Microsoft Inspire
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SATYA NADELLA: Hello, everyone. It's fantastic to be back here at Inspire. To me as a platform company, the most important thing we get to do is to come together as an ecosystem with all of our partners, and reaffirm our commitment to our customers, to innovation on behalf of our customers, and to serve our customers across every community, every country, across every sector of the economy. It's a very special time for us to be at a partner conference to really celebrate not only the technology, but most importantly, the excellence in our partner ecosystem.

Talking about excellence, I want to first start by congratulating all of the Partner of the Year Award winners that we have sitting here. Thank you on behalf of our customers for leading this ecosystem and the innovation around this ecosystem. Congratulations.

(Applause.)

We have a ton of exciting things to talk about throughout this keynote and beyond, throughout this conference. Especially Inspire to me at a time when there is massive changes happening around the platform makes it even more special, right? There is no question we are in the midst of a massive platform shift with the new generation of AI that's going to transform pretty much every sector, every category of computing.

Perhaps a good place to start is to sort of ground ourselves in what is that shift, what is the characteristic of the shift that we all as an ecosystem need to both understand and deeply innovate on top of?

There are two dimensions to it. The first dimension is around the user interface. If you think about the arc of computing, the last 70-plus years has been one constant pursuit to create human-computer interfaces that are more intuitive, that are more natural. Everything that we did, I grew up through the graphical user interface. The mouse and the keyboard were very revolutionary when they came out, changed how we sort of remediated computer human interaction. Obviously, multi-touch on the phone was another massive shift.

But we now have arrived, I would say, at that next logical but big leap, which is natural language. To be able to have natural language as the interface we have with computers has been the pursuit, and we get to exercise that across every application we build, every interface we build.

The second piece is around information management. The entire history of computing has been about digitizing people, places, things and making sense of them. That's really

essentially what we've done. Information management, as Bill used to always say, is the only category that actually exists, which is you really digitize the world and try to reason and understand the world.

In that context, we now have a new superpower. We have a reasoning engine that allows us to start with a draft for any activity we want to complete, any task we want to complete. We have a reasoning engine that gives us predictive capability. We have a reasoning engine that will give us more insight.

That's the two shifts. When we talk about AI, you can distill it into a more natural interface using natural language, a reasoning engine that works on top of all your data, giving you more power. Those are the two things that we should keep in mind and ground ourselves.

Speaking of that, every category, right, in our parlance, we talk about solution areas. Judson is going to come talk about every room of the house being remodeled by AI, and that's what is going to happen. Whether it's work, whether it's business process and business applications, whether it's security, whether it's software development, both low-code, no code and professional development, every software category as we know of it is fundamentally going to be transformed by these two changes in the platform.

Now of course, it's going to create a massive platform opportunity. We've seen this before. If you think about it, in my 30-plus years at Microsoft, I've lived through these three transformations. Each one of them, whether it's a PC-server, the web, internet, mobile cloud, have been massive in terms of creating partner innovation, partner opportunity, reaching. In fact, one of the things that has given me the greatest pleasure is to see even the composition of our partner ecosystem and how representative it is of the geographies, of all the geographies of the world and also all the sectors of the economy.

Now, the question is, what happens next? With this AI comes more opportunity. In fact, if you look at the data that's coming out, this is probably going to be the most profound shift as a percentage impact on GDP of technology, something like 10%. There will be additional GDP growth. If we have an economy that's around 100 trillion, we may have 7 to 10 trillion more of GDP growth, driven by this next generation of AI technology.

That translates as a percentage of GDP growth into a massive partner opportunity. Look, we are already, as an ecosystem, participating in a $4 trillion opportunity. That could, in fact, grow by another 50%. That means approximately 2 to $2.5 trillion of additional TAM is going to be addressable by all the innovation across our partner ecosystem. There's no question the opportunity is tremendous.

Our partner ecosystem, the uniqueness of what you all represent really is what gets me most excited. It's the map of the world. We can reach every community in every country, in every sector of the economy, both public and private. That's what's exciting, the rate of diffusion. In fact, one of the most fascinating things in even the last six months, as I've been going to different parts of the world, talking to lots of you, what's unbelievable is

the rate of diffusion of this technology, thanks to sort of all your capability, is what's most exciting about this particular revolution and platform shift.

That's what really grounds us in our mission to empower every person and every organization on the planet to achieve more. In some sense, this is our collective mission. You all work with us, partner with us, co-create and innovate with us in order to drive that equitable economic growth in every part of the world.

To ensure that we protect those fundamental rights, to ensure that the innovation that we do is protecting our finite resources of the planet, we build trust across everything we do. These are the core pillars of our mission.

We've been hard at work. In fact, one of the things that people tell me is like, "Satya, you must have decided to do a bunch of press releases starting in January because we've been really doing a lot of innovation." Believe me, we have been hard at work over the last multiple years, and for sure the pace of innovation has picked up in this the last six months.

We sort of started, in fact, with GitHub Copilot. We followed up with everything that we are doing with Microsoft 365 Copilot, the Dynamics 365 copilot, the infrastructure in Azure for both inference and training, our coding tools for low-code/no code. There's just tons and tons of innovation.

It's not just the innovation in our products, but we've also been able to distill all of this into a first-class platform construct. That's what we do as a platform company. We've built out this copilot stack and everything from the infrastructure layer all the way to the foundation to how we manage data.

In fact, something like Fabric I think is going to be very, very transformative going forward in how we think about the AI age, how we think about the foundational models themselves, these reasoning engines that then reason over that data, the orchestration layer, which is going to be one of the most important middle tier pieces.

And then at the application level, not only do we have what it takes to create the user interface, right, Copilot is even a design pattern. It's not about autopilot, remember. It's about putting humans in the loop and designing it in such a way that the human is always in control with a copilot that's powerful and helping them with every task.

We really brought everything from user experience design patterns to technology into a first-class construct that then in your hands can be translated into unbelievable innovation everywhere.

That's what the copilot ecosystem represents, whether it's ISVs, SIs, startups, all coming together. The combination of the copilot stack, the copilot ecosystem is what drives the AI advantage for us collectively, and really the AI advantage for our customers that we can deliver. That's what's really exciting.

This particular event, this particular conference, again, we're going to have 40-plus announcements, 40-plus innovations, and I wanted to highlight five of them.

