transformation efforts.”

CTO, technology professional services

“We look at agents as the way to decompose business processes and move from iterative and incremental improvement to rapid transformation. We are removing constraints and becoming more dynamic.”

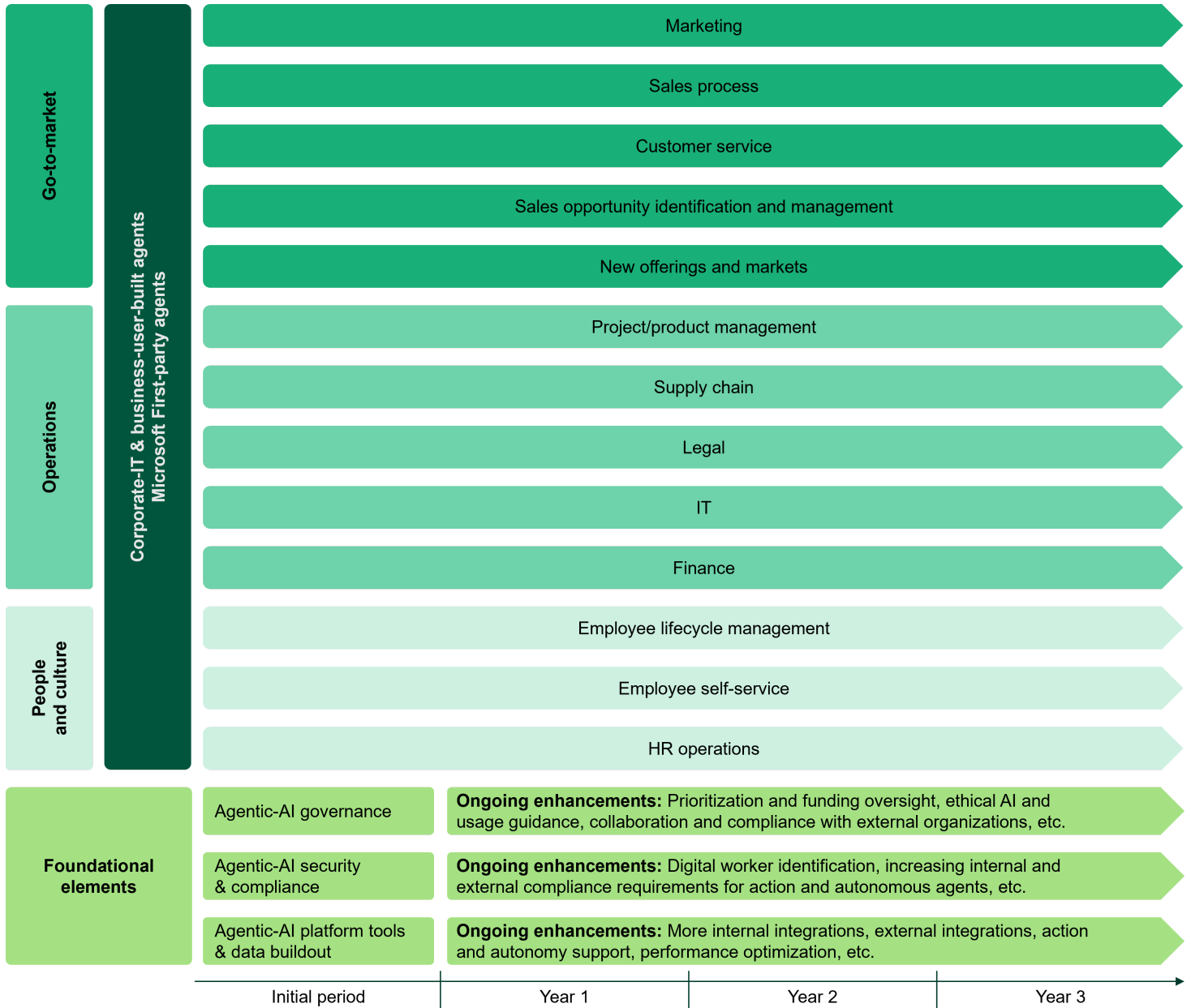
Executive leader, engineering professional services

Composite Organization

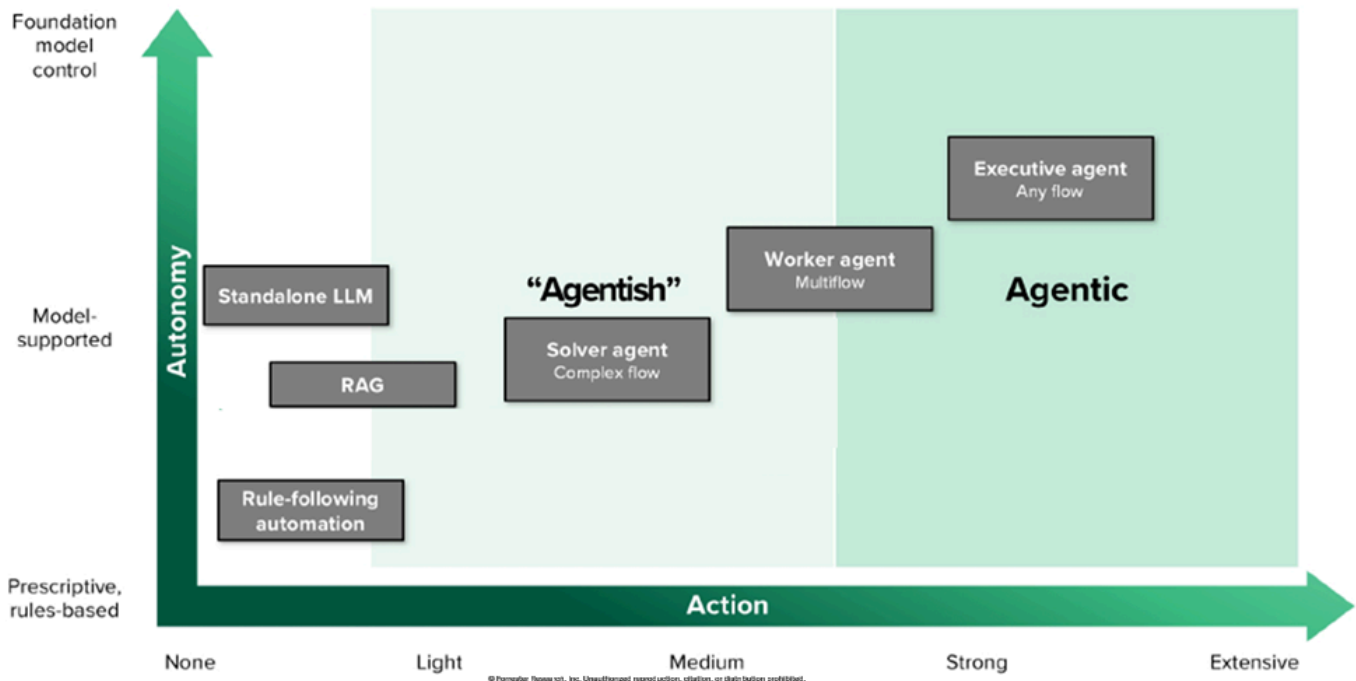
Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the interviewees' organizations, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

- **Description of composite.** The composite is a global organization with a B2B business model. It generates \$2.5 billion in annual revenue, and it has 10,000 employees.
- **Deployment characteristics.** The composite organization embarks on its agentic-AI journey after adopting Microsoft 365 Copilot and Microsoft 365 Copilot Chat for genAI. Depending on an agent's business and technical requirements, one or more of Microsoft's solutions are used (e.g., SharePoint Agent Builder, Agent Builder, Copilot Studio, Microsoft Foundry). Some highly specialized, industry-specific agents may be built with a combination of Microsoft and other vendor solutions. This means that agents are built by business users, low-code developers, and/or full-stack developers, as depicted in the development roadmap shown below. The composite adopts Microsoft's first-party agents and, over time, it develops more sophisticated agents. evolves over time, becoming more action-oriented and autonomous.⁵ (See second figure below.) There are also more agent-to-agent interactions in later years.

Composite Organization's Microsoft Agentic AI Roadmap



THE EVOLUTION OF AI AGENTS



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KEY ASSUMPTIONS

- \$2.5 billion revenue
- 10,000 employees
- B2B business model
- 7.33% net profit margin

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Go-to-market transformation: Improved marketing, sales, and customer service	\$522,135	\$2,092,513	\$4,604,729	\$7,219,378	\$5,663,619
Btr	Go-to-market transformation: Product and market innovation	\$0	\$778,813	\$2,336,438	\$3,115,250	\$2,399,047
Ctr	Operations transformation: Labor efficiencies	\$466,560	\$2,866,635	\$8,108,730	\$11,441,925	\$8,885,474
Dtr	Operations transformation: External spend reduction	\$0	\$5,746,500	\$15,231,600	\$20,978,100	\$16,192,900
Etr	People and culture transformation: Reduced employee attrition	\$0	\$1,972,901	\$4,309,927	\$6,282,828	\$4,868,609
Ftr	People and culture transformation: Reduced onboarding costs	\$1,868,921	\$2,545,612	\$3,555,432	\$7,969,965	\$6,474,079
Total benefits (risk-adjusted)		\$2,857,616	\$16,002,974	\$38,146,855	\$57,007,445	\$44,483,728

Go-To-Market Transformation: Improved Marketing, Sales, And Customer Service

Evidence and data. There are many use cases for go-to-market transformation, and while some are already implementing, others will manifest over time.⁶ (See figure below.) Interviewees said that by using AI agents to deliver actionable, contextual insights, their organizations elevated their marketing, sales, and customer service functions, creating more meaningful and relevant interactions rather than simply increasing scale. AI agents also supported and enhanced human teams, equipping them with new ways to engage buyers and drive successful customer outcomes. Both business-to-employee (e.g., agents that salespeople use) and business-to-customer (e.g., agents that interact directly with prospects and customers) use cases increased revenue and customer satisfaction.

Interviewees and survey respondents said their organizations increased revenue from improvements in their marketing, sales and customer-service functions. Some of the improved metrics include the number of qualified leads, win rates, and customer retention.

