

27 Predicting and Tracking ROI

While the departments covered in the previous chapter are most likely to have long-term upside from AI, the more obvious short-term ROI may be achieved by specific types of people. This chapter outlines such “personas,” but also calls the important question: What will be done with that saved time? If employees’ golf handicaps or other hobbies are the only beneficiaries of GenAI, who could blame a CFO for hesitating to invest?

Who’s Most Likely to Benefit?

At the time of writing, I know of only a handful of organizations that have deployed a Copilot license to 100% of its team members. It’s more typically a subset of high-usage information workers.

The following outlines common user communities who commonly get tangible value from the tool: Time savers, content creators, and idea generators.

Time Savers

If measuring ROI by time savings, Copilot is ideal for:

- a) People in lots of meetings, especially those who take and distribute minutes/notes. Some organizations feel this is the biggest benefit of Copilot (and some realize that meeting recaps are also available in the less expensive Teams Premium license).
- b) Busy executives who need to catch up on email, chats, and missed meetings.
- c) Project managers who spend time aggregating information and writing status updates and deliverables.



Content Creators

If measuring ROI by the creativity or quantity of code, reports, proposals, presentations, or campaign material, Copilot can be helpful for:

- a) Software developers and IT pros
- b) Marketing teams
- c) Salespeople
- d) Paralegals
- e) Learning and Development professionals
- f) Teachers



Idea Generators

Another persona that gets ROI are those who can take their ideas, vibe with Copilot to improve them, and reach better and more informed decisions. For this type of use, Copilot could benefit:

- a) Executives
- b) Researchers and developers
- c) Product development teams
- d) Market and competitive analysts
- e) Other revenue-generating departments as outlined in Ch. 26



Ways to Measure ROI

Evaluating the return on investment (ROI) for generative AI solutions like Copilot involves assessing both the tangible and intangible benefits. Tangible aspects include the time saved, the errors reduced, and the output increased by using Copilot. Intangibles include the satisfaction, confidence, and creativity enhanced by using Copilot.

Next comes a review of a few basic methods to estimate ROI.



Time-Savings Analysis

For the time savers, conduct a “Before and After” survey. Measure the time spent on tasks before and (90 days) after their use of Copilot. For example, have people record the time to complete meeting minutes, catch up on communications, and compile project reports. Consider making it a requirement to log their time before/after getting a license (assuming HR agrees).

Then, use an algorithm that translates time saved into monetary value. For instance:

$$\text{ROI} = (\text{Hours saved/month} * \text{Hourly rate}) / \$30 \text{ per month} * 100$$

This formula calculates the percentage of ROI based on the time saved (in hours), the average hourly rate of the employees, and the monthly cost of Copilot. The 100 simply turns the decimal into a %.

Example:

If a \$50 per hour worker saves 0.6 hours (~40 minutes) per month, the ROI breaks even. $(0.6 * 50 / 30) * 100 = 100$. Any additional time savings is gravy.

Job Satisfaction Analysis

Assess the impact on employee satisfaction, reduced burnout, and improved work-life balance. Improvements there can lead to lower turnover rates and higher productivity. **One might call this effect “Return on Employee.”** One user cited lower stress levels after working with Copilot through a difficult HR-related issue, even noticing an improvement in their health stats on their Apple watch!¹

Cycle Time Improvement Analysis

By giving M365 Copilot access to all team members involved with a repeatable initiative or project, cycle time and quality impacts can be measured.

One firm measured the before/after cycle time of their ‘pursuits’ (proposals) process. What had taken 10-14 days before Copilot was cut down to hours with Copilot.²

Output Impact Assessment

For the content creators and big thinkers, measure key performance indicators (KPIs) related to the tasks Copilot is used for, such as the number of new products ideated, marketing campaigns created, and lesson plans outlined.³

Compare the quantity and quality of output before and after Copilot's implementation. Higher output with maintained or improved quality indicates a positive ROI.

Using one or more of these methods can create a picture of the ROI for Copilot or other GenAI. It's important to tailor the approach to an organization's specific needs. Consider pilot programs for different groups to gather initial data and refine estimates.

Back of a Napkin

According to the U.S. Bureau of Labor Statistics, all jobs done by all workers in the country average \$61,900 / year (\$29.76/hour).⁴ If Copilot saves the average worker one hour of their time per month, the ROI is net positive. Management Occupations average \$131,200 / year, requiring only 30 minutes of time savings for higher paid people to break even.⁵

Additional Costs

\$30 a month isn't the only cost involved with Copilot. There are other costs, like:

- IT staff time to protect the data and monitor usage.
- L&D staff time to create and deliver some training.
- Employees' time to read adoption material and/or participate in training.
- Other Microsoft 365 licenses (occasionally, like for Purview or Agent 365 for advanced organizations' security/compliance needs).
- Time for legal reviews of AI policies or HR addressing concerns or complaints.

Keys to Optimizing ROI

The more intentionally an organization rolls out GenAI, the more likely they'll gain a competitive cost and productivity advantage. A few working approaches are outlined next.

Strategically rollout the tools

The National Bureau of Economic Research (NBER) found that while customer support agents using an AI tool saw a nearly 14 percent increase in productivity, there were zero or small negative effects on the most experienced and most able workers. This suggests that **while Generative AI can boost productivity for some, it may not have the same effect on others, particularly those who are already highly skilled.**⁶

Enable Access to the Right Data

If the most valuable data in the organization isn't in OneDrive, SharePoint, Outlook, and Teams, consider connectors and plugins (see Chapter 22). Copilot can connect to external data sources to ensure people have access to the relevant data and content that they need to use. **Organizations with access to accurate, clean, valuable data will maximize AI's competitive advantage.** Those who don't are leaving value on the table.

Focus on the user experience

To maximize the ROI of Microsoft 365 Copilot, it is important to focus on adoption and change management. This includes providing training and support to users, promoting the use of the tool, and tracking usage and impact. By doing so, organizations can **ensure that the tool is being used to its full potential.** See Chapter 2 and the rest of Part I for end-user adoption deep dives.

Be patient

Microsoft themselves found that **it takes around 11 weeks of using Copilot for most people to see a breakthrough** in improvements across productivity, work enjoyment, work-life balance, and the ability to attend fewer meetings.⁷

What Others Are Saying

Here are some examples of positive experiences from early customer adopters of Copilot:⁸

- Organizations commonly report measurable productivity improvements within the first few months, including 10-15% time savings and up to 7 hours saved per employee per month.^{9 10}
- Teams use Copilot to improve drafting, analysis, research, and content creation, producing more consistent outputs in less time.¹¹
- As one of the early adopters of Copilot, Accenture has seen major productivity gains, with the first 100 users saving between 30 minutes to 3 hours *every day*.
- According to a survey of 297 users in the Microsoft 365 Copilot Early Access Program, 70% of users said they were more productive, 68% said it improved the quality of their work, and overall, users were 29% faster in a series of tasks (searching, writing, and summarizing).
- 75% of users said Copilot “saves me time by finding whatever I need in my files,” and 77% of users said once they used Copilot, they didn’t want to give it up.

Measurements and Caveats

Tangible benefits like time saved and increased output, are measurable through tools like Microsoft Viva Insights and Power BI, while the intangible benefits, including enhanced satisfaction and creativity, can be gauged via surveys through Microsoft Forms and Teams channels.

Keys to maximizing ROI include accessing clean, accurate, and valuable data, setting expectations, and being intentional (and patient) with adoption.

While Copilot can significantly boost productivity for many, **its impact may vary among highly skilled individuals**. By ensuring access to relevant data and emphasizing adoption and change management, organizations can leverage Copilot to its fullest potential, leading to growth and innovation within their teams.

Converting time to value

A fair question is: “What are people going to do with that free time?” This comes out of a management concern that people won’t apply that time to other value-added work.

Researchers have studied that question, and while it’s early, **they are finding the time savings to be well spent**. Here are some key findings:

- The Harvard Business Review article "How People Are Really Using GenAI" found that Generative AI is being used for a wide range of tasks, including technical assistance, content creation, personal support, learning, creativity, and research. The article suggests that these **tools are freeing up time for professionals to engage in more creative and strategic tasks**.¹²
- A report by Fast Company discusses how AI efficiencies are unlocking creative potential. It states that four in five leaders believe AI-powered tools reduce repetitive tasks, allowing them to **think bigger and stay ahead of the competition**.¹³

These studies indicate that businesspeople are using the time saved from Generative AI to engage in more strategic, creative, and value-added activities, which can lead to growth and innovation within their organizations.

Ever admire how Google allots of 20% of work time for its people to pursue creative projects? GenAI just may be the timesaving tool that’ll allow more organizations to provide similar opportunities for their most prized assets, their people!

The Bottom Line about the Bottom Line

The deployment of Copilot within organizations has significant potential for enhancing productivity and creativity across various roles. For CFOs, understanding the ROI of such technology is crucial. Copilot has proven to be an asset for time savers, content creators, and idea generators.

Achieving ROI hinges on increased output or time saved (and the effective use of that saved time). What will your organization do with its time? Will it spend 20% of its time on novel product or service innovations, like the folks at Google? Or will it upskill the workforce to capitalize on this extra time? Both are crucial ways to realize real long-term ROI of AI. Upskilling will be discussed in Chapter 31.

References and Resources

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