The first is I am really thrilled to be announcing Bing Chat Enterprise. Like, this is the feature, this is the product, this is the moment, in some sense, that every CIO, CISO, business user has been waiting for. Give me ChatGPT that I can use by logging in through AAD, with all the enterprise data privacy and security guarantees, and you have it now. With Bing Chat Enterprise, you log in to Bing with AAD, and you really have all of the enterprise promises.

And in combination with the Microsoft 365 Copilot, between Bing Chat Enterprise and the Microsoft 365 Copilot, knowledge work and knowledge workflow is going to be completely transformed.

To give you a little bit of a flavor for this, let me invite up on stage Yusuf Mehdi to show you a quick demo of all of this innovation. Yusuf?

(Applause.)

YUSUF MEHDI: Good morning, everybody. How are you? It's so great to be with all of our great partners today.

In February, we introduced the new Bing, your AI-powered copilot for the web, and the response has been nothing short of incredible. We've had over 1 billion chats to date, and since that launch, we've had literally over 100 new improvements and new features we've rolled out. Today, I'm excited to introduce to you two of them, multimodal visual search and Bing Chat Enterprise that Satya just announced.

First, let's talk about the new visual search. Leveraging the power of GPT-4, Bing Chat now accepts images, as well as text. It will actually analyze an image that you upload and give you insights and answers related to that image. Let's take a look.

Now, I love architecture, and I want to learn a little bit more about the interesting details of a building that I've seen when I'm walking around. I'll take this image and upload it, and Bing will tell me, "Hey, this is actually a cartouche," and it can actually detect on the image elements like the presence of a map, which signifies the representation of the Age of Exploration. There's a wreath of leaves that talk about the victory and sort of glory age of Roman and Greek inspiration from architecture.

It's incredible. Imagine being able to take pictures of anything out there and then have Bing come back and tell you, for example, would an international adapter work in a certain country. It's rolling out today, and we can't wait for you to try it.

Next, let's show you Bing Chat Enterprise, your AI-powered chat for work. I think this might be one of the biggest things that happens in generative AI this year.

Since we've launched Bing, we've heard from many corporate customers who were clamoring for these powerful AI tools, but they're worried about their company data, that it won't be protected. In fact, some of these concerns from companies have actually led them to ban AI at work.

Well, today, this morning, all that's going to change. Bing Chat Enterprise now delivers commercial data protection for your AI-powered chat. This means your confidential business data won't leak outside your organization. Your employees' data is not commingled with web data. Data is not saved. No one at Microsoft can view your data. And the chat conversations in Bing Chat are not used to train the underlying AI model.

All right, you ready to take a look at how this works? Let's take a look.

Here's Bing Chat Enterprise, and I can take full advantage of the power of AI to research and create. All I need to do is log in with my work credentials, and now you can visibly see that the experience has changed and that on every search and every chat your data is protected.

Let's stay on this architecture theme. I'm working on a confidential proposal to design a new building, a headquarters, let's say, in downtown Cleveland. With Bing Chat Enterprise, I can prompt Bing now with my confidential bid information, my pricing, my guarantees, my unique certification capabilities, and Bing will automatically create a proposal, an introductory proposal paragraph. I can do this now with the confidence that my confidential information data is protected. Look how great that is. I type in the confidential data, and I get the paragraph.

Well, let's go further. I want to have Bing Chat Enterprise now compare my confidential specifications to one of the buildings that are out there in Cleveland. In no time, I get this beautifully formatted table that pulls information from the web about Key Tower in Cleveland with my internal confidential data.

You can see that Bing Enterprise combines the power of GPT-4 with Bing search data. You get the latest and most up-to-date information. We also provide you the links, so if you want to go learn more about that information with one click, you can get there.

Finally, I could even have Bing Chat Enterprise create a SWOT analysis for my strategy planning by comparing confidential building data with public data. I can simply ask it to create a SWOT analysis, and you'll see it comes back now with a whole bunch of great bullets.

Again, all of this analysis is happening. The ability to get sort of a next level of productivity and creativity is just unmatched. You can now do all of this with full confidence that your data is protected.

All right, I think you're going to love it. (Applause.)

If you love what you can do with Bing Chat Enterprise, wait until you see what you can do with Microsoft 365 Copilot. It has all of the capabilities of Bing Chat Enterprise, plus so much more. It lets you reason over all of your business data in the Microsoft Graph, and it's built on Microsoft's comprehensive approach to security. So you know it's enterprise grade.

Let's take a quick look here.

I'm going to go in Teams now, and I can ask Copilot to access the information from a PowerPoint presentation to create a starting point for my written proposal. Notice how nice it is just to use these powerful AI capabilities within the flow of my work. I'm just in Teams. I just ask. I pointed at a document and up comes this fantastic analysis.

Microsoft 365 Copilot is integrated into the world's most popular productivity tools, like Word, PowerPoint, Excel, Outlook and Teams. As we shared at our initial announcement, there are an incredible array of new capabilities like automated Teams summaries, which I use every day now, which offer me a whole new way to work.

To summarize, three things today. First, Bing Chat is your free, AI-powered copilot for the web, and I'm delighted to announce that as of this morning, you can go out and try the multimodal visual search. Take a look and let me know what you think of it.

Next, Bing Chat Enterprise; it's your AI-powered chat for work, first of its kind. It's available today at no additional cost for the over 160 million people who use Microsoft 365 business offerings, and soon we'll have a standalone offering.

Finally, Microsoft 365 unlocks a whole new way of working. Based on the positive feedback from our pilot testing, we're pleased to share our final pricing today. Microsoft 365 Copilot will be available at $30 per user per month.

As our great partners, this is an incredible opportunity to accelerate your customers' move to Microsoft 365. Today we unlock a new era of creativity and productivity as we bring the power of AI to work. Thanks very much.

(Applause.)

SATYA NADELLA: Thank you very much, Yusuf. Multimodal chat, work identity and the Microsoft 365 Copilot is fundamentally going to transform knowledge work as we know of it, and really exciting to see.

Now, talking about knowledge work, the next thing that I want to announce is the Microsoft Sales Copilot. This is a super exciting sort of next step in the evolution of the scope of Copilot. If you think about it, we've talked about the horizontal knowledge work, we've talked about individuals and individuals collaborating, but now we uplevel

this to the level of the organization and business processes that really span the organization.

This allows any one of us who is in sales to stay in the flow of our activity with our customers. Whether you are responding in email or you are in a Teams meeting, you get to stay in the flow with the customer and ground that activity of customer interaction with CRM data, whether it's from Salesforce or whether it's from Dynamics 365, and to be able to complete your task without having to go out of band to your system of record.