- The managing director of strategic supplier relationships and AI transformation at a media and entertainment company described agents assisting with assessing and responding to RFPs and said for more than 80% of the RFPs, the time to respond was reduced from weeks to a day — and with an increase in quality.
- The enterprise application architect at a healthcare technology company spoke about a sales development agent that enables sales reps to more quickly generate insights about opportunities, conduct deep research on that prospect, and seamlessly capture meeting notes in Salesforce. This includes integrating Copilot for Sales with the organization’s Salesforce CRM data.
- The executive leader at an engineering professional services firm said their company built marketing and sales agents to engage with prospects and customers via chat and email to assess propensity to buy. The interviewee said: “The next phase is to identify qualified buyers and create proposals that match their needs. Other agents will validate a proposal’s compliance against the requirements and confirm that our corporate standards are met.” They also estimated win rates could increase by 10% to 15%.
- The head of applied AI and practice at a financial services organization described a bespoke agentic interface used by the entire company. They explained that salespeople use it when preparing for sales meetings because it pulls together public and in-house data to create bios for all meeting participants, a review of what products and services a customer is already using,

and recommendations about what to pitch in the meeting.

The interviewee noted that reducing the time needed to gather all of this information from hours to less than 5 minutes improved quality and comprehensiveness. They said: “While our lines of business are complementary, the typical client is only doing one thing with us when they could do a few. Our employees don’t know all our product sets. We can now sell across all our portfolios.”

- The CTO at a technology service professional services organization talked about a variety of agents to improve the sales function: “We have built RFP and proposal generation agents that facilitate RFP responses. It is currently being piloted, but all 450 sellers should benefit from it, [which would create] better responses and cut the time to generate them by up to 40%.” They also said: “Sellers who are using our agents are outselling other agents. The agents review an account — including the current technology landscape, industry data, and other insights — so a seller can start to plan the next best thing to sell a client. ... The recommendation agent creates three times to four times more sales ideas than a person on their own.” The interviewee also said their company increased win rates for sellers using the agents by five percentage points: “Currently, the top 25% of our sellers are all using the agents. We now need to get everyone else to use the agents to make them better sellers.” Expanding on the impact of their organization’s sales agents, the interviewee said: “Sellers who use our agents and dashboard are selling 65% more in total sales and have 73% larger pipelines. They come up with more sales opportunities and get them qualified faster.”
- The enterprise application architect in healthcare technology said their company is building agents for the contact center, and they believe customer service employees will have better access to customer and company information to resolve issues faster and improve customer satisfaction.
- The head of colleague productivity and technology at a media and entertainment company described using agents to provide the organization’s client services teams with comprehensive views of their clients to improve interactions. They said, “We are reducing the admin overload so people can spend more time with clients.”
- The managing director of strategic supplier relationships and AI transformation at the same media and entertainment company said agentic AI “will have a big impact on customer retention,” and estimated their organization’s churn rate could decrease by one-third.
- Survey respondents reported:
 - 7.2% more opportunities generated.⁷
 - 7.3% improvement in opportunity to lead conversion rate.⁸
 - 5.0% improvement in win rates.⁹
 - 3.8% decrease in sales cycle duration.¹⁰
 - 9.0% improvement in customer retention.¹¹
 - 6.5% improvement in customer satisfaction (CSAT) scores.¹²

See Appendix D for more survey findings.

B2B MARKETING AND SALES AI AGENT USE CASES

B2B marketing			
Agent focus	Real-time buyer enablement	Personalization	Signal literacy
Use cases	Act as website concierge Deliver contextual experiences Identify and assist buyer’s agent	Segment and target audiences Orchestrate delivery mechanisms Fuel recommendation engine	Unify buying signals Capture and connect buying group members Create/share signal sets for activation
B2B sales			
Agent focus	Prospect identification	Sales enablement	Demo automation
Use cases	Consolidate internal and external information to prioritize prospect Enrich contact and account data Build prospect list for engagement	Develop pitch deck content Facilitate sales asset knowledge management Enable simulation and role-play	Deliver sales pitch Enable automated interactive product demonstration

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Modeling and assumptions. Based on the interviews and survey, Forrester assumes the following:

- Before using Copilot Studio, the composite's annual baseline revenue was \$6.25 million, and this is held constant for model simplicity.
- The increase in the number of qualified leads improves over time as more agents are built and their sophistication increases.
- Creating more successful agents that more salespeople use increases the composite's win rates.
- As agents are deployed to assist customer service representatives and to provide better self-service to customers, the composite's customer retention rate improves.
- Forrester applied a pre-agentic AI net margin of 7.33% to the increased revenues.¹³

Risks. Results may not be representative of all experiences, and the benefits will vary between organizations based on the following:

- The number and types of agents built.
- The organization's level of IT sophistication.
- The organization's industry and region.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$5.7 million.

1.3%

Increase in top-line revenues over three years

"Revenue can increase significantly. ... We have the potential to grow our revenues 2x in conjunction with agentic AI."

Executive leader, engineering professional services

Go-To-Market Transformation: Improved Marketing, Sales, And Customer Service

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Revenue before adopting agentic AI	Composite	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000
A2	Customer retention rate before adopting Microsoft agentic AI	Composite	83%	83%	83%
A3	Sales win rate before adopting agentic AI	Composite	40%	40%	40%
A4	Increase in qualified leads from improved marketing (percentage point)	Interviews and survey	0.25%	1.00%	2.50%
A5	Subtotal: Incremental revenue from more qualified leads	A1*(1-A2)*A4	\$1,062,500	\$4,250,000	\$10,625,000
A6	Increase in win rates from improved sales (percentage point)	Interviews and survey	0.50%	2.00%	5.00%
A7	Subtotal: Incremental revenue from improved win rates	(A1*(1-A2)+A5)*A6	\$2,130,313	\$8,585,000	\$21,781,250
A8	Revenue from retained customers	A1*A2	\$2,075,000,000	\$2,075,000,000	\$2,075,000,000
A9	Increase in customer retention from improved customer service (percentage point)	Interviews and survey	0.25%	1.00%	2.00%
A10	Subtotal: Incremental revenue from improved customer retention	A8*A9	\$5,187,500	\$20,750,000	\$41,500,000
A11	Total incremental revenue from improved marketing, sales, and customer service	A5+A7+A10	\$8,380,313	\$33,585,000	\$73,906,250
A12	Percentage increase in revenue	A11/A1	0.34%	1.34%	2.96%
A13	Net profit margin before adopting agentic AI	Composite	7.33%	7.33%	7.33%
At	Go-to-market transformation: Improved marketing, sales, and customer service	A11*A13	\$614,277	\$2,461,781	\$5,417,328
	Risk adjustment	↓15%			
Atr	Go-to-market transformation: Improved marketing, sales, and customer service (risk-adjusted)		\$522,135	\$2,092,513	\$4,604,729
Three-year total: \$7,219,378			Three-year present value: \$5,663,619		

Go-To-Market Transformation: Product And Market Innovation

Evidence and data. Interviewees said using agentic AI transformed their organizations' go-to-market capabilities through better and faster product/service innovation and the ability to serve new markets because of automation and efficiencies created by AI agents. This increased revenues and also created more meaningful work opportunities for individuals across many functions, including sales and marketing, product strategy and development, analytics, and delivery teams.

- The managing director at a media and entertainment company described how their organization is using agents to unlock the value of historical information: “We have 40 years of interviews. We can now use that history to target small and medium-sized enterprises. Agentic AI enables us to create a lighter version of what we do with our large customers. This requires a different approach that is only possible because of AI.” This individual estimated that, in a couple of years, revenues from this new offering will be worth 4% of current revenues.
- The chief AI officer at the same organization explained that agentic AI democratized data analysis and insights for more users working with customers, which improved the value delivered to those customers, increased revenue, and improved customer retention. They said: “A user may ask an orchestrator bot a question to understand what is happening in a [consumer market]. The orchestration agent will work with specialized agents to look at different cuts of the data and come up with a go-to-market plan.” The interviewee said their organization’s in-house team is initially using the tools, but that the longer-term goal is to make them available for customer self-service.

- The same interviewee also spoke about using agents to improve advertisements: “Different agents will work together on storyboarding and creating different creative elements. Other agents will then analyze the ad concept and suggest improvements. The goal is for agentic AI to get the effort to the 80% mark, and humans will do the rest of the work.”
- Another agentic-AI innovation at the same organization is creating virtual focus groups in which agents are avatars of different human personas.
- The executive leader at an engineering professional services firm spoke of many agentic-AI projects to foster innovation and accelerate delivery. This was described as the cost of quality. They said, “We will help people focus on the creative elements of their work, which will improve customer and employee satisfaction and deliver more value.”
- The same interviewee also estimated that innovation in how work is done will increase revenue per head by 20% to 30% over the next three years.
- The CTO at a technology professional services organization said: “[Agents] are helping my company sell to smaller organizations. This requires new ways of working and a lower price point. We have agents to support delivery teams and some client self-service tools. Agentic AI changes the way we think about delivery.”
- The enterprise applications architect at a healthcare technology company said, “We are building agentic AI into our products to create new services and new revenue streams.”
- Nearly half of marketing and sales survey respondents reported improved agility and faster time to market as a benefit.¹⁴ Seventy-one percent of marketing survey respondents said they believe customer insights will improve significantly.¹⁵ And sales respondents expect a 2.7% increase in average deal size.¹⁶

B2B PRODUCT/PORTFOLIO USE CASES

B2B product/portfolio			
Agent focus	In-product guidance	Market research	Customer research
Use cases	<ul style="list-style-type: none"> Deliver in-product personalization Expand product/feature use Deliver individualized customer onboarding 	<ul style="list-style-type: none"> Analyze market data Perform competitive analysis Conduct growth assessment 	<ul style="list-style-type: none"> Analyze deal data Monitor customer health signals Manage voice-of-the-customer program

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Modeling and assumptions. Based on the interviews and survey, Forrester assumes the following:

- The composite’s increase in revenue improves over time as more products and services are brought to market and new market segments (e.g., organizations of different sizes, regions, market-adjacent areas) are able to be served.
- Forrester applied a 7.33% pre-agentic AI net margin to the increased revenues.

Risks. Results may not be representative of all experiences, and the benefits will vary between organizations based on the following:

- The organization’s industry.
- The products or services the organization previously delivered to customers.
- The company culture in terms of embracing technology for innovation.
- Any privacy/contractual concerns around using existing datasets.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.4 million.

