

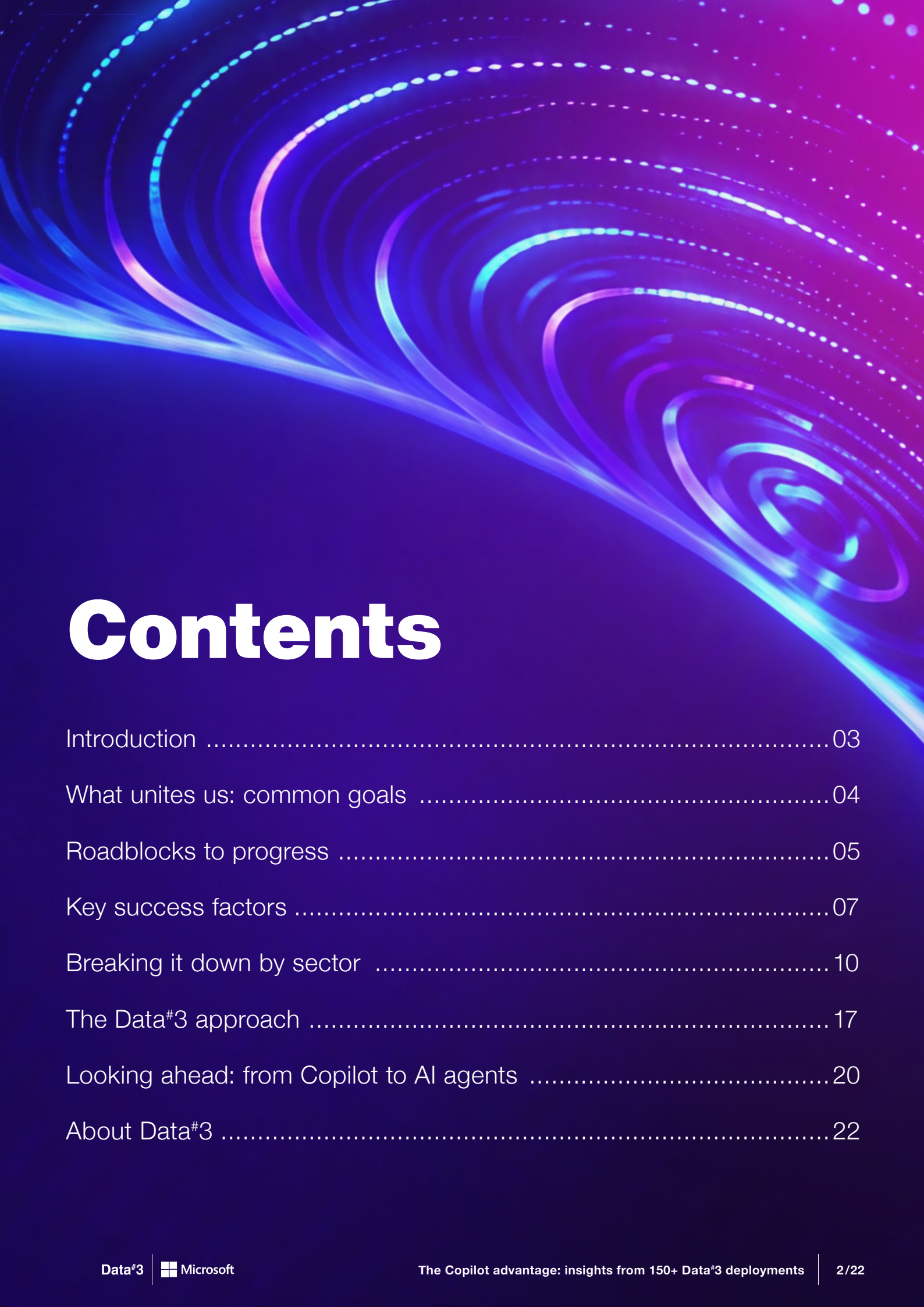
Data#3



The Copilot advantage: insights from 150+ Data#3 deployments

A guide to embedding
Copilot across
government, higher
education, financial and
professional services.





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Introduction

Leaders across government, higher education, financial and professional services are being asked to move quickly on AI.

For many, the potential of tools like Microsoft 365 Copilot to empower employees, unlock major productivity gains and accelerate innovation is too valuable an opportunity to delay.

What makes the current situation feel different is that adoption feels like a pressure test. In a field that is so new, specialists who understand AI, let alone know how to roll it out at an enterprise level, are hard to find. Employees can also be deeply suspicious of AI and resistant to change.