That's the dream that we've been waiting for, for a long, long time. I think every SaaS application category is going to be fundamentally rewired because of this capability. We are very, very excited to both announce and launch the Microsoft Sales Copilot.

Now, another third announcement I have is also related to business process. In fact, the most important tool that perhaps all of us in our partner ecosystem are going to use is to identify the opportunity for how we drive that AI advantage to every customer. It's all about process mining.

I'm very excited to announce the general availability of the process mining tools in Power Automate. This is the toolchain that every one of us can use to be able to first map out the processes, sales processes, finance, human resources, everything that you can think of which is a business process, and then optimize that business process, optimize that business process with the power of AI, things that can be automated, where you can deploy copilots to give the human in the loop the advantage to advance the business process.

Process mining is perhaps the way, it's the tip of the spear for you to be able to then drive additional value to every customer interaction, every customer deployment and every customer project that you are engaged in.

Now, talking about the fourth big area for announcement is Azure AI updates. The first thing I want to sort of start with is OpenAI. Simply put, Microsoft loves OpenAI. Every one of these platform shifts that we've been engaged in has also come with an iconic, industry-shaping partnership that we have been involved in. In this age and in this era, it's the partnership between Microsoft and OpenAI.

We love everything about OpenAI, what they stand for. Think about it, right? It's a nonprofit entity that then has a per-profit capped entity. It's a profit capped entity that we are deeply partnered with, innovating in. We build the infrastructure to train their large models. They're innovating on the algorithms and the training of these frontier models. We innovate on applications on top of it. You all get to innovate on top of it. It's a very unique way for us to do things that are going to really fundamentally shape the world going forward.

They care deeply about AI safety. They care about their mission. All of that shows through in all the innovation that we've sort of been able to bring forth to date, and what is going to come going forward.

Now, today, I'm also thrilled to take what we've been doing with OpenAI and expand it to the next phase, the regional expansion of OpenAI APIs. We've now got more regional expansion in North America and Europe, and for the first time, we're going to be able to deploy this in Asia. We're very, very excited about all that's coming with OpenAI and what you all can do on top of OpenAI.

Now, speaking about all of the AI innovation, the other element is Microsoft loves open source, and this is something, we are one of the largest contributors to open source. When it comes to AI, it's no different.

One of the things that we are very excited today is the announcement of Meta's Llama 2 coming to both Azure and Windows. Meta has been doing phenomenal work in innovating in the open models, and Llama has sort of really captured the imagination of what open source and AI foundation models can do. Now with Llama 2, it takes it to the next level, and we are going to bring all of that to both Azure, and quite frankly, one of the most exciting things is to see these models even being optimized for Windows, so that application developers now can take advantage of both the frontier models of OpenAI, as well as the models that are available in open source to be able to transform every software category there is.

To show you all of this in action, I want to invite up on stage Jessica Hawk to show you Azure AI in action. Jessica?

(Applause.)

JESSICA HAWK: Azure AI is the cloud platform, offering the best tools to ground, test and deploy both open source and frontier models, and always do so safely.

As a former partner myself, and now as the leader of the Data, AI and Digital Applications business here at Microsoft, I know just how important it is to stay current with everything that Microsoft is bringing to market.

Today, I'm thrilled to show you just how easy we're making this for you, with the Azure Studio, the place where a developer can find everything they need to bring AI-powered experiences to their applications.

You can see I'm starting with a selection of models, including OpenAI's groundbreaking GPT-4, which is available in the Azure OpenAI service, along with all of the other OpenAI frontier models. There are also great open source models and thousands of models from Hugging Face. You'll notice it now also includes the Llama 2 models from Meta.

After choosing a model, I can see sample inputs and outputs, try models out, and fine tune and deploy models into their own private sandbox running in Azure. I like to call this the AI version of the old File, Save As Move.

I want to pause here because this is where magic happens. This means organizations can quickly and easily benefit from the power of these foundational models, yet they have their own private instance of the model.

Why does this matter? Because application usage and fine tuning of the model makes the model more effective. And model effectiveness is the currency of AI.

Most importantly, as I deploy the model, I can ensure it follows Responsible AI best practices because Azure AI Studio has content safety built right in. I'll come back to that in a minute. With just a few clicks, I can deploy a brand new Llama 2 endpoint and start integrating it into my applications straight away, and it can be that easy.

But I'd like to take it a step further, because we know in this new world of generative AI, prompt engineering, which if you don't know, is the process of choosing the right words, phrases, symbols and formats to guide the model, is critical to getting that great result from the large language models.

To do this, I'm using PromptFlow, which supports commonly used frameworks like LangChain and Semantic Kernel, or I can just use native Python. It works with multiple data sources, both structured and unstructured, so I stay in the flow of my development work, never needing to move to other tools.

We know that safety is paramount, and it is the most important priority for our Azure AI platform. Using Azure, AI Content Safety, again built right into the Azure AI Studio, I can directly add safety controls to the deployed model and choose from a range of high, medium and low sensitivity labels and other controls for an even more finely tuned safety experience.

Now that I've got the safety controls where I want them to be, PromptFlow has tooling for bulk testing to evaluate the results from the prompts. You can see how the answers are being evaluated for how grounded the answer is to the original question on a scale of 1 to 5. I can also use built-in evaluations for things like accuracy, relevancy or coherence, or I can even just create my own parameters.

Once testing is complete, deployment is easy, creating the final API, which includes all of the power that the foundational model offers, with the additional value from the prompt engineering and safety work that I just added. I can even use the built-in testing chat window to see the model being queried via the new flow. Once deployed, I can always come back here to monitor how the model is performing as the application is actually getting used.

Now, Satya also announced that we've optimized the Llama 2 models to run on Windows. There's been amazing advances in Windows hardware in the last few years, with better GPUs and now NPUs, unlocking the power to run models locally.

When you couple that computing power with the utility of the Windows Terminal and the Windows Subsystem for Linux, things like local support for container-based development and great tools like VS Code and advanced AI tools like the ONNX runtime, you have a fantastic place to do AI development locally.

Here you'll see that I have the 7 billion parameter Meta Llama 2 model running locally on my Windows PC via ONNX and Direct ML, being called by a C# one UI application. As you can see, the model easily generates a very detailed reply.

At Microsoft, we are committed to offering the most comprehensive selection of open and frontier models like Llama 2. We're bringing together the best services and tools available to empower developers and organizations to bring AI-powered applications to life easily, safely and at the pace our customers in this era of AI demand.

Back to you, Satya.