0.57%

Increase in topline revenues over three years

“If you are not credible in the AI game, someone else will eat your lunch. It’s better you lead the thinking in your space rather than pretend it doesn’t exist. ... Over the next three years, we will have three new offerings in the market, and each is potentially worth tens or hundreds of millions of dollars.”

Chief AI officer, media and entertainment

Go-To-Market Transformation: Product And Market Innovation

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Revenue before adopting agentic AI	A1	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000
B2	Increased revenue from bringing new solutions to market and expanding to new market segments	Composite	0.00%	0.50%	1.50%
B3	Incremental revenue	B1*B2	\$0	\$12,500,000	\$37,500,000
B4	Net profit margin before adopting agentic AI	Composite	7.33%	7.33%	7.33%
Bt	Go-to-market transformation: Product and market innovation	B3*B4	\$0	\$916,250	\$2,748,750
	Risk adjustment	↓15%			
Btr	Go-to-market transformation: Product and market innovation (risk-adjusted)		\$0	\$778,813	\$2,336,438
Three-year total: \$3,115,250			Three-year present value: \$2,399,047		

Operations Transformation: Labor Efficiencies

Evidence and data. Interviewees said that by streamlining and automating processes with agentic AI, employees save time on tasks that are often low-value and repetitive. These efficiencies can result in two types of labor savings: saved time by existing employees that’s reallocated to higher-value work and agentic AI efficiencies and skills/knowledge augmentation that result in not needing to add or replace people to complete all the work previously done by human employees.

- The executive leader at an engineering professional services organization said they believe some of their company’s human labor will be replaced by digital workers: “Traditionally, revenue growth has been based on labor growth. What is changing is the labor mix. The direct cost of agents is another form of labor cost. Instead of growing our headcount by 10% to achieve 10% growth, we may only need to grow headcount by 5% and spend some more money on technology.”
- The same interviewee estimated that the time their organization needs to create a proposal can be reduced by 50% and that the total cost of production for an RFP response will go down by 20%. The company currently spends several hundred million dollars bidding on work.
- The head of applied AI and practice at a financial services organization said a few thousand client service team members use the company’s agentic AI platform to gather information for sales meetings and create meeting content, and that the first draft can now be done in minutes rather than hours.
- The chief AI officer at a media and entertainment company shared an example of using AI for data analytics: “In the past, someone needed to ask the data science team to do the analysis, even for something as simple as an SQL (structured query language) query. What could take three days of elapsed time can now be done in minutes.”
- The same interviewee also shared that teams gained the ability to test new product ideas faster: “If there are 50 ideas to test for a client, it can take weeks or months. Using avatars for testing, our teams will be able to complete the work in a single day.”
- The enterprise application architect at a healthcare technology company described customer support and engineering teams using an agent to do incident root cause analysis, delivering a 25% productivity gain.

- The head of applied AI and practice in financial services said their organization created an agent to do payment validation that takes action, is autonomous, and has a digital identity just like an employee would: “There are a few thousand payments per day that need to be validated, and the agent takes care of 90% of the work.”
- The same interviewee said their organization also provided agentic AI to the legal team for vendor contract review. They said: “The team is saving at least 25% of its time and has also reduced the spend on external counsel.
- The enterprise applications architect at a healthcare technology company said agentic AI saves time for their company’s legal team: “Information search has the potential to happen 25% faster based on the pilot.”
- With regards to project delivery, the executive leader at the engineering professional services firm said embedding agentic AI in software will make technical delivery easier and that their company’s goal is to buy these solutions rather than build them.
- The CTO a technology professional services organization explained that pairing agents with people is as much about quality as it is efficiency: “We are getting higher quality out of our legal teams. There isn’t any part of our processes that won’t benefit. We’ve created a quality assurance checklist agent that is more comprehensive than the one the human workers use. Faster and higher quality are both big benefits for us.”
- The same interviewee also credits agents with an expected 20% to 30% reduction in coding effort. They said, “Without agents, better training of employees might delivery only a 5% to 10% reduction.”
- Regarding the IT area, the information governance manager at an energy company explained how agents are being used in conjunction with the IT ticketing system to more quickly triage and resolve tickets: “There could be 20% to 30% time savings, which affects not only IT, but also all the employees submitting tickets.”
- Survey respondents said they expect to see the following:
 - A 6.8% reduction in marketing cost per lead.¹⁷
 - Each seller pursuing 6.6% more leads.¹⁸
 - Each customer service representative handling 6% more cases.¹⁹
 - A 4.7% reduction in customer service resolution time.²⁰
 - A 4.8% increase in first-call resolution rates.²¹
 - A 3.9% reduction in average call time.²²
 - A 16.4% reduction in cost per finance analysis request.²³
 - A 12.5% reduction in finance deal review time.²⁴
 - Each HR representative handling 5% more inquiries.²⁵
 - A 10.3% reduction in HR issue resolution time.²⁶
 - An 8.7% reduction in IT operations costs.²⁷
 - A 20.7% reduction in legal cost per review.²⁸
 - A 9.9% increase in order accuracy rates.²⁹
 - An 8.5% increase in successful delivery rates.³⁰
 - A 4.6% increase in SLA compliance rates.³¹

Modeling and assumptions. Based on the interviews and survey, Forrester assumes the following:

- Forrester conservatively estimated the percentage of positions opened up by people leaving the company that do not need to be refilled because remaining employees can complete the remaining work in conjunction with AI agents. (See Appendix C).
- During the three-year period, the composite refills all sales and IT positions.
- Customer service has the largest attrition rate, and the composite does not refill 6% of these positions in Year 3.
- For the other functional areas, between 5% and 10% of the open positions are not refilled in Year 3.
- Over the life of the study, there are 4,938 leavers. Of this total, the composite does not refill 158 positions: 69 in customer service and 89 across all other functional areas.
- Forrester estimated different fully burdened costs (including salary, benefits, and payroll taxes) for customer service workers and used an average for the costs of all other workers.
- Because these are positions opened up by people who leave the company for reasons not related to AI and the positions are not refilled, Forrester considers these to be hard cost savings that aren’t calculated as a productivity gain.

Risks. Results may not be representative of all experiences, and the benefits will vary between organizations based on the following:

- The number of people who choose to leave the company.
- The level of efficiency achieved through the application of agentic AI.
- Average salaries.
- Country-specific regulations regarding the refilling of open positions.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$8.9 million.

158

Leaver positions not refilled over three years

“We can scale to take on and support new customers and deliver more work without adding more employees.”

Enterprise application architect, healthcare technology

Operations Transformation: Labor Efficiencies					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Customer-service leaver positions not replaced	XX22	16	25	28
C2	Average fully burdened salary for a customer support worker	Composite	\$64,800	\$64,800	\$64,800
C3	Subtotal: Savings from not replacing all customer support leaver positions	Y1: C1*C2*50% Y2:(C1_{PY}*C2*100%)+(C1_{CY}*C2*50%) Y3: (C1_{Y1}+C1_{Y2})*C2*100%+ (C1_{CY}*C2*50%)	\$518,400	\$1,846,800	\$3,564,000
C4	All other-role leaver positions not replaced	XX75-XX22	0	29	60
C5	Average fully burdened salary for all other roles	Composite	\$92,300	\$92,300	\$92,300
C6	Subtotal: Savings from not rehiring all other-role leaver positions	Y1: C4*C5*50% Y2:(C4_{PY}*C5*100%)+(C4_{CY}*C5*50%) Y3: (C4_{Y1}+C4_{Y2})*C5*100%+ (C4_{CY}*C5*50%)	\$0	\$1,338,350	\$5,445,700
Ct	Operations transformation: Labor efficiencies	C3+C6	\$518,400	\$3,185,150	\$9,009,700
	Risk adjustment	↓10%			
Ctr	Operations transformation: Labor efficiencies (risk-adjusted)		\$466,560	\$2,866,635	\$8,108,730
Three-year total: \$11,441,925			Three-year present value: \$8,885,474		

Operations Transformation: External Spend Reduction

Evidence and data. Interviewees said another way in which transforming operations with agentic AI reduced costs was by decreasing the money spent externally on services and goods. They explained that by freeing up time and providing employees with skills and knowledge they would otherwise not have, more and different types of work can be completed internally rather than contracting with external suppliers. Another, more specific form of reduced external spend is related to IT vendor solutions such as other AI solutions and other types of technology for which AI agents can be used (e.g., analyzing trouble tickets).

- The chief AI officer in media and entertainment said their company often needs to pay third parties to assist with data collection, but they expect this will be reduced with the use of agents.

- The information governance manager at an energy organization explained: “The primary differentiating factor in the energy sector is efficiently getting oil out of the ground and refining it. The goal is to make oil and gas affordable, reliable, and ever cleaner. We are looking to use agentic AI to lead in this space.”
- The same interviewee said they believe using agentic AI can reduce their organization’s external spend across all areas — including COGS — by 3% to 5% in two years. As part of this, the company is looking to use agents to “build better partnerships across the industry and better integrate across the full value chain.” One especially valuable expected opportunity is reducing a refinery’s maintenance downtime, which will be accomplished with a mix of Microsoft solutions and industry-specific AI solutions provided by other vendors.
- The same interviewee said their company is also using AI to make other IT systems (e.g., helpdesk ticketing) more efficient: “[These external systems have] significant costs associated with them that can be reduced.”
- As discussed earlier, the executive leader at an engineering professional services organization reported spending several hundred million dollars per year on bidding for new projects. They said a portion of this is spent externally and that they expect to reduce this spend by 20%.
- In addition to internal time savings for legal teams, interviewees explained that these gains also lowered spend on external counsel.
- Many of the inefficiencies described in previous sections resulted in using outside service providers and/or contractors, and that this work could be in marketing, IT, data analytics, administrative support, translation, etc. But interviewees said much of that external expenditure can be replaced by agents doing the work and/or employees performing those tasks.
- Survey respondents reported:
 - A 4.7% reduction in external marketing agency spend.³²
 - An 11.9% reduction in outsourcing spend for the finance organization.³³
 - A 6% reduction in outsourcing spend for the IT organization.³⁴
 - A 5% reduction in other AI technologies spend.³⁵
 - A 6.4% reduction in external counsel spend.³⁶
 - A 10.4% reduction in procurement costs.³⁷
 - A 5.1% reduction in days of inventory held (which can incur external costs such as warehousing and financing).³⁸

Modeling and assumptions. Based on the interviews and survey, Forrester assumes the following:

- Forrester conservatively estimates the composite spends 8% of its baseline revenues on external goods and services excluding COGS.
- The size of the external-spend reduction increases over time, commensurate with the level of agentic AI adoption and the amount of employee time savings.
- Approximately 0.6% is spent externally on software and systems. This is based on Forrester research showing that, across all industries, 2.8% of revenue is spent on technology, and 22% of that is spent on software.³⁹
- The savings in this area increase over time as the composite uses agentic AI to replace or reduce other systems and reduce the need for AI solutions from other vendors.