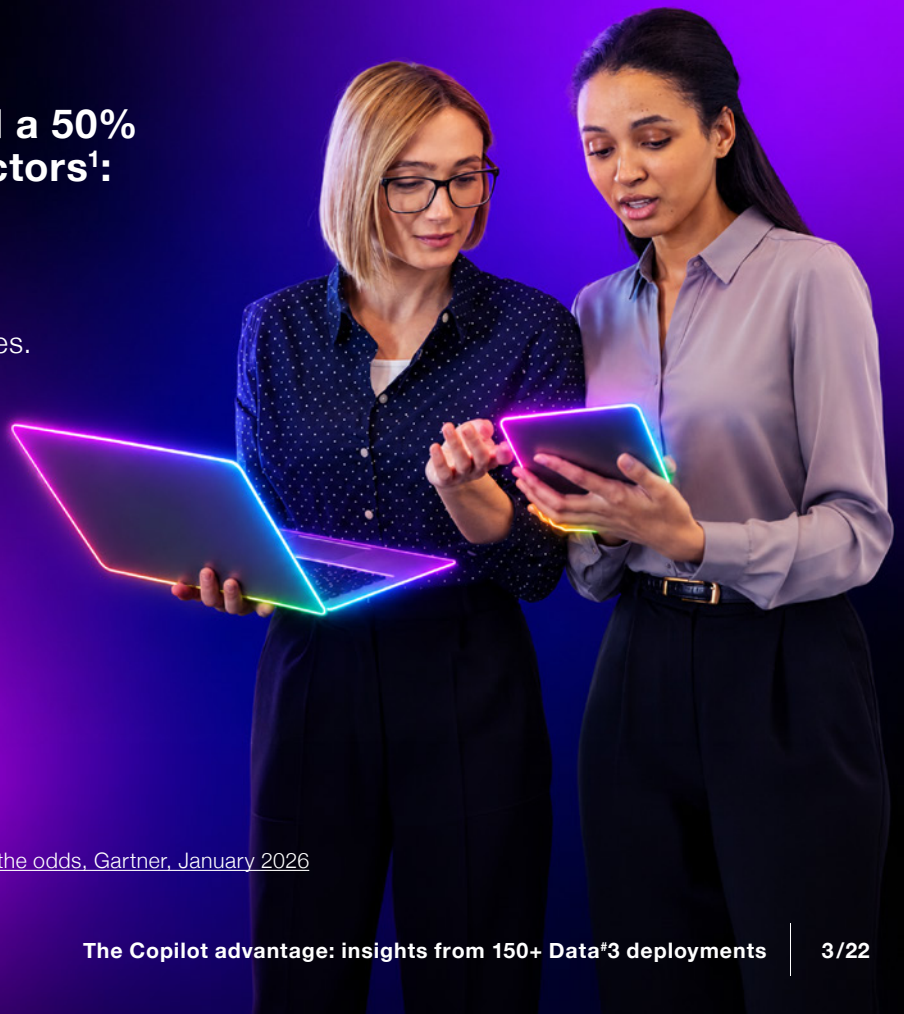
Therefore, leaders need trusted vendors and partners to guide them on their AI transformation journey. Over the past two years, Data#3 has deployed Microsoft 365 Copilot for over 150 customers.

This experience has given us insights into what works, what consistently gets in the way and the factors that drive success. Our key learning? The organisations who succeed in rolling out Copilot are the ones who approach AI transformation as a people-led initiative supported by technology, not the other way around.

This whitepaper brings together the challenges, objectives and considerations that consistently emerge in customer conversations about Copilot. It shares industry-specific observations, lessons from organisations already on the journey and our perspective on the opportunities and challenges likely to shape the next phase of adoption.

In 2026, Gartner reported a 50% failure rate due to five factors¹:

- 1:** They lack business value.
- 2:** An organisation's data isn't ready.
- 3:** The total cost of ownership escalates.
- 4:** Responsible AI is treated as an afterthought.
- 5:** Ineffective change management.



¹ [Why 50% of GenAI projects fail – and how to beat the odds, Gartner, January 2026](#)

What unites us: common goals

Most organisations, regardless of sector, shared common goals when it came to their Copilot rollout. While each has its own unique context and constraints, four priorities come up again and again.



Productivity

Knowledge workers consistently report spending too much time on repetitive tasks.

A priority for customers is to help their employees achieve more and reduce 'busy work'. By automating tedious, mundane tasks and streamlining workflows, Copilot redirects people to higher-value work.



People

Customers want to upskill workers and empower less experienced employees to achieve more.

Copilot contributes to greater job satisfaction and improved wellbeing. This makes work feel more meaningful, and people are motivated to be innovative and effective.



Protect data

Data security and compliance is a critical motivator for customers choosing Copilot over an unsanctioned AI tool.

Leaders benefit from the productivity gains of AI without the risk of sensitive information being used to train Large Language Models (LLMs) courtesy of Copilot's Enterprise Data Protection (EDP).