(Applause.)

SATYA NADELLA: Thank you so much. Thank you so much, Jessica. That really, I think, perhaps best captures the AI advantage that everyone in the partner ecosystem has, the ability to use Azure AI with the frontier models and the best open source models to ultimately drive value to our customers. It's very, very exciting.

My last announcement is around the partner program. In fact, Nicole is going to come later and talk about the Microsoft AI Cloud Partner Program in great detail, but it's really exciting to see us completely revamp the investments, the incentives, so that you all can really take advantage of everything that this AI age has to offer, and drive both business growth for yourselves and most importantly, value for our customers. This is going to span everything, right? It's going to be about partners who are startups, ISVs and system integrators of all sizes and across all industry segments.

We're very excited about the partner program, but one of the things that I always go back to is how any given partner innovates with new technology. I want to just share one great example with you, Epic.

In the United States, as a percentage of GDP, health care is 18, 19% of our economy, and Epic is the leader in when it comes to clinical management systems. What they are doing is pretty phenomenal. They are not only bringing all of their software to the cloud; they are now taking advantage of some of the advances in AI with Nuance and diarisation of the patient-physician interaction and incorporating it right into their application. But perhaps most importantly, they're fundamentally changing all clinical workflow through their innovation on top of Azure OpenAI.

To me, to be able to sort of really see an ISV like Epic, who has been transformative in health care already, to take this next step forward with this platform shift and have an impact in perhaps one of the most critical sectors of our economy where you can have better outcomes for patients, better outcomes for clinicians and better outcomes for every provider out there is fantastic. That's what it sort of is all about at the end of the day.

To show you more in depth of how the AI advantage parlays into every software category, every room of the house, as Judson likes to call it, let me invite up on stage Judson Althoff. Judson?

(Applause.)

JUDSON ALTHOFF: Well. Good morning. Good afternoon. Good evening to partners watching all over the world. And good morning to our Special Partners of the Year Award winners here in the audience live with us in Redmond, Washington. I'm really excited about our Microsoft AI Cloud Partner Program and all that we're going to do together to really help customers embrace what I call AI transformation. The facets of the program really give you everything you need, from the platform itself and the copilot stack through new levels of capabilities and credentialing. Of course, we're going to make investments, and we're increasing our channel incentives to support AI adoption around the world.

And then above all, we love more than anything, after we get done building solutions together, taking them to market together through, through our marketplace and our Teams Store. We have so much to offer in the world of copilot and AI transformation, and we can't wait to get started with each and every one of you.

I want to build upon a slide that Satya showed a bit earlier, this notion of the copilot stack, the copilot ecosystem and the AI advantage.

Of course, we're really, really excited about all of the first-party assets we're bringing to Microsoft Cloud Services, you know, and love and all of the new generative AI capabilities will have there. But honestly, that pales in comparison to the value that we'll be able to add together with third-party solutions, which is why we've opened up the copilot stack so you can build your own copilots for functional needs or vertical and industry-specific needs, and we really want to build out this copilot ecosystem together.

Of course, there's tremendous value for ISVs, digital natives and startups, but it doesn't stop there. There's an enormous opportunity for SIs to embrace the copilot ecosystem, to really frame out solutions for customers, build on the assets and frame out what customers really need. Because at the end of the day, AI transformation is about solving for the business impact and applying technology to help customers achieve more, like never before.

And then on top of that, our cloud solution providers are really "game on" here to deliver scale in down markets, down into the corporate and SMB sector. We're massively increasing our investments in corporate and SMB this year. Nicole will talk a lot more about that, but we want you to be the drivers of change for customers around the world, of all sizes and in all industries, and this AI advantage, it's not just a Microsoft advantage, it's an advantage for the entire Microsoft Partner ecosystem. And we're really, really pumped up about it and can't wait to get started with each and every one of you.

So I want to talk a little bit about this journey that we've been on together. Over the last decade, we've been working together to move our customers to the cloud, but it hasn't just been about taking them to the cloud for the sake of throwing technology at the wall and seeing what might stick. The reality of the situation is that customer's set of applications running in their data center was really not a whole heck of a lot different when it's running in our data centers in our cloud. The real secret sauce here has been our efforts to drive digital transformation together with our customers.

And for me, that's always been about business transformation, first, empowered and enabled by technology, and in that order, because when you get those things out of order, you stop short of the real value realization you can have with customers. And for us, it's always been a lot more than that. Each and every one of you have contributed to the successes we've had in each industry and how much we've been able to move our customers forward in embracing digital transformation.

AI transformation is going to be a lot of the same thing. People are going to AI wash a lot. You're going to see .AI appended to a lot of product names and a lot of company names. And look, there'll be some real product truth in a lot of those solutions. But fundamentally, where we are grounded here, across Microsoft's partner ecosystem, is making sure that we're providing real value in AI transformation, and that the scenarios that we deliver together are prioritized against the customer's business needs.

I genuinely believe we have real market differentiation across this partner ecosystem, and there's three simple things to remember that are the objective evidence of this differentiation.

There's our capabilities. We're bringing generative AI to all of the Microsoft Cloud services you know and love. And I'm going to show most of those to you here in just a moment. But that gives us the opportunity to light up value across multiple lines of businesses for individuals, for teams, for organizations and entire industries. Our capabilities are really differentiated here because it's not just about the large language models or large multimodal models themselves. It's about what you do with them to create pragmatic value in people's daily lives.

Then the second thing is your capabilities. This is the best partner ecosystem on the planet, bar none. You cover more industries, more geographies, more segments. You've changed the world time and time again. And I believe you're going to do that all over

again with AI transformation, and we're going to help you. We're going to invest in your capabilities. And make sure that we're there with you along the way so that we all grow together.

And the third is the trust element, where we've invested a lot in making sure that the Microsoft Cloud is not just the most comprehensive cloud, but it's the most trusted cloud in the industry. And you all have helped earn that trust with customers. And that, frankly, is what's going to give us the permission to co-innovate and develop the next, those truly differentiated assets for customers that matter more than anything to them.

So these three things I think are different for us. Again, there's going to be a lot of talk about AI from a lot of different angles. There's going to be a massive hype cycle that's already begun, in fact. But our differentiation is real in its material.

I'm delighted to announce as a part of that, as a part of our new Microsoft AI Cloud Partner Program, we're also going to open up our Microsoft Customer Engagement methodology for partners. We've invested a lot in this over the last year. Frankly, we've worked really hard during FY23, inside of Microsoft, to adopt this new methodology. It's a consultative approach towards listening and consulting on what customers really need and then inspiring and designing the next through the portfolio of technology that we all know and love, and love to wield with our customers.