Risks. Results may not be representative of all experiences, and the benefits will vary between organizations based on the following:

- The amount of outsourcing.
- The amount of outsourcing spent on IT.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$16.2 million.

3.2%

Reduction in non-COGS external spend over three years

“We will be able to reduce external spend by giving internal people the information and tools they need to get their work done faster and easier. ... We could achieve a 3% to 5% reduction across all external spend in the next two years.”

Information governance manager, energy

Operations Transformation: External Spend Reduction

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Externals spend (excluding COGS) before adopting agentic AI	A1*8%	\$200,000,000	\$200,000,000	\$200,000,000
D2	Reduction in external services spend	Interviews and survey	0.0%	3.0%	8.0%
D3	Subtotal: Reduction in outsourced services spend	D1*D2	\$0	\$6,000,000	\$16,000,000
D4	External software spend before adopting agentic AI	A1*0.616%	\$15,400,000	\$15,400,000	\$15,400,000
D5	Reduction in external software spend	Interviews and survey	0.0%	2.5%	6.0%
D6	Subtotal: Reduction in software spend	D4*D5	\$0	\$385,000	\$924,000
Dt	Operations transformation: External spend reduction	D3+D6	\$0	\$6,385,000	\$16,924,000
	Risk adjustment	↓10%			
Dtr	Operations transformation: External spend reduction (risk-adjusted)		\$0	\$5,746,500	\$15,231,600
Three-year total: \$20,978,100			Three-year present value: \$16,192,900		

People And Culture Transformation: Reduced Employee Attrition

Evidence and data. The final transformation area is people and culture. Interviewees explained that, within this, the first quantified benefit has been fewer employees voluntarily leaving because they’re happier and have better goal obtainment that results in higher compensation (e.g., salespeople hitting sales quotas, other workers receiving full bonuses). People and culture transformation typically lags behind go-to-market and operations transformation because it takes time for a company’s culture to change and for technology to impact employee satisfaction.

- The information governance manager at an energy company said agentic AI can reduce attrition by improving workplace safety: “Agentic AI will have a huge impact in terms of safety [by] saving lives and reducing risk.”
- The same interviewee said their organization is building HR agents to facilitate employee self-service and make it easier to for people to do things important to them (e.g., booking and managing vacations). These agents integrate into the company’s various payroll systems around the world and other vendor solutions including IT service management and human capital management systems.
- The executive leader at an engineering professional services organization said, “I expect to see an increase in employee satisfaction from doing more meaningful work.”
- Each interviewee generally said agentic AI empowered people to focus on higher-value work, which increased employee satisfaction.
- Survey respondents said they expect a 10.9% improvement in employee retention.

Modeling and assumptions. Based on the interviews and survey, Forrester assumes the following:

- The composite’s initial employee attrition rate prior to using agentic AI is 17.4%.
- With agentic AI, the composite’s employee attrition rate decreases by 5% (0.87 percentage points) in Year 2 and 10% in Year 3.

- Based on separate salary assumptions for customer service (primarily contact center) employees and all other employees, the average cost to hire a new employee is 30% of the blended fully burdened cost of an employee.
- As the headcount mix changes because not all leavers' roles are refilled, there is a change in the blended fully burdened cost.
- The composite doesn't see this benefit in Year 1 because it takes time for employee satisfaction and employee retention to improve as the technology is adopted and the culture changes.

Risks. Results may not be representative of all experiences, and the benefits will vary between organizations based on the following:

- The organization's employee attrition rates.
- Use cases that improve employee satisfaction and outcomes.
- General company culture.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4.9 million.

10%

Reduction in employee attrition rate by Year 3

“The goal of our HR use cases is all about better employee experience. [We want to] reduce the amount of time and irritation.”

Information governance manager, energy

People And Culture Transformation: Reduced Employee Attrition					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Employee attrition rate prior to Microsoft agentic AI	XX78 (Y1)	17.40%	17.40%	17.40%
E2	Employee attrition rate with Microsoft agentic AI	XX78	17.40%	16.53%	15.59%
E3	Average cost to hire a new employee	$((C1 \cdot C2) + (C4 \cdot C5)) / (C1 + C4) \cdot 30\%$	\$19,440.00	\$23,870.56	\$25,065.00
Et	People and culture transformation: Reduced employee attrition	$10,000 \cdot (E1 - E2) \cdot E3$	\$0	\$2,076,738	\$4,536,765
	Risk adjustment	.15%			
Etr	People and culture transformation: Reduced employee attrition (risk-adjusted)		\$0	\$1,972,901	\$4,309,927
Three-year total: \$6,282,828			Three-year present value: \$4,868,609		

People And Culture Transformation: Reduced Onboarding Costs

Evidence and data. Interviewees said their organizations realized other quantified benefits of people and culture transformation even more quickly: reduced onboarding time and decreased costs of new hires and people changing roles. There are many agentic AI use cases for knowledge management and HR processes to facilitate onboarding along with related use cases for knowledge capture when someone leaves a company.

- The managing director of strategic supplier relationships and AI transformation at a media and entertainment company described a range of agentic AI use cases to support joiners, leavers, and transfers. For new hires, the organization provides agentic data mining tools, and the interviewee said this will “reduce the time to be fully productive from six months down to two or three months.” They also estimate the time required for transfers will be reduced from two months to one month.

- The same interviewee explained that another benefit of these knowledge management agents is supporting international operations: “As an MNC (multinational corporation), we have people around the world doing similar work. Someone in the US might benefit from questions another employee is asking in China.”
- The information governance manager at an energy company spoke about a use case targeting leavers. They said the goal is to make sure institutional knowledge is not lost when someone leaves and to then disseminate that knowledge across the entire organization.
- The CTO at a technology professional services organization said their company’s agentic work helps onboard salespeople 50% faster.
- Seventy-five percent of surveyed HR decision-makers said they expect agentic AI to improve recruiting and onboarding.⁴⁰ Fourteen percent expect a reduction in the onboarding costs for new hires.⁴¹

Modeling and assumptions. Based on the interviews and survey, Forrester assumes the following:

- The composite’s onboarding time savings increase as it creates better knowledge management and HR process agents and, by Year 3, the time to onboard new hires and transfers is reduced by 50%.
- The value created by someone in a new role — whether they’re a new hire (F5) or a transfer (F12) — is less than the value of someone who is fully proficient in that role.
- Forrester applied a 50% productivity capture to new hires (F6) and movers (F13) because not all time saved translates into additional, value-add work being completed.

Risks. Results may not be representative of all experiences, and the benefits will vary between organizations based on the following:

- The number of new hires and movers.
- The time it takes to onboard.
- The nature of the work/role.
- Average salaries.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$6.5 million.

50%

**Reduction in onboarding times for new hires and transfers
by Year 3**

“Our agentic AI program is helping to ramp up new sellers. We often have the case that, after six weeks, a new person still hasn’t spoken with a client. We can cut one month out of the onboarding process and get them selling sooner.”

CTO, technology professional services

People And Culture Transformation: Reduced Onboarding Costs

Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	New employees onboarded	XX76	1,724	1,596	1,460
F2	Time to onboard a new employee before agentic AI (days)	Composite	60	60	60
F3	Percentage reduction in onboarding time	Interviews and survey	20%	30%	50%
F4	Average daily fully burdened cost for an employee	Composite	\$339	\$339	\$339
F5	Productivity of a new hire during ramp-up	Composite	30%	30%	30%
F6	Productivity recapture rate for new hires	TEI methodology	50%	50%	50%
F7	Subtotal: Accelerated new employee onboarding	F1*F2*F3*F4*F5*F6	\$1,051,985	\$1,460,819	\$2,227,230
F8	Existing employee internal transfer rate	Composite	15%	15%	15%
F9	Existing employees transferring to a significantly different role (rounded)	XX73*F8	1,500	1,498	1,490
F10	Time to transfer to a new role before Microsoft agentic AI (days)	Composite	20	20	20
F11	Percentage reduction in transfer time	Interviews and survey	30%	40%	50%
F12	Productivity of a transfer during ramp-up	Composite	60%	60%	60%
F13	Productivity recapture rate for transfers	TEI methodology	50%	50%	50%
F14	Subtotal: Accelerated existing employee mobility	F4*F9*F10*F11*F12*F13	\$915,300	\$1,218,773	\$1,515,330
Ft	People and culture transformation: Reduced onboarding costs	F7+F14	\$1,967,285	\$2,679,592	\$3,742,560
	Risk adjustment	15%			
Ftr	People and culture transformation: Reduced onboarding costs (risk-adjusted)		\$1,868,921	\$2,545,612	\$3,555,432
Three-year total: \$7,969,965			Three-year present value: \$6,474,079		

Unquantified Benefits

Interviewees and survey respondents mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- Improved security and compliance.** Interviewees generally felt that using Microsoft’s agentic AI solutions supported their organizations’ security and compliance efforts. They attributed this to integration between agentic AI development tools, first-party agents, and the broader Microsoft stack, including Azure security capabilities and Microsoft security solutions such as Purview for information protection and compliance.

Another leading factor was a reduction in the use of shadow IT that creates security and information leakage risks. Fifty-eight percent of survey respondents said information security will improve significantly with Microsoft AI agents. The head of applied AI and practice at a financial services organization said: “We were very proactive putting the necessary security and governance in place. Any high-value use cases require the completion of a detailed questionnaire that’s reviewed by a governance committee made up of IT, legal, risk, and compliance resources. We carefully assess what data will be used, who will have access to it, and any ethical considerations.”