Modernisation

Adopting generative AI is viewed by many boards as an essential step to becoming a modern and innovative workplace.

Organisations that fail to keep pace risk being left behind, and for many of our customers, investment in Copilot is seen as an investment in their people and the future.

Roadblocks to progress

Any kind of technology deployment signals change, but no change comes without friction.

Being aware of what the challenges are upfront, taking steps to address them early and bringing users on the journey is the best way to dismantle roadblocks and maintain project momentum.

Common concerns

AI scepticism

AI can be a point of contention for many workers, so expect resistance from users. Pushback comes in the form of scepticism, change fatigue, reluctance to reshape work habits and simply not being able to see how AI is relevant to their role.

Data security and accessibility

On top of this, data security is a source of unease. In one pilot, over 70 per cent of participants expressed concerns over how Copilot was handling their work content, with many worried that it might inadvertently expose sensitive information. Fears about surveillance are also common, specifically, whether Microsoft monitors usage or retains their inputs.

Related to this is the issue of data accessibility. Out of the box Copilot can only work with content a user can access within Microsoft 365, so it can't reach data housed in other locations. When critical information sits in third-party systems and network drives, Copilot's effectiveness is limited, restricting use cases for pilot participants.





The user experience



Prompting

Participants unfamiliar with generative AI tools may struggle with prompting at first. A skill in and of itself, the most common pitfall is providing either too vague or too detailed prompts. Both extremes tend to deliver lacklustre responses, so finding the right balance takes time, patience and training.



Hallucinations

Users may also struggle with the hallucinations inherent in generative AI models, although over time the models have vastly improved and this is less and less of a problem. The stigma remains in people's minds from their earlier encounters with this issue. For example, document drafts can contain factual errors and research can cite sources that don't exist. When users encounter these inconsistencies, some question the value of the tool, particularly when reviewing and correcting outputs feels like it takes more time than it saves.



Capacity

Finally, it can be challenging to recognise that pilot participants need time and capacity to engage with Copilot. This is important because they aren't just learning a new tool, but often being asked to adopt entirely new ways of working. If a user's daily workload leaves little room to attend trainings or practice using the technology, then effective adoption becomes difficult to achieve.



Key success factors

The main objective of the 150+ pilot projects we conducted was user uptake.

At the start of any pilot, this can be a mixed bag. For example, one customer observed “a blend of optimism and frustration across users” initially, but with support, frustrations eased and optimism grew. We found that user enthusiasm tends to grow over time. In final surveys, most pilot participants agreed they would be unhappy to lose Copilot after having it, echoing Microsoft’s global finding that 77 per cent of early users would not want to go back to working without Copilot².

When issues are addressed early with training, clarifications and technical fixes, even sceptical users report finding real value in Copilot. We found that certain practices consistently led to better outcomes, and ultimately, to the pilot’s overall success.

² [Microsoft Research’s Work Trend Index](#)

Secure executive sponsors and champion networks

To drive adoption, it is critical to have the support of an executive sponsor who champions the Copilot initiative.

In the more successful pilots, leaders not only approved funding and resources but also joined the pilot as users, sending a powerful signal to the rest of the organisation. In addition, getting buy-in from line or middle managers ensured participants were given time away from day-to-day responsibilities to engage with Copilot properly.

Pilots play a key role in forming champion networks for peer advocacy, and these play an important role in scaling. Champions often informally coach colleagues and stimulate use in their departments, and formalising these networks is critical for a wider rollout.

Champions act as first-line local support and evangelists, crucial to building peer-to-peer trust. They also help create two-way feedback loops that can accelerate issue resolution and disseminate best practice.

Build a vision for success

Defining what success looks like and measuring against these metrics is essential to maintaining executive support and justifying the transition from pilot to full deployment. Even if metrics don't fully meet expectations, this can be used to adjust the approach. This emphasis on data-driven change management is a compelling one, particularly when making the case to leadership for continued investment. Microsoft also offers built-in analytics or custom telemetry to track adoption and ROI post-rollout.



Regular communication and training

Successful pilots feature storytelling and an open dialogue about Copilot's role in the future of work. Users tend to respond more positively when Copilot is framed as a supportive personal assistant to make work easier, rather than a mandate from IT.