And then following that through to value realization and optimization in each of their environments so that everybody gets real value out of the assets that they harness and wield in the technology realm. This for us has been super important in helping us navigate uncertainty in the market. There's been a lot of ups and downs over this last year, a lot of impact in the macroeconomic environment, and we have a very data-driven approach here towards driving value realization that we want to share with each and every one of you.

So the QR code here for those in the audience, and there's a link in the chat for those of you watching online, a lot more content here and a lot more training and readiness.

But this is going to help us work together in market, whether we're co-selling in the enterprise, whether we're leveraging the marketplace. This is going to be the year of the marketplace, and Nicole is going to tell you a lot more of that later. We've also invested a lot in our Partner Delivery Operations Center so that, even when our consulting organization primes an engagement, it's all really driven through partners.

And then of course, for cloud solution providers, you are the extension to our delivery of value realization in every part of the world, and we're going to invest more and more in digital customer success to bolster all of that. There is a tremendous amount to be harnessed in the Microsoft Customer Engagement methodology, and we're delighted to be able to share it with you.

So, I talked a bit about how we're going to sell together in the Microsoft AI Cloud Partner Program and the MCEM for Partners offering that we're going to provide to each and every one of you. The rest of my time up here is going to be devoted to what we sell, all of those new generative AI services across the Microsoft Cloud, and to whom we sell. And I'm going to ask you to sort of play along with me a little bit here.

I'm going to use a metaphor I like to call "selling to all rooms in the house," when I refer to whom we sell.

So why does Judson like to talk about a house?

Well, here's the reality of the situation. Customers are not monoliths. Anybody who tells you, "Well, the customer really wants to do X … the customer really wants to do Y," slow them down, ask him a few questions. "Who within the customer wants to get that done? Tell me a little bit more. Is it a key stakeholder?" because there's probably multiple key stakeholders, multiple lines of business.

Companies are made up of individuals, all trying to find their own career path, and all trying to leverage technology to get the best out of how they think about achieving more. And then there's teams and organizations and line of businesses and stakeholders.

Selling to all rooms in the house makes sure that we deliver on our promise of empowering every person in every organization on the planet to achieve more. It connects the full value of the Microsoft Cloud from all of our Modern Work assets all the way through to Azure, and it enables you to unlock integrated value, right? Because if left alone, these multiple lines of businesses make decisions on their own. They may procure technology from incompatible sources, and they spend the rest of their time, at a very expensive rate, trying to wire it all together and keep it all wired together, but it will all fall short of the integrated value that we can provide together across the Microsoft Partner ecosystem.

AI changes everything. It effectively makes every room in the house new again. It allows us to renovate every floor and provide magic behind every door in the room in the house. All the way from the ground up through to the C-suite, we're renovating the entire house with AI.

So my house that I'm going to share with all of you here has a floor for each one of our solution areas, and behind every door is a new solution play, a new opportunity for us to go add value. Again, all of this content is available for you to use with customers, and we're going to show how you wire up stakeholders on each floor and behind every door, up to the C-suite, even the CEO and the boardroom.

So how do we get that done? How do you prioritize all of these scenarios? Because let's face it, six months ago, you had to explain to customers what generative AI was, and you know, like, "Let's go through the basics of large language models." They are now all coming to you with a list of 100 things they want to get done. "Here's my list of big

ideas." Well, like anybody who builds a house, you need a really good general contractor to make sure that you actually deliver on time and on budget, and that's a bit of our jobs here, and so I like to use this frame to help on this scenario, prioritization.

First, think about what we can do together, right? By the way, this maps back to the three things I told you that are going to make us different in how we do this. First, talk about the capabilities we have in the Microsoft AI Cloud, all of the things that we can do across all of our solution areas. Then talk about the integrated partner ecosystem and all of the value we can add with your copilots and all of the new innovation that's built on the Azure AI platform, and there's an awesome amount of value.

By the time you get through those two filters, you've probably addressed 90% of that list of 100 cool ideas. Now you're down to that trust equation, right? We've developed and built trust so that we go out and co-innovate and co-develop, really, the secret sauce of what's differentiated for a given customer in their given industry.

I like to use that sort of three-frame flow and talking about generative AI solutions so I can derive some structure and making sure that I'm providing real value realization back to a customer, versus just throwing technology to the wall and showing a bunch of cool demos.

So with that, I'm actually going to get started. And the floor in the building I like to start with, all the time, is the Modern Work floor of the house, largely because it's been our heritage here at Microsoft. We're all about productivity and making individuals enjoy the work they do and get back to the creativity and the things that make them passionate about the work they do, Eliminating the mundane and the overhead. And so much has been put into Microsoft 365 Copilot, and there's so much excitement out there. I like to start here.

You might get a meeting in the room of the house called "Director of End User Computing." You might say, "Gosh, Judson, that sounds like you're calling low in the house. Why wouldn't you start on the C-suite floor first?" That's fair, but part of my feedback in all of this is that a meeting in any room in the house is a good meeting and there's value to be unlocked on every floor.

And let's face it, this individual has a lot of pressure on them. You know, the world has seen the hype cycle of generative AI. They've probably seen some of these Microsoft 365 Copilot demos, and so there's a lot of pressure on this individual to deliver.

So when I show up on this floor of the house, I talk about how copilots have been woven into the entire creativity portfolio. If you write documents and you're an author of materials for your company, we now have copilots that can help speed up your work. There's no more first draft.

In fact, your draft can be perfected. If you create presentations for audiences around the world, Copilot can help you make those more inclusive. They can help you wire in

content that's more powerful to connect with your end users. And of course, copilots have come to the world of Teams in collaboration. So we're driving through inclusive collaboration like never before, using generative AI, bringing people together across this floor we call the Modern Work floor.

From there, once I've sort of earned the right, and again, it kind of comes back to trust, and I've earned the right to have demonstrated value on this floor. I get invited to go talk to folks who maybe sort of own a line of business because we've unlocked value for an individual. So show me how generative AI can maybe make a sales organization more effective.

And to do that, I'm going to invite my dear friend Charles Lamanna on stage to show us all how. Hey, Charles.

CHARLES LAMANNA: Judson, thanks for having me.

JUDSON ALTHOFF: How are you?

CHARLES LAMANNA: Good, good. Good.

