



Microsoft 365 Copilot Readiness: A Checklist for SMBs

Introduction

Australian businesses have been quick to adopt generative AI, with 84% already using it—outpacing regions like North America and Europe. Microsoft 365 Copilot has been one tool of choice since its rollout to organisations of all sizes in 2024. For SMBs, Copilot presents a powerful opportunity to streamline workflows, automate tasks, and enhance creativity from within Microsoft 365 apps.

However, simply enabling Copilot isn't enough to unlock its full potential. Many businesses struggle with stalled or failed adoption, missing out on the productivity gains they expected. To get it right, your organisation needs a clear plan covering numerous aspects of security, governance, user training and change management. To guide your journey, we've developed a comprehensive checklist based on our experience helping SMBs implement Copilot, overcome roadblocks, and maximise investment.

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1. Building Your Copilot Adoption Strategy



1.1 Understand which AI tools are already being used in the organisation.



Analyse the AI tools already in use within the organisation. Understand what data people are entering into them and what problems your teams are using AI to solve.

1.2 Establish executive support.



Educate decision-makers on its business impact and provide them with training and resources to model best practices and reinforce AI adoption across teams.

1.3 Define clear goals for Copilot adoption.



Align Copilot adoption with your business strategy by identifying key areas where it can enhance productivity, automate tasks, or improve collaboration. Set measurable success metrics, such as efficiency gains and ROI.

1.4 Identify key stakeholders and decision-makers.



Identify early adopters, IT and security leads, and HR teams to support Copilot's rollout. Engage department heads to align AI adoption with team workflows and establish a structured feedback loop for continuous improvement and governance refinement.

2. Preparing Your Organisation



2.1 Centralise all critical data in Microsoft 365.



The first step in organisational preparation is ensuring that data has already been migrated to Microsoft 365 with the appropriate permissions and security controls in place. If this hasn't been done yet, a migration project will be necessary to enable seamless integration with Copilot. Without this, Copilot won't be able to interact with the data effectively.

2.2 Conduct a risk assessment to identify potential data exposure risks.



Perform a thorough risk assessment to identify potential data exposure and sensitivity issues. Address security gaps before deployment by ensuring Copilot cannot access or expose confidential information.

2.3 Set Microsoft 365 data permissions and access controls.



Review and adjust Microsoft 365 permissions to prevent unauthorised access to sensitive data. Implement role-based access controls and enforce least-privilege principles to minimise Copilot-related security risks.

2.4 Conduct a data inventory and classification exercise.



Identify, categorise, and label sensitive data in Microsoft 365 to enhance security and compliance. Ensure Copilot interacts only with relevant and properly classified information.

2.5 We have cleaned up redundant, outdated, trivial or duplicated data.



Remove unnecessary, duplicated or outdated data to improve Copilot's output accuracy and reduce security vulnerabilities.

2.6 Implement governance policies for AI usage.



Define clear policies and governance outlining how AI should be used, who has access, how AI-generated content is managed and acceptable use. Establish guardrails for ethical usage, data security, and compliance. Policies should specify that AI tools cannot be used for sensitive company data and personally identifiable information (PII). Staff should use approved tools only and not other AI products.

3. Assigning and Deploying Copilot



3.1 Run a pilot to identify seat allocation and licensing needs.



Conduct the pilot with executives first; they serve as a low-risk starting point if you have data that is not properly secured and are less likely to be critically impacted by responses. Monitor adoption, collect feedback, and resolve any issues before expanding organisation-wide.

3.2 Define a seat allocation strategy for Copilot licenses.



Determine how Copilot licenses will be distributed, focusing on teams and roles that will benefit the most. Prioritise areas with high-impact workflows and measurable AI-driven productivity gains.

3.3 Select initial users based on productivity impact.



Identify early adopters who regularly use Microsoft 365 and can maximise Copilot's capabilities. Choose users from diverse roles to gather comprehensive feedback and refine best practices.

3.4 Establish clear use cases for different teams.



Define specific ways each department can use Copilot to enhance workflows. Align Copilot's capabilities with team objectives, such as automating reports, summarising meetings, or streamlining customer interactions.

4. Enabling Adoption and Change Management



4.1 Develop a structured onboarding program.



Create a clear onboarding process to introduce Copilot to employees. Provide step-by-step guidance on setup, appropriate use, and best practices.

4.2 Provide teams with Copilot-specific training and resources.



Offer targeted training sessions, tutorials, and documentation tailored to different roles. Ensure employees understand Copilot's functions, limitations, and best use cases.

4.3 Foster a culture of AI literacy and provide guidance on responsible use.



Facilitate responsible adoption by educating employees on ethical AI use, data security, and compliance guidelines. Address any misconceptions raised by the team and reinforce AI's role as an assistive tool rather than a replacement for human intelligence.

4.4 Create a Copilot user community for peer learning.



Establish a dedicated forum, Teams channel, or internal group where users can share experiences, ask questions, and provide feedback. Facilitating knowledge-sharing can accelerate adoption.

5. Measuring and Driving Impact



5.1 Draw insights from the Microsoft Copilot Dashboard.



Use the Copilot Dashboard to monitor usage, identify adoption trends, and track feature engagement. Use this data to refine training and support strategies.

5.2 Track user engagement and productivity improvements.



Measure how Copilot enhances workflows by analysing time saved, task automation, and employee feedback. Identify areas where AI-driven efficiency can be further optimised.

5.3 Collect and analyse feedback for continuous improvement.



Gather user feedback through surveys, focus groups, and analytics. Address usability issues and provide ongoing support to ensure employees maximise Copilot's potential.

It's not enough to simply 'switch on' Microsoft 365 Copilot. Your organisation needs a structured approach to preparedness, governance, security, and user adoption.

If you plan to integrate Copilot into your business, our experts can guide you through the transition to ensure you get the most from your investment. As a certified Microsoft Solutions Partner for Modern Work and experts in Microsoft 365 transformations. We can help your organisation unlock Copilot's full potential to drive efficiency and achieve more with less.

Visit our **Advisory & Consulting** or **CIO as a Service** pages for more information on how we work and to get in touch.

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Additional Resources

We recommend the following resources if you would like to undertake further reading:

- [Microsoft 365 Copilot help & learning](#)
- [Learn about Copilot prompts - Microsoft Support](#)
- [Top 10 things to try first with Microsoft 365 Copilot | Microsoft Copilot](#)
- [Data, Privacy, and Security for Microsoft 365 Copilot | Microsoft Learn](#)