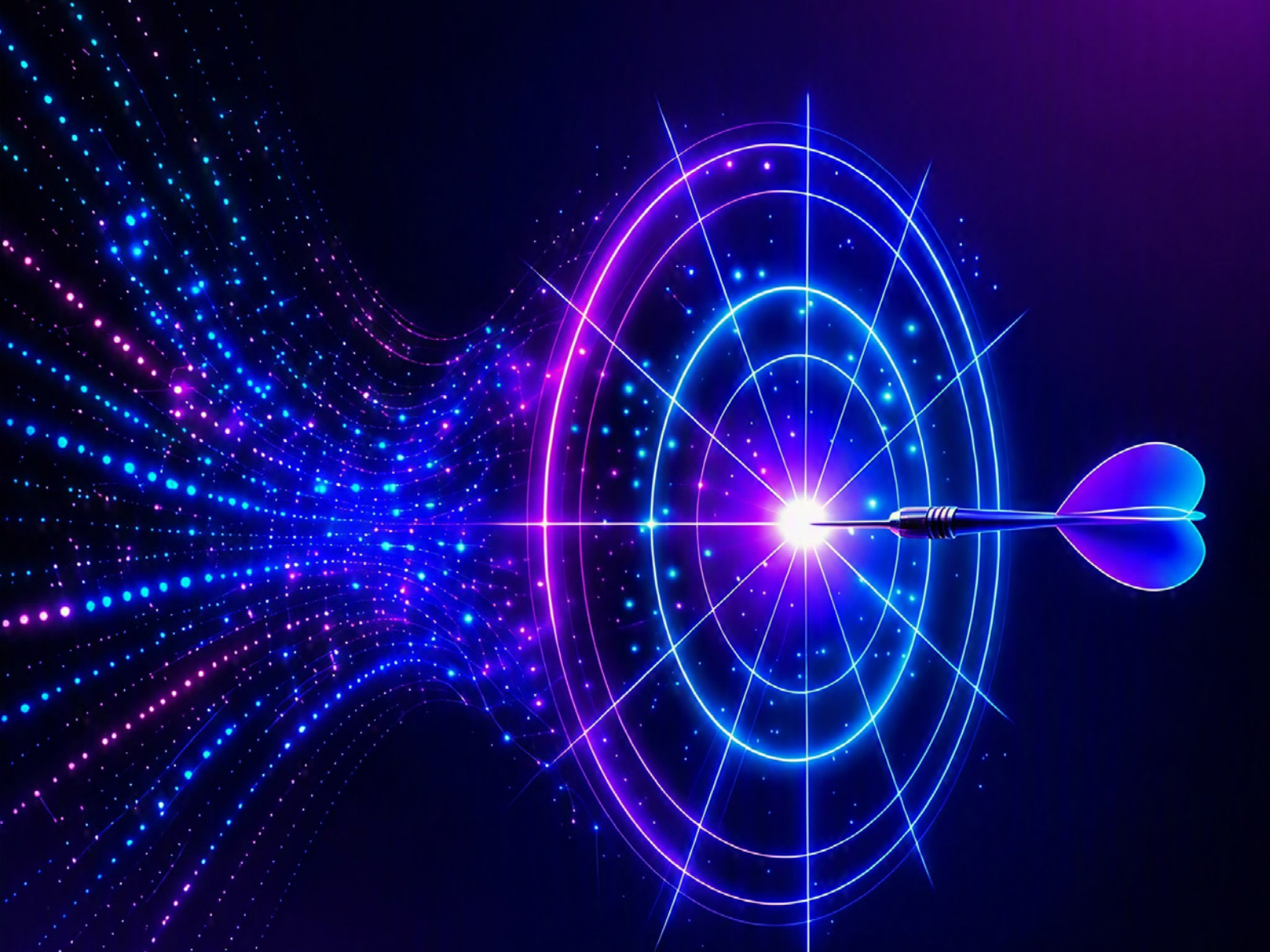
When messaging is carefully aligned with personal and organisational aspirations, users are more motivated to try the tool. Other effective practices include acknowledging concerns openly (as transparency builds credibility and trust), sharing quick wins, user testimonials and tips.

Across the 150+ pilots, education was the linchpin of success. Organisations who invested heavily in training saw much faster uptake in Copilot usage. This took multiple forms: interactive workshops, self-paced materials and live demos, but also took the form of creating safe spaces for questions, a Community of Practice and peer learning to share experiences.

A common tactic is establishing a 'Copilot helpdesk', leaning on existing support channels for user questions and ensuring questions are answered quickly by Copilot champions to prevent frustration from building.

Data and technical readiness

Copilot is only as good as the data it has access to. Projects that proactively handled data and technical readiness encountered fewer roadblocks, such as users seeing sensitive data they shouldn't. Investing in readiness measures, such as creating or updating AI usage policies, also gives risk-focused stakeholders, particularly legal and security, the confidence to proceed. It also means that Copilot functions more reliably and within safer guardrails during the pilot, creating a better user experience focused on value, rather than technical hiccups.