JUDSON ALTHOFF: Good to have you here, my friend. So imagine if you will, and just pretend that I run a large sales organization, and I'm seeking to get productivity and efficiency gains out of my sales force using generative AI. How might I do that?

CHARLES LAMANNA: Well, Microsoft Sales Copilot. The answer uses generative AI to help seller productivity efficiency and help them close more deals each and every day. And to show that in action, I'm going to do a demo pretending that I'm a sales rep, preparing for a customer meeting and opportunity.

Sales Copilot helps me always be confident that I'm ready and prepared for the meeting. As part of that prep, I can go right inside of Outlook, and I can easily see information about the opportunity, get a quick summary as well as understanding what's top of mind for the customer. And every week I have so many meetings like this, this makes me more prepared for dozens at a time without having to be worse at the meeting or having to spend a lot of time preparing.

Now that I've gotten ready and gathered all that information together, I've got to go build the presentation for the meeting. So I turn to Sales Copilot, which integrates seamlessly with Microsoft 365 Copilot so I can get an easily personalized view inside of PowerPoint, based on existing documents, as well as all of my CRM data. This combination makes it easy for me to have the perfect deck for that meeting. It turns out two copilots are even better than one when you bring these things together.

Now, I've got the deck. I'm ready to meet. So I go and I jump on a Teams call. Copilot generates tips in real time to help ensure we have a great conversation. When the customer references the competitor, it gives me real-time information about how we

compare, helping me communicate why our products are the best. And once I've done that, of course, the call went well. I'm going to follow up, so I'm going to send a kind of action items and next steps, and Copilot is integrated right inside of Outlook, and it can help me answer that email based on the notes as well as information from my CRM.

So with all of that set up, I'm ready to go and communicate with the customer. I just attach the proposal with the pricing and information and it's in the customer's inbox in seconds. In this example, Copilot saved me several hours of work for one customer engagement, which makes me more productive each and every day. And it turns out that about two-thirds of seller time is spent in communications and prep, and this helps use generative AI to improve all of that.

JUDSON ALTHOFF: That's awesome.

CHARLES LAMANNA: And the two best things, though, is, No. 1, Sales Copilot is generally available today so everybody can get started with it. And the second is it works with all the leading CRM, so Salesforce or Dynamics 365.

JUDSON ALTHOFF: That's fantastic, and we're going to roll out Sales Copilot across Microsoft. In fact, we're doing it now. We encourage you to do the same. Even if it's a shock for you, if you happen to use Salesforce in your backend, you can get value out of Sales Copilot.

So let's pretend for a minute I also run a large support organization. How can I use generative AI to make those teams more productive?

CHARLES LAMANNA: So for that, we're going to turn to Power Virtual Agent, which uses generative AI to build chatbots and experiences, which can help solve customer problems without having to talk to a support agent. And what we've done is we have something called generative answers inside a Power Virtual Agent. So I can easily register things like website URLs or upload files and documents or even connect to a SharePoint site to power that chatbot.

And in this example, I'm going to pretend that I'm an electric vehicle manufacturer. I sell things like the chargers and the batteries, and I've gone and configured some information. I can show how, even though I just upload content, I didn't configure topics or workflows, but just from that content I'm able to ask questions and get great answers, which are highly tailored to exactly what I asked and it sources to my website. The benefit of this is I can get the bot set up incredibly quickly, and I can have a ChatGPT-like experience, powered by my own data.

JUDSON ALTHOFF: Cool.

CHARLES LAMANNA: But it doesn't stop there because it's not just about answering questions, it's also about taking action. So inside of our virtual agent, we also have something called plugins which make it easy to register skills and actions for things like

checking pricing or fulfilling an order, or connecting with your case management system like ServiceNow, Salesforce or Dynamics 365. You can configure it where the AI will actually invoke these actions as required to fulfill the task.

And now to kind of see it all wire it up together, I've got plugins. I've got the generative answers set up. I can come here to this electric vehicle manufacturing website, ask the question about the status of an order, and try to add additional items to that order. And what you can see here is it can not only check the status, but also give me pricing information and even add it before it ships out. This type of bot would take a long time to build and is now actually self-serving the customer so they can get an answer 24/7 and faster and highly tailored.

JUDSON ALTHOFF: Yeah, a couple of cool things to point out on this one. First of all, at least in my support organization, more than half the calls that come in are about things that can be answered with data on the website. And we just showed how you use citizen dev tools to create a bot to answer all of those questions, and secondly, you tied it into system of record, which in this case happened to be ServiceNow.

The third thing that is really worth pointing out in all of this is that this is a citizen dev environment, but it wires back into that same Azure AI studio that Jessica Hawk shared with all of you a moment ago. So if you want your pro dev staff to then take this, embellish it, train the prompts and do a little bit more, you can, Which brings the world of citizen devs and pro devs together, adding more value across the different rooms in the house.

OK. Awesome. Value added to sales, value added to support and service and taking care of customers. Let's say I have a more generic problem and I know a little bit less about where the messes in my house might exist. And of course I've got to get my house ready to get renovated. How might I use generative AI to explore more about my opportunities there?

CHARLES LAMANNA: So in this case, we turn to something called process mining. Like Satya announced earlier, that's now part of Power Automate. And what process mining does is it ingests data from your systems of record. So it can be Dynamics, SAP, Oracle, ServiceNow. You name it, we can probably connect to it. It takes all that data and gives you a view of how your business actually runs, what are the common workflows and processes.

And if I look at this view here, I've configured it to do something called procure to pay. So this is once you decide to buy something, all the way out to when you actually issue the money to the vendor. And if you look, there are a lot of steps. It's very complex, and it's not easy to understand where I could use generative AI here. But the good news is process mining also has a copilot.

So on this right-hand side here, I can ask the copilot, "What are the top insights that it has for me based on all the items that have now been executed as part of process mining?

And I can see where are the common bottlenecks. Is it something associated with requisition approved, and how many times it occurs in each time that it executes. And I say, "OK, what's driving that bottleneck?" Copilot can also help me with that. It looks at that process information and uses a large language model and tells me I have an issue associated with compliance checks, preventing maverick buying.

So that's my opportunity to improve and use generative AI to improve the processes. Copilot can also help with that. I can ask it to address my bottleneck and it will make suggestions for Power Automate and Power Apps. I can look here, as this hands it off to the copilot there, so I can get a workflow to automate tasks or a power app to help me go and track these requisitions. And if you go to the future, by 2025, 70% of enterprise apps will be built with low-code tools like Power Platform, and process mining makes it easy to identify and bring AI to bear.