- Better information quality and management.** Quality data and information — both structured and unstructured — underpins the value of agentic AI. As part of agentic AI programs, companies are investing in data hygiene beyond what they may have previously done during the first wave of genAI adoption, and agentic AI can be used as part of the initial work and ongoing management or improvement of information quality. The chief AI officer at a media and entertainment company shared that the first pillar of their organization’s AI strategy is about data. “We have a lot of proprietary datasets that we can use. Bringing together datasets with clever AI will create a lot of new opportunities for us.”

Flexibility: Incremental Value Of First-Party Agents

Evidence and data. Microsoft has recently begun building and making available first-party agents designed to be used with required integration and customization work and that extend the value of Microsoft 365. Because these agents have been generally available for less than six months, Forrester modeled the value for the composite organization but did not include it in the core financial analysis.

These agents can support organizations in three ways: 1) providing capabilities that someone would not build themselves (e.g., Facilitator meeting agent in Microsoft Teams); 2) providing capabilities that organizations may otherwise build themselves, potentially reducing time to benefit and the total cost of ownership (e.g., Researcher agent in Microsoft Teams); and 3) providing a subset of required capabilities, which can reduce the time and cost to develop a full solution (e.g., Sales Agent). In some cases, a first-party agent may provide benefits in more than one of these categories.

Interviewees frequently said their organizations would like to purchase agentic capabilities wherever possible, customize/extend with low code, and then — only when necessary — build from scratch with either low-code or full-stack development tools.

- The head of colleague productivity and technology at a media and entertainment company said: “The real benefit with Researcher is when we point it at our own data, it give us a combined view from inside and from external data. ... We have many use cases, including client intelligence, business development, and market intelligence. ... Probably 20% of our people can benefit from Researcher.”
- The same interviewee also described seeing early success with the Facilitator agent: “We have 130 people testing Facilitator, and they all think it is very useful. Everyone previously liked that they were able to get a meeting summary, but Facilitator tracking action follow-ups is really powerful. Nobody has to log actions, which saves time. It also helps people stick to the agenda. I think we can reduce every meeting by 10 minutes, which saves a lot of time and frees up rooms.”
- The enterprise applications architect in healthcare technology said their organization uses Research Agent for competitor analysis, sales prospecting, and assessing existing accounts: “I have heard about productivity gains of 20% when using Researcher. Personally, I love it.”
- The chief AI officer at a media and entertainment organization described their team’s use of the Analyst agent: “I can do many of the same queries using tools like Python, and this saves a lot of time. My team consists of 95 people, and about 20% are using Analyst. They are probably saving 30 to 45 minutes per day.”
- The information governance manager at an energy company said they’re very enthusiastic about the Analyst agent and its Python integration with Excel because the energy sector is very data analytics-intensive, and there are a lot of people across various analyst and finance teams who can benefit. They said: “[The Researcher agents is] strategic in nature, so it can be used by people across the value chain. We have highlighted the value of this to our senior management team.”
- The CTO at a technology professional services organization explained that much of the value of first-party agents for their company comes from how they integrate with other Microsoft solutions: “Researcher and Analyst are extremely powerful because they tie into the Microsoft stack. We are using them in conjunction with Dynamics CRM, Sales Copilot, and Sales Agent.”
- Survey respondents said that within the next two to three years, they expect 45% of the total value of agentic AI to come from agents offered by Microsoft.

Modeling and assumptions. Based on the interviews and survey, Forrester assumes the following:

- The composite sees no incremental improvement to its go-to-market transformation revenue because it can build much of what first-party agents do in-house.
- The composite improves its operational transformation because it uses first-party agents (e.g., Facilitator) to do things the organization can not build.
- It reduces external costs through the efficiency gains and by reducing spend for AI and other systems.
- The composite’s use of first-party agents reduces its spend across all three cost categories discussed later in the study.
- The incremental costs associated with integrating and managing first-party agents is equal to 10% of the total benefits achieved (G12).

- Each of these benefits ramps over time as Microsoft releases more first-party agents and enhances those already available and as the composite organization learns to use first-party agents.

Risks. Results may not be representative of all experiences, and the benefits will vary between organizations based on the following:

- Goodness-of-fit of first-party agents.
- The organization's buy versus build preference.
- The total values of all other benefits and costs.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$3.4 million.

12.5%

Increase in net benefits with first-party agents

17 percentage points

Increase in ROI with first-party agents

"Microsoft's Sales Agent gets us 60% of the way to what we fully need. There is some last-mile plumbing to do and some process-reengineering work. There might be some new first-party agents coming along that get us even closer to 100%."

CTO, technology professional services

First Party Agents Impact					
Ref.	Metric	Source	Year 1	Year 2	Year 3
G1	Percent improvement in labor efficiencies	Interviews and survey	1%	5%	10%
G2	Additional value of leaver positions not replaced	Ctr*G1	\$4,666	\$143,332	\$810,873
G3	Percent improvement in external cost savings	Composite	0%	5%	10%
G4	Additional external cost savings	Dtr*G3	\$0	\$287,325	\$1,523,160
G5	Percent decrease in planning, deployment, and management costs	Composite	1%	5%	15%
G6	Reduced planning, deployment, and managed services costs	Htr*G5	\$9,137	\$38,808	\$124,674
G7	Percent decrease in agent development costs	Composite	3%	10%	15%
G8	Reduced agent development costs	ltr*G7	\$72,906	\$608,786	\$1,536,480
G9	Percent decrease in subscription and consumption spend	Composite	3%	10%	15%
G10	Reduced subscription and consumption spend	Jtr*G9	\$9,117	\$89,576	\$300,833
G11	Subtotal: Additional benefits from first-party agents	G2+G4+G6+G8+G1	\$95,826	\$1,167,826	\$4,296,020
G12	Additional cost associated with first-party agents	G11*10%	\$9,583	\$116,783	\$429,602
Gt	First-party agents impact	G11-G12	\$86,243	\$1,051,044	\$3,866,418
	Risk adjustment	110%			
Gtr	First-party agents impact (risk-adjusted)		\$77,619	\$945,939	\$3,479,776
Three-year total: \$4,503,334			Three-year present value: \$3,466,738		

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Htr	Planning, deployment, and ongoing management	\$467,867	\$913,660	\$776,160	\$831,160	\$2,988,847	\$2,564,384
Itr	Agent development	\$206,054	\$2,430,212	\$6,087,857	\$10,243,196	\$18,967,319	\$15,142,489
Jtr	Subscriptions and consumption	\$5,530	\$303,904	\$895,758	\$2,005,554	\$3,210,746	\$2,528,904
	Total costs (risk-adjusted)	\$679,451	\$3,647,775	\$7,759,775	\$13,079,910	\$25,166,911	\$20,235,777

Planning, Deployment, And Ongoing Management

Evidence and data. Interviewees said that because their organizations see agentic AI as a strategic imperative, their companies are making large investments in their agentic-AI programs, and a part of this foundational work is implementing and then managing an agentic-AI platform — which is different than the process of building AI agents. According to Forrester research: “AI agents are the application, while agentic AI comprises the architectures and systems that underpin that application.”⁴² Forrester defines agentic AI as: “Systems of foundation models, rules, architectures, and other tools that enable software to flexibly plan to resolve goals by taking action in their environment, with increasing levels of autonomy.”⁴³

Interviewees said that, in addition to costs related to their organizations’ agentic AI platform technology, their companies incur costs for internal labor and professional services to build and manage the platform, governance and security work, and training and change management. They also noted that some of this effort is incremental to work previously undertaken as part of earlier genAI initiatives.

- The head of applied AI and practice at a financial services organization stressed the benefits of investing the time and money to put an agentic AI platform and frameworks in place. They said, “Once you have the platform and frameworks, it is a lot faster to build and use agents — and much more scalable.” The interviewee said the company’s labor and technology spend on platform components is approximately 20% of its total AI agent development costs.
- The CTO at a technology professional services organization said their company is using Microsoft Fabric — a unified AI platform that brings together data and analytics — as the basis of its agentic AI platform: “The whole one-lake approach is phenomenal. It works really well with Power BI and makes it easier to do heavy-lifting development work in Azure Foundry. Agents are the front end that employees interact with.”
- Regarding governance, the information governance manager at an energy company said their organization set up a three-person AI and governance team and that Microsoft solutions are one piece.
- Interviewees from a media and entertainment company said five FTEs who are part of the business — not in IT — handle change management. There are also internal champions helping to move the use agentic AI forward.
- Interviewees described different approaches to training, depending on those being trained. They said training content was typically created by an agentic AI program team and mostly for professional and citizen developers. They created some user content when new agents or capabilities launched, but they explained this happens for any IT change management program. This content was designed to be consumable in small bites and available on demand, and for the most part, business users received basic AI training around topics like responsible AI as part of prior genAI rollouts. There was not separate training for agentic AI.
- Of the interviewees’ organizations, half used professional services either initially or as part of ongoing management and enhancements.

Modeling and assumptions. Based on the interviews, Forrester assumes the following:

- The composite’s initial period to set up its agentic AI program lasts four months and consists of five FTEs.
- The ongoing management team consists of three FTEs who work on the program and platform year-round.
- The composite’s agentic AI platform technology costs ramp up over time as the number and complexity of agentic use cases increases.
- The organization uses professional services as part of the initial setup and ongoing management, and these services include properly setting up the platform along with work related to governance, security, and change management.
- The composite also uses some professional services for agent development (see Cost I).

Risks. Results may not be representative of all experiences, and the costs will vary between organizations based on the following:

- The level of agentic AI transformation the organization seeks.
- The availability of in-house resources.
- The technologies used.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.6 million.

Planning, Deployment, And Ongoing Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	FTEs for Microsoft agentic AI program (data platform, tools, governance, data security, and training content)	Composite	5.0	3.0	3.0	3.0
H2	Time for agentic AI program (months)	Composite	4	12	12	12
H3	Monthly fully burdened cost for an IT worker	Composite	\$11,266.67	\$11,266.67	\$11,266.67	\$11,266.67
H4	Subtotal: Microsoft Agentic AI program internal effort	H1*H2*H3	\$225,333	\$405,600	\$405,600	\$405,600
H5	Microsoft Agentic AI platform technology costs	Interviews and survey	\$25,000	\$75,000	\$125,000	\$175,000
H6	Professional services	Interviews and survey	\$175,000	\$350,000	\$175,000	\$175,000
Ht	Planning, deployment, and ongoing management	H4+H5+H6	\$425,333	\$830,600	\$705,600	\$755,600
	Risk adjustment	†10%				
Htr	Planning, deployment, and ongoing management (risk-adjusted)		\$467,867	\$913,660	\$776,160	\$831,160
Three-year total: \$2,988,847			Three-year present value: \$2,564,384			

Agent Development

Evidence and data. Interviewees said their organizations’ agent development costs consist of several categories: 1) IT developers who may be low-code or full-stack developers; 2) business users involved in defining and testing the agents built by IT; 3) time that employees (citizen developers) spend building agents for themselves and their teams using low-code/no-code tools; 4) professional services directly tied to the agents built by IT.

At the time of interviews, interviewees said their organizations were doing a lot of development work with both low-code and full-stack development tools, but that there was an emerging desire to move more toward buying and configuring off-the-shelf agents built by Microsoft and other vendors. They said that if and when the agentic AI space switches to a predominantly “buy” rather than “build” approach, the development efforts will change from bottom-up building to integrating, extending, and customizing first-party agents (see: Flexibility).

- Each interviewee reported using a mix of no-code/low-code and full-stack development tools such as Agent Builder, Copilot Studio, Microsoft Foundry, and Azure OpenAI, etc. There was also some use of Azure Databricks. As a general rule,

interviewees' organizations preferred to use no-code/low-code tools to build agents if they could be do so at a lower cost while maintaining feature parity and computational efficiencies.

- The level of effort and cost for agents developed by corporate IT varied dramatically. While some interviewees said their organizations could take many agents anywhere from days to months to develop, the chief AI officer at a media and entertainment organization said their company is building an agent related to new products/service offerings that will take 1.5 years to bring to market. This organization has a team of five or six low-code developers working on agents in addition to full-stack developers working on agents part-time.
- The information governance manager at an energy company said their organization wanted to create a low-code development team to build agents with Copilot Studio, some Azure tools, and some machine learning. The team began five people and will grow to 10 over the next two years. Although most of the work would be central development work, the team would also provide some support to citizen developers.
- The enterprise applications architect at a healthcare technology company said much of their organization's development work was done by citizen developers. They estimated that a citizen developer agent took 6 to 8 hours to build it and an IT intern required around 10 hours to build a help desk agent with a broad user base. The interviewee said, "[A large] end-to-end agentic workflow with AI and workflow automation could take a couple of hundred thousand dollars to build."
- The executive leader at an engineering professional services organization shared an example of one of their largest agentic initiatives around RFP response and labor assignment that took the efforts of two FTEs 18 months from initial idea to production. They believe their company could complete future agents of a similar size with 30% to 40% less effort and cost based on what they learned during this initial attempt.

Modeling and assumptions. Based on the interviews, Forrester assumes the following:

- The composite primarily uses a development-first approach.
- The number of low-code and full-stack developers increases over time as agentic AI becomes more embedded in the organization.
- There is a shift from more low-code to more full-stack developers as agents become more complex in terms of capabilities, autonomy, and orchestration.
- Agents built by corporate IT require the involvement of business users and process engineering/change management resources who provide subject-matter expertise in defining agent use cases and requirements along with testing. The participation level of these experts varies depending on the project stage.
- The composite has 1.25 business users for every developer involved.
- The agents built by business users impact beyond just the individual builder and are used by the builder's entire team, persona cohort, etc.
- The number of people at the composite who build agents that have a wide impact increases over time.
- It takes 13 hours for a business user to build an agent in Year 1, and this includes some time for on-demand training and ongoing management of the agent. Each year, this increases by 1 hour to allow more time for ongoing management of multiple agents.
- The composite's average fully burdened cost is \$42.3918 for business users building agents.
- The composite pays for professional services for specialist assistance in corporate IT's development work.

Risks. Results may not be representative of all experiences, and the costs will vary between organizations based on the following:

- The number and type of agents built.
- The organization's in-house skills.
- Who builds each agent.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$15.1 million.

Agent Development						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
I1	Low-code developer FTEs	Composite	2	6	13	20
I2	Full-stack developer FTEs	Composite	0	2	6	11
I3	Subtotal: Professional developer costs	(I1+I2)*H2*H3	\$90,133	\$1,081,600	\$2,568,800	\$4,191,200
I4	Business user FTEs involved in pro-dev-built agents	(I1+I2)*1.25	3	10	24	39
I5	Average monthly fully burdened salary across all roles	Composite	\$7,347.92	\$7,347.92	\$7,347.92	\$7,347.92
I6	Business users involved in pro-dev-built agent costs	H2*I4*I5	\$88,175	\$881,750	\$2,116,200	\$3,438,825
I7	Subtotal: Corporate-IT-built agents	I3+I6	\$178,308	\$1,963,350	\$4,685,000	\$7,630,025
I8	Percentage of employees who build agents	Composite	0.0%	2.5%	10.0%	20.0%
I9	Time for user training, building, and maintaining an agent (hours)	Composite	13	13	14	15
I10	Subtotal: Maker-built agents	XX73*I8*I9*\$42.3918	\$0	\$137,773	\$592,536	\$1,262,853
I11	Professional services	I3*10%	\$9,013	\$108,160	\$256,880	\$419,120
I12	Agent development	I7+I10+I11	\$187,322	\$2,209,283	\$5,534,416	\$9,311,997
	Risk adjustment	110%				
I13	Agent development (risk-adjusted)		\$206,054	\$2,430,212	\$6,087,857	\$10,243,196
Three-year total: \$18,967,319			Three-year present value: \$15,142,489			

Subscriptions And Consumption

Evidence and data. Interviewees said that the variable technology pricing associated with agents is based on many factors, including the type of agent and its function (e.g., retrieval versus action, which affects the number of messages generated), the number and types of users interacting with an agent (e.g., internal employees with a Microsoft 365 Copilot license versus external customers), how much of the processing and messaging is done by the agent versus the back-end agentic AI platform, available consumption credits, and what the agent is built with (e.g., Copilot Studio message/credit consumption versus Azure consumption).

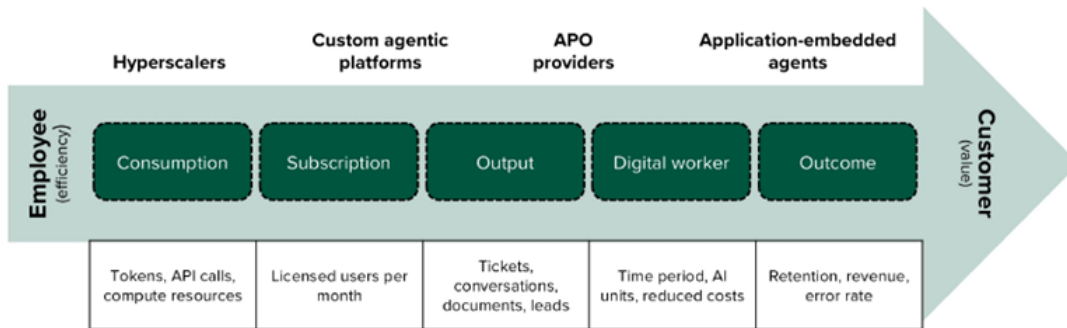
Interviewees said they're still working to understand the full pricing implications at the agent level and the implications of these factors. As discussed earlier, a high-level approach that several interviewees shared is to think of the direct IT spend (subscriptions and consumption covered here) and the IT platform costs discussed earlier as a form of digital labor cost that partially offsets some of the human labor savings. Interviewees estimated that these costs can be between 15% and 25% of the human labor savings and are front-loaded compared to when human labor savings are realized. There may also be the introduction of different agentic AI pricing strategies in the future as vendors respond to growing pressure to reflect value and cost.⁴⁴ The graphic below shows a continuum of potential future pricing strategies based on the agentic-AI function and the supplier of the agent.

- The executive leader at the engineering professional services company opined: “Understanding incremental transaction costs is a capability that all organizations will need to master in the world of AI, but not only because of AI. There’s unit economics for cloud resources and consumption pricing for engineering technology.”
- The same interviewee also explained that their organization’s sales-related agentic goal of 20% to 30% higher revenue per headcount will be offset by 5% to 10% in incremental AI costs. They said, “Overall, no more than 25% of the benefits will be taken up by incremental technology spend.”
- The CTO at a technology professional services company estimated their sales recommendation agent may cost \$25,000 for Copilot Studio messages. However, they cautioned that costs could be much higher if someone doesn’t architect an agent

correctly: “Getting the agent to do the heavy lifting with a ton of data is not the right way to do this. It is better to do the data work beforehand in the back end. The agent consumes the raw data at the start of the process and returns the results.”

- Pricing may vary. Contact Microsoft for more details.

AGENT PLATFORMS HAVE A PRIMARY PRICING DIRECTION



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Modeling and assumptions. Based on the interviews, Forrester assumes the following:

- The composite primarily uses a development-first approach in which variable technology costs are primarily consumption-based.
- If the composite adopts a buy-first approach in the future, a portion of consumption-based costs would shift to software-as-a-service subscription and license costs.
- The composite’s total technology costs are roughly similar in magnitude across development-first and buy-first approaches.
- The composite’s Copilot Studio costs are based on the number of tenants and the credit packs required for the number of messages generated by agents built with Copilot Studio.
- The composite uses five tenants to support data segregation across regions and separate development and production environments.
- By Year 3, the various agents generate 7.5 million messages per month.
- Credit packs are required for all messages going to and from internal users who do not have Microsoft 365 Copilot licenses, representing 60% of users in Year 3.
- Agents send messages to external parties (e.g., customers, partners, suppliers), which also require additional credit packs.
- Each credit pack costs \$200 and includes 25,000 messages.
- The composite’s Azure consumption costs include a variety of components including Microsoft Foundry, Microsoft’s AI services, Azure virtual machines, Azure Virtual Network, Azure storage accounts.
- Certain Azure components do not incur additional charges, such as load balancers and 5GB of bandwidth for data transfer.

Risks. Results may not be representative of all experiences, and the costs will vary between organizations based on the following:

- Azure’s strategic pricing offers.
- The number and types of agents built.
- How the agents are built.
- The number of people without Microsoft 365 Copilot licenses who will interact with agents.
- How the organization pays for these solutions.
- Azure’s strategic pricing offers (e.g., the Microsoft Agent pre-purchase plan).

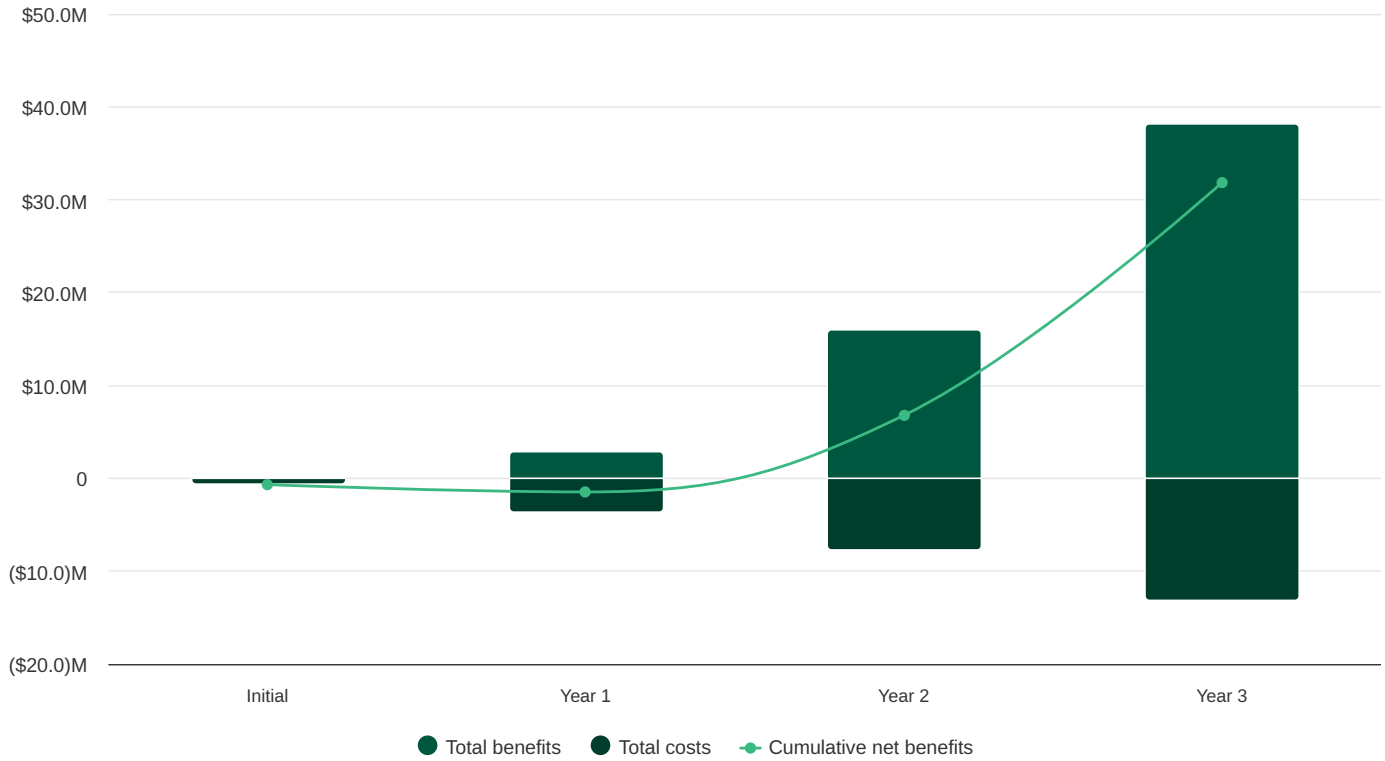
Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.5 million.

Subscriptions And Consumption						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
J1	Employees	XX73	10,000	10,000	9,984	9,930
J2	Percentage of employees who use Microsoft 365 Copilot	Composite	0%	15%	25%	40%
J3	Copilot Studio tenants	Composite	1	3	5	5
J4	Copilot studio monthly tenant cost	Composite	\$200	\$200	\$200	\$200
J5	Messages generated per month	Composite	25,000	1,500,000	3,750,000	7,500,000
J6	Credit packs purchased per month	$J5/25,000*(1-J2)*(1+50\%)$	2	77	169	270
J7	Subtotal: Copilot Studio subscription costs	$(J3+J6)*200*H2$	\$2,400	\$192,000	\$417,600	\$660,000
J8	Azure consumption	Composite	\$2,409	\$72,264	\$361,320	\$1,083,960
Jt	Subscriptions and consumption	J7+J8	\$4,809	\$264,264	\$778,920	\$1,743,960
	Risk adjustment	†15%				
Jtr	Subscriptions and consumption (risk-adjusted)		\$5,530	\$303,904	\$895,758	\$2,005,554
Three-year total: \$3,210,746			Three-year present value: \$2,528,904			

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



Cash Flow Analysis (Risk-Adjusted)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$679,451)	(\$3,647,775)	(\$7,759,775)	(\$13,079,910)	(\$25,166,911)	(\$20,235,777)
Total benefits	\$0	\$2,857,616	\$16,002,974	\$38,146,855	\$57,007,445	\$44,483,728
Net benefits	(\$679,451)	(\$790,159)	\$8,243,199	\$25,066,945	\$31,840,534	\$24,247,951
ROI						120%
Payback						15 months

Please Note

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

TEI Framework And Methodology

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Microsoft's agentic AI solutions.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Microsoft's agentic AI solutions can have on an organization.

Due Diligence

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Microsoft's agentic AI solutions.

Interviews And Survey

Interviewed eight decision-makers at six organizations and surveyed 420 respondents at organizations using Microsoft's agentic AI solutions to obtain data about costs, benefits, and risks.

Composite Organization

Designed a composite organization based on characteristics of the interviewees' and survey respondents' organizations.

Financial Model Framework

Constructed a financial model representative of the interviews and survey using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees and survey respondents.

Case Study

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see [Appendix A](#) for additional information on the TEI methodology.

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

Flexibility

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. The ability to capture that benefit has a PV that can be estimated.

Risks

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

Financial Terminology

Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.

Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendixes

APPENDIX A

Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

APPENDIX B

Survey Demographics

INDUSTRY	
Financial services and/or insurance	8%
Healthcare	8%
Manufacturing and materials	8%
Technology and/or technology services	7%
Retail	6%
Consumer product goods	6%
Electronics	5%
Marketing	5%
Business or professional services	5%
Construction	4%
Agriculture, food, and/or beverage	4%
Energy, utilities, and/or waste management	4%
Legal services	4%
Media and entertainment, including advertising	4%
Education	4%
Transportation and logistics	4%
Telecommunications services	3%
Travel and hospitality	3%
Chemicals and/or metals	3%
Consumer services	3%
Government	2%
Nonprofits	1%
Other	0.2%
Region	
North America	49%
Europe, Middle East, and Africa	25%
Asia Pacific	13%
Latin America	13%

Functional Area	
Marketing	12.4%
Sales	12.4%
Customer service	12.4%
Finance	12.6%
Human resources	12.6%
IT	12.4%
Legal	12.9%
Operations/supply chain	12.4%

APPENDIX C

Composite Organization Headcount Assumptions

Ref.	Metric	Source	Year 1	Year 2	Year 3
XX1	Reduction in attrition rate	Composite	0%	5%	10%
XX2	Sales				
XX3	Beginning headcount (rounded)	XX3 _{py} -XX8 _{py}	2,000	2,000	2,000
XX4	Attrition rate	XX4 _{y1} *(1-XX1 _{cy})	10.00%	9.50%	9.00%
XX5	Leavers	XX3*XX4	200	190	180
XX6	Percent of positions refilled	Composite	100%	100%	100%
XX7	New hires	XX5*XX6	200	190	180
XX8	Reduced positions	XX5-XX7	0	0	0
XX9	Marketing				
XX10	Beginning headcount (rounded)	XX10 _{py} -XX15 _{py}	700	700	695
XX11	Attrition rate	Composite	15%	14.25%	13.50%
XX12	Leavers	XX10*XX11	105	100	94
XX13	Percent of positions refilled	Composite	100%	95%	90%
XX14	New hires	XX12*XX13	105	95	85
XX15	Reduced positions	XX12-XX14	0	5	9
XX16	Customer service				
XX17	Beginning headcount (rounded)	XX17 _{py} -XX22 _{py}	1,500	1,484	1,459
XX18	Attrition rate	Composite	35%	33.25%	31.50%
XX19	Leavers	XX17*XX18	525	493	460
XX20	Percent of positions refilled	Composite	97%	95%	94%
XX21	New hires	XX19*XX20	509	468	432
XX22	Reduced positions	XX19-XX21	16	25	28
XX23	Finance and accounting				
XX24	Beginning headcount (rounded)	XX24 _{py} -XX29 _{py}	700	700	697
XX25	Attrition rate	Composite	10%	9.50%	9.00%
XX26	Leavers	XX24*XX25	70	67	63
XX27	Percent of positions refilled	Composite	100%	95%	93%
XX28	New hires	XX26*XX27	70	64	59
XX29	Reduced positions	XX26-XX28	0	3	4
XX30	HR				
XX31	Beginning headcount (rounded)	XX31 _{py} -XX36 _{py}	300	300	298
XX32	Attrition rate	Composite	15%	14.25%	13.50%
XX33	Number of leavers	XX31*XX32	45	43	40

XX34	Percent of positions refilled	Composite	100%	95%	90%
XX35	New hires	XX33*XX34	45	41	36
XX36	Reduced positions	XX33-XX35	0	2	4
XX37	IT				
XX38	Beginning headcount (rounded)	XX38 _{py} -XX43 _{py}	700	700	700
XX39	Attrition rate	Composite	10%	9.50%	9.00%
XX40	Leavers	XX38*XX39	70	67	63
XX41	Percent of positions refilled	Composite	100%	100%	100%
XX42	New hires	XX40*XX41	70	67	63
XX43	Reduced positions	XX40-XX42	0	0	0
XX44	Legal, audit, and compliance				
XX45	Beginning headcount (rounded)	XX45 _{py} -XX50 _{py}	300	300	299
XX46	Attrition rate	Composite	15%	14.25%	13.50%
XX47	Leavers	XX45*XX46	45	43	40
XX48	Percent of positions refilled	Composite	100%	97%	95%
XX49	New hires	XX47*XX48	45	42	38
XX50	Reduced positions	XX47-XX49	0	1	2
XX51	Operations				
XX52	Beginning headcount (rounded)	XX52 _{py} -XX57 _{py}	2,500	2,500	2,486
XX53	Attrition rate	Composite	20%	19.00%	18.00%
XX54	Leavers	XX52*XX53	500	475	447
XX55	Percent of positions refilled	Composite	100%	97%	93%
XX56	New hires	XX54*XX55	500	461	416
XX57	Reduced positions	XX54-XX56	0	14	31
XX58	Product management and R&D				
XX59	Beginning headcount (rounded)	XX59 _{py} -XX64 _{py}	1,000	1,000	996
XX60	Attrition rate	Composite	15%	14.25%	13.50%
XX61	Leavers	XX59*XX60	150	143	134
XX62	Percent of positions refilled	Composite	100%	97%	93%
XX63	New hires	XX61*XX62	150	139	125
XX64	Reduced positions	XX61-XX63	0	4	9
XX65	Executive and administration				
XX66	Beginning headcount (rounded)	XX66 _{py} -XX71 _{py}	300	300	300
XX67	Attrition rate	Composite	10%	9.50%	9.00%
XX68	Leavers	XX66*XX67	30	29	27
XX69	Percent of positions refilled	Composite	100%	100%	97%

XX70	New hires	XX68*XX69	30	29	26
XX71	Reduced positions	XX68-XX70	0	0	1
XX72	Total				
XX73	Beginning headcount (rounded)	XX3+XX10+XX17+XX24+XX31+XX38+XX45+XX52+XX59+XX66	10,000	9,984	9,930
XX74	Leavers	XX5+XX12+XX19+XX26+XX33+XX40+XX47+XX54+XX61+XX68	1,740	1,650	1,548
XX75	Reduced positions	XX8+XX15+XX22+XX29+XX36+XX43+XX50+XX57+XX64+XX71	16	54	88
XX76	New hires	XX74-XX75	1,724	1,596	1,460
XX77	Ending headcount (rounded)	XX73-XX75	9,984	9,930	9,842
XX78	Attrition rate	XX74/XX73	17.40%	16.53%	15.59%

APPENDIX D

Survey Findings

Marketing Benefit	Expected Improvement Over Next Two Years
Number of opportunities generated	7.2% ↑
Opportunity to qualified lead conversion rate	7.3% ↑
Revenue per lead	6.9% ↑
Cost per lead	6.8% ↓
External agency spend	4.7% ↓

Base: 52 marketing decision-makers at organizations using Microsoft's agentic AI solutions
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

Sales Benefit	Expected Improvement Over Next Two Years
Number of qualified leads pursued	6.6% ↑
Win rate	5.0% ↑
Average deal size	2.7% ↑
Sales cycle duration	3.8% ↓

Base: 52 sales decision-makers at organizations using Microsoft's agentic AI solutions.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

Customer Service Benefit	Expected Improvement Over Next Two Years
Customer retention rate	9.0% ↑
Number of cases handled per representative	6.0% ↑
First call resolution rate	4.8% ↑
Resolution time	4.7% ↓
Average call time	3.9% ↓
CSAT score	6.5% ↑

Base: 52 customer service decision-makers at organizations using Microsoft's agentic AI solutions.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

Finance Benefit	Expected Improvement Over Next Two Years
Compliance rates	9.2% ↑
Cost per analysis request	16.4% ↓
Outsourcing spend	11.9% ↓
Deal review time	12.5% ↓
Day sales outstanding	6.3% ↓

Base: 53 finance decision-makers at organizations using Microsoft's agentic AI solutions.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

Human Resources Benefit	Expected Improvement Over Next Two Years
Employee retention rate	10.9% ↑
Number of inquiries handled per HR representative	5.0% ↑
Issue resolution time	10.3% ↓
New hire onboarding costs	14.0% ↓

Base: 53 human resources decision-makers at organizations using Microsoft's agentic AI solutions.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

IT Benefit	Expected Improvement Over Next Two Years
SLA compliance rates	7.1% ↑
Availability and uptime	3.9% ↑
Development costs	14.9% ↓
Help desk ticket resolution time	10.5% ↓
Outsourcing spend	6.0% ↓
Operations costs	8.7% ↓
Number of security incidents	6.5% ↓
Other AI spend	5.0% ↓

Base: 52 IT decision-makers at organizations using Microsoft's agentic AI solutions.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

Legal Benefit	Expected Improvement Over Next Two Years
Compliance rate	10.3% ↑
Dispute win rate	4.9% ↑
Contract error rate	22.8% ↓
Cost to review	20.7% ↓
External counsel spend	6.4% ↓
Number of disputes	2.5% ↓

Base: 54 legal decision-makers at organizations using Microsoft's agentic AI solutions.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

Operations/Supply Chain	Expected Improvement Over Next Two Years
Order accuracy	9.9% ↑
Ontime delivery rate	8.5% ↑
SLA compliance rate	4.6% ↑
Procurement costs	10.4% ↓
Day sales of inventory	5.1% ↓

Base: 52 operations/supply chain decision-makers at organizations using Microsoft's agentic AI solutions.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2025.

APPENDIX E

Endnotes

¹ Forrester defines genAI as a set of technologies and techniques that leverage very large corpuses of data, including large language models like GPT-3, to generate new content. Inputs for generative AI may be natural language prompts or other non-code and non-traditional inputs. It is sometimes referred to as AI-generated content or AIGC and can be used by a variety of roles and functions in the enterprise. GenAI includes large language models, generative adversarial networks, diffusion models, and variational autoencoders. It provides the ability to create shortcuts for onerous workflow tasks, speed up delivery times, and enhance employee productivity across multiple enterprise workflows. It increases the scale and speed of analysis and knowledge synthesis for various roles such as developers, marketers, and data scientists. In the short term, it will expand the breadth of human creative expression and drive innovation in product development, design, and content creation. Source: [Forrester Blogs](#).

² Source: [Agentic AI Is Rising And Will Reforge Businesses That Embrace It](#), Forrester Research, Inc., March 7, 2025.

³ Ibid.

⁴ Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

⁵ Source: [Agentic AI Agents Are A Rare Sighting](#), Forrester Research, Inc., April 14, 2025.

⁶ Source: [AI Agents: What It Means For B2B Marketing, Sales, And Product](#), Forrester Research, Inc., April 1, 2025.

⁷ Base: 52 marketing decision-makers at organizations using Microsoft's agentic AI solutions.

⁸ Base: 52 marketing decision-makers at organizations using Microsoft's agentic AI solutions.

⁹ Base: 52 sales decision-makers at organizations using Microsoft's agentic AI solutions.

¹⁰ Base: 52 sales decision-makers at organizations using Microsoft's agentic AI solutions.

¹¹ Base: 52 customer service decision-makers at organizations using Microsoft's agentic AI solutions.

¹² Base: 52 customer service decision-makers at organizations using Microsoft's agentic AI solutions.

¹³ Source: [Margins by sector](#), NYU Stern School of Business, January 2025.

¹⁴ Base: 52 customer service decision-makers at organizations using Microsoft's agentic AI solutions.

¹⁵ Base: 52 customer service decision-makers at organizations using Microsoft's agentic AI solutions.

¹⁶ Source: 52 customer service decision-makers at organizations using Microsoft's agentic AI solutions.

¹⁷ Base: 53 finance decision-makers at organizations using Microsoft's agentic AI solutions.

¹⁸ Base: 53 finance decision-makers at organizations using Microsoft's agentic AI solutions.

¹⁹ Base: 53 human resources decision-makers at organizations using Microsoft's agentic AI solutions.

²⁰ Base: 53 human resources decision-makers at organizations using Microsoft's agentic AI solutions.

²¹ Base: 52 operations/supply chain decision-makers at organizations using Microsoft's agentic AI solutions.

²² Base: 54 legal decision-makers at organizations using Microsoft's agentic AI solutions.

²³ Base: 52 operations/supply chain decision-makers at organizations using Microsoft's agentic AI solutions.

²⁴ Base: 52 operations/supply chain decision-makers at organizations using Microsoft's agentic AI solutions.

²⁵ Base: 52 operations/supply chain decision-makers at organizations using Microsoft's agentic AI solutions.

²⁶ Base: 52 marketing decision-makers at organizations using Microsoft's agentic AI solutions.

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²⁸ Base: 52 IT decision-makers at organizations using Microsoft's agentic AI solutions.

²⁹ Base: 52 IT decision-makers at organizations using Microsoft's agentic AI solutions.

³⁰ Base: 54 legal decision-makers at organizations using Microsoft's agentic AI solutions.

³¹ Base: 52 operations/supply chain decision-makers at organizations using Microsoft's agentic AI solutions.

³² Base: 52 operations/supply chain decision-makers at organizations using Microsoft's agentic AI solutions.

³³ Source: [2025 Outsourcing Benchmarks, Global](#), Forrester Research, Inc., July 27, 2025.

³⁴ Base: 53 human resources decision-makers at organizations using Microsoft's agentic AI solutions.

³⁵ Base: 53 human resources decision-makers at organizations using Microsoft's agentic AI solutions.

³⁶ Source: [Agentic AI Agents Are A Rare Sighting](#), Forrester Research, Inc., April 13, 2025.

³⁷ Source: [Agentic AI Is Rising And Will Reforge Businesses That Embrace It](#), Forrester Research, Inc. March 7, 2025.

³⁸ Source: [AI Agent Pricing: Innovation, Confusion, And Caution Ahead](#), Forrester Research, Inc., September 12, 2025.

Disclosures

Readers should be aware of the following:

This study is commissioned by Microsoft and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Microsoft's agentic AI solutions.

Microsoft reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Microsoft provided the customer names for the interviews but did not participate in the interviews.

Forrester fielded the double-blind survey using a third-party survey partner.

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