Breaking it down by sector

**The goals and challenges outlined above
apply broadly across our customer base.**

However, each sector brings its own nuances when it comes to workplace culture, the regulatory environment and the definition of success. As a result, how each industry's goals and challenges manifest, and how they're best addressed, varies.

Here, we discuss the top concerns, approaches and use cases we have observed across government, higher education and financial and professional services.



Government

When it comes to government, recurring themes emerged in relation to Copilot adoption.

A top concern is data privacy and compliance. Leaders want assurance that Copilot won't be able to share confidential data with internal and external stakeholders without proper permissions. In addition, all pilots need to align with existing policies (e.g. AI usage, information security standards) to satisfy oversight bodies.

Government entities also need support with modernising legacy practices. Often, data such as meeting recordings or documents are housed in different places, and these need to be migrated to Microsoft 365 for Copilot to truly add value. Similarly, when it comes to modernisation, public sector workers who have long tenures and established routines need structured change management support to help them adapt to new, more effective ways of working.

Top priorities

Robust data governance.

A pilot for government entities should prioritise data governance and risk management, incorporate extensive up-front work to review permissions and make sure users can't access over-permissioned confidential data. This protects data privacy and is essential to preventing major incidents, encouraging leaders to expand usage. One public agency chose Copilot to allow employees to use AI within a safe, governed environment, rather than letting them use unsanctioned public tools.

Updating legacy data management practices by migrating all information to Microsoft 365 or integrating data sources for Copilot was a critical step for government.

Workforce change management.

For entrenched public sector workers, a structured, empathetic approach to helping them incorporate Copilot into their daily workflows should be introduced. Communications centred around why change is happening and how it will improve personal workloads and public service outcomes. For example, a council customer positioned Copilot as a key enabler of its strategic goal to do more with less for a growing community. For the council, technology adoption was part of fulfilling its mission.

In government, we learned that the most effective way to build credibility and drive adoption was through in-person methods. One council even led training through internal employees (supported by Data#3) rather than external trainers.

Use cases

- Drafting policy documents.
- Writing reports and emails.
- Information retrieval.
- Data analysis.
- Summarising reports or legislation.
- Preparing meeting notes.
- Querying internal knowledge bases.



Higher education

Much like government, higher education places a strong emphasis on data privacy, given the intellectual property and plagiarism concerns about AI. For example, one university customer insisted that no university data should be used to train AI models and its Copilot rollout needed to comply with strict data security controls.

Academics see value in Copilot to free up more time for teaching and research. However, some universities want to evaluate Copilot's impact in a controlled way by limiting its use to employee accounts only, emphasising that there needs to be caution in using AI for student-facing content.

Higher education also needs support with change management. Universities are a mixed bag of users who are technologically savvy, and others who are not, so communications need to be nuanced to promote the benefits for a diverse range of users.

Top priorities

Data security and policy compliance.

To address the data security concerns of university academics, employees and stakeholders, extensive FAQs and policy references should be created to address questions about what Copilot can and can't see, access or do. This is a critical pre-requisite to create transparency, build trust and ultimately drive adoption in the higher education sector.

Teaching and research efficiency.

In line with positioning Copilot as an invaluable drafting assistant, we found educators appreciated its input to lighten their considerable administrative, teaching and research loads. Academics use Copilot to speed up tasks such as summarising long academic texts, creating lesson plans, drafting emails and meeting agendas, and preparing complex documents like policy papers or research grant proposals. One university reported that non-native English-speaking employees found that Copilot helped with the clarity of their writing.

Change management support.

Higher education needs a careful, consultative change management approach. Universities need to balance introducing AI with upholding academic integrity which means that guidelines around Copilot use need to be explicit. Usually, this means Copilot is used primarily to boost productivity, not to create original academic work.

Successful pilots in this sector tap into existing communities like faculty innovation groups and IT ambassadors to promote Copilot. Champions share how they use the tool for tasks like data analysis or syllabus creation, contextualising it in academic workflows. Training is more effective when it includes specific work-related scenarios, for example, using Copilot to create a first draft of a research literature review or summarising committee meeting minutes.

Use cases

- Draft complex documents, e.g. policy papers and research grant proposals.
- Summarise research.
- Summarise meeting notes.
- Data analysis.
- Syllabus creation.
- Draft emails.
- Create lesson plans.
- Build meeting agendas.





Financial and professional services

Private sector businesses, financial and professional services firms need to connect Copilot's value with business outcomes. The technology must show that it contributes to increasing revenue, improving client service, more competitive positioning and productivity.

Within professional services, the need to integrate Copilot with existing platforms is a common theme. Many firms use specialised systems such as CRMs, document management systems and finance databases in addition to Microsoft 365, so migrating data onto a single platform is often not an option.