JUDSON ALTHOFF: That's awesome. And your copilot actually helped build that generative solution here in a citizen dev tool that everybody can use. Awesome, Charles. Awesome, appreciate it.

CHARLES LAMANNA: Thanks, Judson.

JUDSON ALTHOFF: So I'm starting to get popular in this house because I've added value to individuals. I've added value to organizations. It catches the eye and ear of the CFO. And she says to me, "Hey, listen, Judson, this is great, but I'd really like to unlock AI transformation for the totality of our organization, but I feel like our infrastructure is still stuck on premises. My teams keep coming to me with expensive proposals for how to migrate to the cloud, so I can't understand how to get from point A to point B and all of this, because if cloud leads to AI transformation, I need help getting there." To show us how we're going to do that, I'm going to invite Merrie Williamson to the stage.

Hey, Merrie.

MERRIE WILLIAMSON: Hey, Judson.

JUDSON ALTHOFF: How are you?

MERRIE WILLIAMSON: Good. Thanks for having me.

JUDSON ALTHOFF: Great to have you. How do we solve this problem? We've got servers trapped in closets; storage arrays trapped in the closet. How do we help the CFO drive AI transformation?

MERRIE WILLIAMSON: Well, I love talking to CIOs and they love talking to partners, typically partners are their first phone call, and looking at these pretty significant investments they have on premise in closets, right? And so one of the things that we've done this year is improve some of our capabilities to help our partners really

go through those fundamentals with customers so they can reach velocity faster with confidence. So I'm going to show a little bit about that today.

JUDSON ALTHOFF: Awesome, yeah.

MERRIE WILLIAMSON: OK, great. So a couple of things I want to talk about is how those fundamentals happen.

So they're asking you all, "Are we cloud ready and how do we maximize that journey with cloud savings?" So there are two things I'm excited to share.

First, we've enhanced our Azure Migrate tool, and the second is that we've increased and simplified our cloud investment funds. This is great news for partners who take our customers from on premise discovery and assessments and then land those compelling business cases, and then finally moving the customers to Azure with confidence.

So let me jump into the demo.

First, let me start the demo by visiting Azure Migrate, which is integrated into the Azure Portal, and that's where you can help customers quickly discover their data center inventory.

Second, you can quickly leverage the assessment tools to help your customer develop a migration path, including the recommended destination SKUs.

Third, and I think this is really the exciting part, once the customer's inventory is discovered and assessed, you can help them build a confident business case. And here is the innovation. Microsoft has taken learnings from our global experience, across thousands and thousands of migrations, and across industry patterns, and now your customers benefit from that accumulated experience through you, the partner.

So let me talk about a specific scenario real quick. In this scenario, the customer, after that assessment, we look at the business case reducing infrastructure to costs for Windows, Linux, SQL and apps, by up to a whopping 67%, saving $2 million annually. And all of that cost savings can be reinvested with the partner conversation with a customer in innovation in the rooms of the house.

JUDSON ALTHOFF: What's great about this example is you can see how it actually scales down. So if you're working with a small, medium-sized customer that only has a couple hundred servers, you can still save them an awful lot of money. So Point B is materially better than point A.

MERRIE WILLIAMSON: That's right. And I think there's so much value to tap into.

One more addition I want to call out is security in our value proposition. As partners, I know you agree migration conversations must be a security conversation. I'm excited to

share that we now include security savings and more as a part of our more comprehensive business case. And here you'll see, in this scenario, our customer can save potentially 56% on the security management costs alone.

So there you have it. Microsoft built our tools for partners to use, at no cost, with enhanced capabilities, to drive velocity of your customers' migration decisions. And given our exceptional partners, we're giving you this amazing opening to have that reinvestment conversation and accelerate innovation, and we have this all wrapped in great cloud incentive funds for you all.

Thank you so much.

JUDSON ALTHOFF: Thanks, Merrie, I appreciate it. So we've given the CFO a proposal to help get the rest of their estate to the cloud that is cost-neutral, and in fact, that cost benefit. Veterans, even more trust with the CFO. And she says to me, "Look, Judson, we bought this company a couple of years ago. It's a completely different business. We're really into EV chargers, but we bought this travel business, and I can't make heads or tails of it. The data seems to be everywhere. They use multiple cloud services, and I understand that the data has to get in order in order for me to get real AI transformation. So can you go call on my Chief Data Officer on that floor the building and see if there's something you can do?

So to show off what we can do there, I'm going to invite Amir Netz to the stage. Amir, how are you?

AMIR NETZ: Great. How are you doing, Judson?

JUDSON ALTHOFF: So how do we solve this data problem? We got data everywhere. Multiple clouds. The CFO wants answers. What are we going to do?

AMIR NETZ: So we are going to use Microsoft Fabric. Microsoft Fabric is the product that takes care of everything analytics for you in a unified platform. So everything from ingesting data to the data lake all the way to delivering the information to the business user, everything in between. We do it in Microsoft Fabric, and since you have the data all over the place, both in Azure and in Amazon AWS, we are going to try to bring it all together.

So let's take a look.

JUDSON ALTHOFF: Super.

AMIR NETZ: So what are we going to do is we're going to start building a lakehouse in the Fabric OneLake. It's very easy. All you have to do is give it a name, press create, and in a couple of seconds, you have an enterprise-ready lakehouse, ready to go. We can bring data into the lakehouse by using any of the 150 connectors that we have here, but

we're not going to do that. We don't want to do data movement. So instead we're going to use shortcuts.

Now shortcuts allows us to link into data wherever it is. So in this case, we have some campaign images that we are storing in Amazon S3 buckets. So we're just going to connect to the Amazon S3 Buckets, point to the data that we have there, and within a couple of seconds we have linked our lakehouse to the S3 bucket. And you can see here all the images. We have a bunch of beaches that are next to our tails and we can go and browse them and here they are, right?

JUDSON ALTHOFF: Awesome.

AMIR NETZ: Now, we have more, more images and I have them on my desktop. So in order to bring those images to my desktop, I'm using the Windows Explorer. So what you see here is OneLake is like the OneDrive for data. So just like you have OneDrive showing in Windows Explorer, you have OneLake showing in Windows Explorer, and inside OneLake you can see the workspaces, the lakehouses that we have. You can see this is the marketing campaign Asset LakeHouse. We can see the beaches we have there in Amazon S3 And we can bring in more information.

These are the activities we are going to offer to our visitors. So, I just drag and drop them into the file section of my lakehouse, and I have more images showing up here. And now you can see another activity, like visiting the volcano.

JUDSON ALTHOFF: Super.

AMIR NETZ: Now, to do the analysis, we need tables, and we're going to use the shortcuts again. We're going to point to some delta tables, again, we have in Amazon S3. And all we have to do is, again, connect, set the settings for those tables. And within a couple of seconds, you can see the table show up here.

JUDSON ALTHOFF: That's awesome. So, we're not actually moving any of the data. We just have access to it no matter where it exists.

AMIR NETZ: Yes, it's just linked, no data movement whatsoever. Now, I don't have just data in Amazon. I have also data in Azure, in AWS, ADLS. What we're going to do here, we're going to, the same way we're going to connect to the data, this table that were managed by our Databricks. And now we have all the data both from Amazon and from Azure all coming together, and we can now start running queries across the data.

We are seeing here, the data warehouse experience of Fabric, and we're going to write the SQL query. And the SQL query is joined data from tables in AWS and tables in Amazon, and it just runs.

JUDSON ALTHOFF: Super. So, cross-cloud query.

AMIR NETZ: Cross-cloud query without doing anything, so easy. Now most of our users don't know how to write SQL queries, so we are building them, for them here, semantic models. And those semantic models include relationships between tables and measures, so the business users can use Power BI to just slice and dice the data very, very easily. We have prepared the semantic model, and now we're ready to head to Power BI.

In Power BI, we have the Power BI Copilot, and what we want to do is to create this marketing analysis report. And all we have to do is tell the copilot what is it that we want to create. And we give it some details, like the ability to slice by the source of the customer and other things. And just like that, all we have to tell is go, and a report is being created for us.

JUDSON ALTHOFF: Awesome.

AMIR NETZ: And it's really interactive, completely interactive. There's of course highlight and you can filter by the customer source very, very easily.

JUDSON ALTHOFF: I didn't even have to know Power BI.

AMIR NETZ: No.

JUDSON ALTHOFF: I just need Copilot to help create a Power BI dashboard.

AMIR NETZ: Yeah, I wouldn't know how to create such a beautiful report. But even change, ask Copilot to change the layout for me. You can see, it's two columns now that we have laid that out.

Now we can do even more, not just laying out the data. We can also ask it for the main drivers for repeat customer business, again, a more business oriented question. And it will create a new page in the report. We'll put that AI visual. It will tell us if a customer purchases a spa visit, they are most likely to come back to our retail chain, which is kind of awesome.

Now, let's go back to the original page that we had. She asked Copilot to change the layout again, and this time we're going to point to another report, the sales report that we're using with our SLT. And just like that, it matches the style of the report, and it's still completely a Power BI report. I can still have full control of what goes into it. I can break it down by the customer interest, or if I want, I can even change the chart type to make it look a little bit more snazzy.

Let's make it into a ribbon chart. OK, that's nice.

JUDSON ALTHOFF: That's much better. (Laughter.)

AMIR NETZ: Now, last thing I want to do, I am going to take the last chart and ask the copilot to give me the best highlights from this report. And just like that, the copilot

analyzes the data, gives me three highlights, complete with citations. And these highlights are always dynamic. When the data changes or when I filter the data, they will always reevaluate the highlight.

JUDSON ALTHOFF: Super. I think I'm ready to go back and see the CFO. That's awesome.

AMIR NETZ: Thank you, Judson.

JUDSON ALTHOFF: Well done, Amir. Thank you. (Applause.)

Now that we have the data estate in order, we get invited to one of the most important floors of that house, and that is the innovation floor, because developers are really excited to help drive AI transformation, but they all want to know how copilots are going to actually help them build better code and enjoy the work they do. To show that off, I'm going to invite Allison to the stage.

Hey, Allison. How are you?

ALLISON: Hi, good. (Applause.) Let's talk about GitHub Copilot.

Now, GitHub Copilot is already adding joy for over a hundred million developers by reducing all those repetitive tasks and allowing them to focus on what they love, building great software. Lucky for us, we love that, too.

This file has really changed since I last saw it, so I'm going to ask for some help with what in the world these expressions do. And we're just going to do that by leveraging our new chat functionality here.

Now, this is brand new. You can see here in just one prompt, it told me exactly what these expressions do, but this file not very maintainable, not very readable. And so, we're going to ask for Copilot to help refactor it and make it more readable, pull validation out so that the next time we see it, it's much easier for us to just start working. And you can see here, it's done everything for me. And with one click, it actually replaces that file with all those comments and better expressions.

This is a pull request. You can tell by this comment here, if it wants to pop up. We can see it here, though. With this comment here, you know what? Let me just try and reopen this file. If anyone was wondering what happened, if this is a live demo, surely you are seeing now.

JUDSON ALTHOFF: (Laughter.) No smoke and mirrors.

ALLISON: No smoke and mirrors here. In just a second here, hopefully… Oh, boy. Well, it looks like our computer is frozen here, unfortunately. But we're going to switch over because we always have backups.

JUDSON ALTHOFF: There we go.

ALLISON: And we are going to actually add in unit tests here so that we have a fully tested file here. You can't ship code without testing it.

JUDSON ALTHOFF: No. That's awesome.

ALLISON: And so, with just one click, it's going to go ahead and accept it. We've got our file, and in just 90 seconds here, we've got a maintainable, readable and tested file with the help of GitHub Copilot.

JUDSON ALTHOFF: Amazing.

ALLISON: And with all that time, 74% of developers say they can spend more time on what they love. For me, that's finally learning TypeScript and changing my dog's website. And Copilot can even help me with that. (Laughter.)

JUDSON ALTHOFF: That's awesome.

ALLISON: It's a great time to be a dog.

JUDSON ALTHOFF: No wonder a hundred million developers use this and love it every day. That's fantastic.

ALLISON: Absolutely. Thank you so much.

JUDSON ALTHOFF: Awesome. Thanks, Allison. (Applause.)

My last floor in the building, my last tour, step in the tour is a high stress floor, and that's the CISO's floor, where there's a lot of security analysts out there working on thwarting all of the bad actors. Unfortunately, if there's one thing that's not slowing down in this day and age, it's the rise of bad actors. And so, copilots can really actually help rationalize the CISO floor in the building. And we're going to show you how we do that.

Olivia, come up on stage and let's show this off. (Applause.)

OLIVIA: Hello. OK, so in a typical security investigation, analysts need to synthesize information that's coming from multiple different data sources and then use our expertise to interpret what that means. