

Microsoft Copilot for M365

The Adoption Numbers Your Vendor Doesn't Want You to Read.

01

Background

The deployment pattern, the measurement gap, and the renewal decision now arriving.

What enterprises bought, and what independent research found.

- Microsoft Copilot for M365: \$30/user/month add-on. Pushed broadly in enterprise accounts through 2024–2025.
- Microsoft's Copilot Dashboard defines "active user" as one Copilot interaction in 28 days — a metric no enterprise would accept for any other software investment.
- Independent research (Gartner, Forrester, enterprise IT audits): real weekly utilization runs at 30–50% of license count.
- A 5,000-user deployment at 40% real utilization costs \$75/month per genuinely active user — not \$30.
- Renewal windows are now arriving for 2025 deployments — most organizations have not conducted an independent ROI measurement.
- The measurement infrastructure that would answer the renewal question was not built at deployment.

02

Decision Required

The question you need to answer before the renewal window closes.

What is your organization's basis for the renewal decision you are about to make?

- Have you measured real weekly utilization — not Microsoft's 28-day active user count — and calculated the effective cost per genuinely engaged user?
- Have you run a time-savings study with a control group that produces a value number independent of Microsoft's reporting?
- If the answer to both is no, the renewal decision is being made without evidence.

Four paths.

Option A

Auto-renew and expand following Microsoft's recommended growth path

Defensible only if you've reviewed the adoption data and accepted the vendor-defined metric as sufficient.

Option B

Recommended

Pause renewal. Run a 60-day independent ROI measurement sprint.

Extract audit logs, calculate real utilization, run a time-savings study, negotiate from evidence.

Option C

Consolidate to power users. Release the remainder at renewal.

Concentrates spend where utilization is real. Requires a license-count negotiation with Microsoft.

Option D

Exit Copilot. Reallocate to function-specific AI tools.

Highest disruption. Relevant when the utilization audit makes renewal arithmetically indefensible.

Run the 60-day measurement sprint before committing to renewal.

Extract Microsoft 365 Unified Audit Logs. Filter for CopilotInteraction events. Calculate users with e3 interactions/week on average over 90 days.

Divide annual Copilot spend by that number \times 12. That is your real monthly cost per genuinely active user.

If it is above \$60, consolidation or exit deserves a structured evaluation.

Run a 30-day time-savings survey: Copilot cohort vs. matched control group. Calculate the delta \times average hourly cost. That is your ROI number.

Use that number — not Microsoft's dashboard — as the basis for the renewal conversation.

Identify your contract anniversary date and auto-renewal cancellation window now. If it is less than 90 days away, the sprint starts today.

Four material risks.

1.

Microsoft's measurement framework overstates adoption by design

The 28-day active user threshold maximizes the number Microsoft reports to enterprise accounts. No independent analyst applies this standard. Your renewal decision made against this metric may overstate value by 2–3x.

2.

Auto-renewal architecture compresses your window to act

Cancellation windows are 30–90 days before contract anniversary. Three-year EA amendments have limited mid-term flexibility. Most organizations discover the window has closed before the ROI conversation starts.

3.

Copilot prompt logging creates e-discovery exposure

All Copilot prompts and responses are logged in the M365 Unified Audit Log and searchable under legal hold. Most legal teams have not assessed this surface.

4.

Workflow dependency makes consolidation politically difficult once formed

Power users with genuine weekly engagement rebuild workflows around Copilot. That dependency is real — but it applies to 30–50% of your license count, not all of it.

If your team cannot answer these, that is your first deliverable.

1. Who owns Copilot ROI measurement — and have they defined 'success' independently of Microsoft's Copilot Dashboard?
2. What percentage of allocated licenses show e3 interactions/week on average over the past 90 days — and what is the effective cost per genuinely active user at that rate?
3. Has legal reviewed the Copilot prompt logging policy and its interaction with e-discovery and litigation hold?
4. What is your contract anniversary date and when does the auto-renewal cancellation window open?
5. Which functions have embedded Copilot into workflows, and was that dependency planned or organic?
6. Would an independent time-savings study justify the full current license cost — and if you're not confident, why is the renewal proceeding without one?

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