The biggest challenge with the private sector is time. The workloads of professionals are often intense, so asking them to create space for learning requires a clear demonstration of ROI. Pilots in this sector need to be even more metric-driven and used as part of a broader business case to be put to leadership to secure a wider rollout.

Top priorities

Focus on business outcomes.

This industry tends to be very results-driven, so reports need to highlight time saving metrics on tasks like preparing client reports or generating proposals.

Pilots are assessed according to more holistic criteria, so metrics include not only time saved, but also productivity, employee wellbeing and potential impact on client satisfaction and advisory capacity.

Platform integration.

Using connectors and plugins, we link disparate data sources together to extend Copilot's immediate reach. We also assess and make recommendations around proper data governance to ensure information is managed properly across platforms.

Those in legal or compliance roles particularly value Copilot for first-pass document preparation, viewing it as an assistant that speeds up tedious, mundane tasks without replacing expertise.

User adoption.

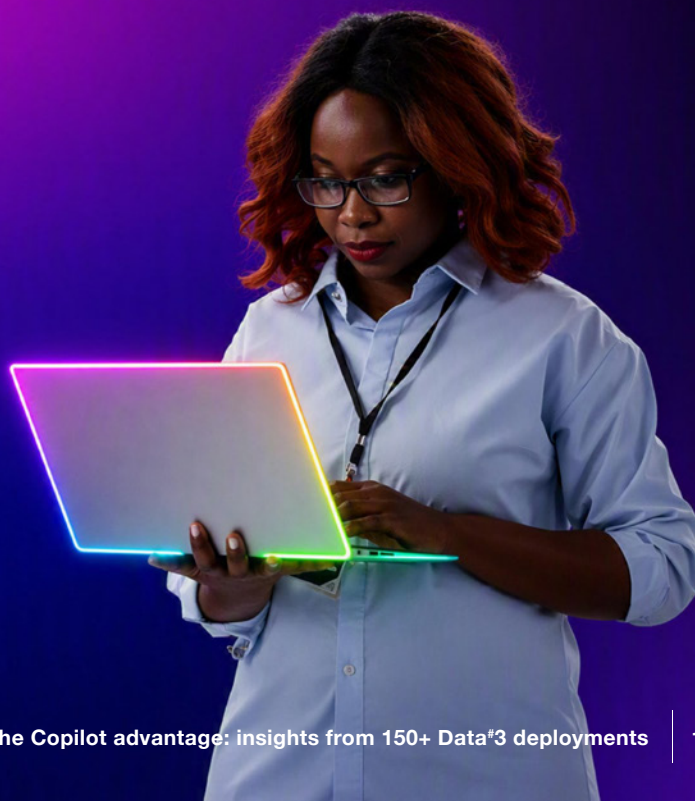
We find that peer advocacy is effective in this sector, and once a few influential users experience wins, word tends to spread quickly. Advocacy even escalates into competition: seeing co-workers automate work encourages others not to be left behind.

However, highly skilled knowledge workers tend to be reluctant to trust Copilot with "their" work. We address this by positioning Copilot as a tool to enhance the professional's own capabilities. Testimonials such as "Copilot helps me serve an extra client each day" are effective.

Many financial advisers and analysts became more comfortable with Copilot when they saw that outputs could be improved on to meet their standards. At the pilot's conclusion, many had incorporated Copilot for daily tasks such as drafting client communications, summarising market research and brainstorming content. We encourage users to integrate Copilot deeply into their knowledge workstreams to realise efficiency gains. However, it's critical to also emphasise that there still needs to be proper review processes in place to avoid compromising the quality of the work.

Use cases

- Generating reports.
- Drafting emails.
- Assistance with data analysis.
- Knowledge search.
- Summarising meeting notes, emails and documents.
- Gaining context quickly for meetings.





The Data#3 approach

Copilot implementation is fundamentally about changing how people work, with technology acting as the enabler.

In our experience, the organisations that struggle are the ones who underestimate the human side of change.

The Data#3 approach works because we overlay foundational technical expertise with a people-centric view of transformation. By meeting people where they are, we build genuine confidence in the tool while creating the conditions for adoption to endure.

Our approach:



Recognises the role of change management.

Like many transformations, tech is the easy part. People, however, require more convincing. Our change managers, therefore, put focus on articulating the ‘why’, in how Copilot benefits users in their day-to-day work. We also prioritise securing endorsement from leaders, change influencers and peers. Many users only become convinced of Copilot’s value after getting regular, hands-on experience and seeing their colleagues’ successes.



Focuses on upskilling and co-operation.

We provide training to pilot participants on prompt engineering techniques, sharing examples and compiling lists of good prompt examples relevant to their role, supporting users to work more effectively with Copilot.



Prioritises transparent communications.

To overcome any lack of trust or a reticence to use Copilot, we work with project teams to implement clear, acceptable use guidelines, reiterating that interactions are not used to train the underlying models.



Manages user expectations.

We are upfront about Copilot’s strengths and weaknesses. We’ve observed it is best used as a first draft or acceleration tool, not a final decision-maker. While users are often impressed with the time savings it can deliver, they also learn that AI-generated content still requires human oversight and review. We provide guidance on how best to use Copilot, which excels at summarising information or generating first drafts. It’s an assistant, not an “oracle”.



Identifies the importance of data.

To set Copilot up for success and ensure it has the data flows it needs to create maximum value, we help customers with several initiatives. These include accelerating ongoing data migration into Microsoft 365 repositories such as SharePoint and Teams, implementing connectors to third-party systems, adjusting access controls and information governance work such as permission reviews, tagging sensitive sites and enabling Data Loss Prevention (DLP) policies.

Start small, learn then scale: the Data#3 way.

Data#3 customers follow a “start small, learn then scale” model, using our seven-step implementation approach as a framework. The typical length of a pilot is around eight to 12 weeks.



Step 1: Readiness and planning

As a critical first step, we assess a customer's readiness across their technical environment, data governance and change preparedness. The purpose is to identify any issues that may prevent a successful Copilot rollout, for example, data oversharing. Customers also secure executive sponsorship, form a cross-functional project team and define success criteria.



Step 2: Pilot selection

Participants for the limited pilot are chosen carefully. They tend to be heavy M365 users, AI champions or enthusiasts from across several departments. They must meet eligibility criteria by completing surveys, attending training and complying with AI usage policies. These factors contribute to creating a supportive and engaged pilot culture.



Step 3: Training and onboarding

The pilot begins with orientation sessions to set expectations with a typical kick-off focusing on explaining the benefits for users. Training is a major focus throughout, from foundational through to advanced, often through guided exercises, live demos and 'ways of working' sessions, and identifying scenarios across participants' roles. A 'Community of Practice' (CoP) or a central Teams channel where users can ask questions, share tips and access resources on demand is established at this step.



Step 4: Support and feedback

Regular check-ins and support are scheduled, in addition to weekly or fortnightly drop-in sessions. Q&A sessions are critical to helping staff use Copilot in ways that help them with their role and overcome specific challenges they may have. Project teams monitor feedback and participants are encouraged to document use cases, success stories and issues.



Step 5: Evaluation and next steps

When the pilot wraps up, an evaluation report is produced that summarises the pilot's benefits, ongoing challenges and recommendations for rollout. Findings can serve as evidence of ROI to senior leadership. The report can be used to develop roadmaps for wider Copilot adoption, training 'boosters' or ongoing change management initiatives.



Step 6: Scale-out deployment

Drawing on the lessons learned and use cases identified during the pilot, we then help organisations manage change across the organisation and upskill at-scale. We often provide a blended rollout of change and adoption for Copilot paid license users and "free" Copilot Chat users, as not all organisations go all-in on the paid licenses.



Step 7: Operational support

With all users now set up with Copilot and supported with communications and training, what happens when a new functionality is introduced or new use cases discovered? Data#3 provides ongoing operational support to onboard new users, increase usage levels and deliver your organisation a solid return on investment.



Looking ahead: from Copilot to AI agents

Across 150+ Copilot deployments, we identified a common thread: organisations that approach AI transformation through a people-centric lens consistently get the most out of the technology.

Regardless of industry, Copilot serves as a catalyst to transform how work gets done by making knowledge workers more productive, creative and satisfied in their roles. Effective change management is the key to unlocking that potential, turning pockets of curiosity into widespread enthusiasm and adoption.

However, as enthusiasm cools and adoption matures, priorities shift. To protect and build on the gains made during the pilot phase, it is essential to maintain strong executive advocacy, invest in user upskilling as the technology evolves and keep a close eye on governance as adoption scales.

Agentic AI

For many of our customers, the conversation has already moved towards something more transformational. Looking beyond Copilot as a productivity tool, our focus is helping customers harness the full potential of agentic AI as a solution that doesn't just assist, but acts.

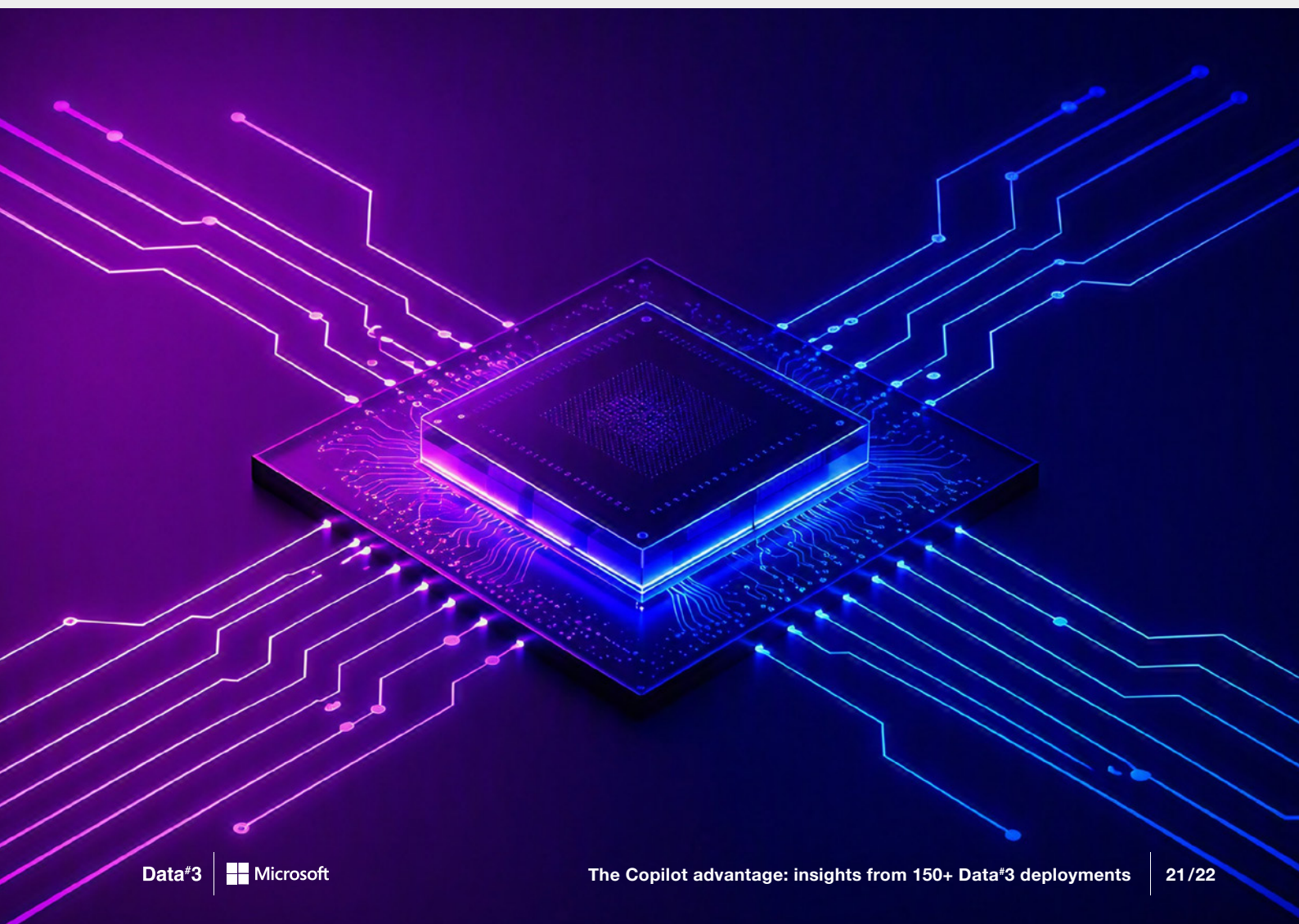
Building on the momentum of Copilot adoption, we are working closely with customers to explore and implement agentic solutions using Copilot Agent Builder, Copilot Studio and Microsoft Foundry (Azure AI) for more advanced automation and AI agents.

These platforms enable the creation of custom, business process specific agents that can automate complex workflows, integrate with line-of-business systems and deliver gains that go well beyond what first-generation Copilot deployments made possible.

Data governance: the foundation of agentic AI at scale

As the capabilities of AI expand, so too does the importance of robust governance. Deploying agentic AI responsibly, in a way that is aligned with organisational policies, ethical standards and compliance requirements, is foundational to making this kind of innovation not only possible, but sustainable.

We partner with customers to establish clear governance frameworks and controls that strike the right balance between ambition and accountability, ensuring that AI augments human work in a way that is secure, transparent and sustainable.



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About Data#3

Data#3 is Microsoft's #1 Australian Partner and a leading technology services company. Over the past two years we have helped organisations in government, higher education and financial and professional services take the first step in their AI transformation journey by successfully completing 150+ Copilot deployment pilots.

We know that lasting AI transformation is as much about people as it is about technology. That's why our structured approach blends deep technical expertise with empathetic change management. Whether you're exploring what Copilot could do for your organisation, or ready to move from pilot to enterprise-wide deployment, Data#3's team has the experience and methodology to get you there.

Learn how Data#3 helps organisations successfully deploy, adopt and scale Copilot to unlock lasting business value.

Register your interest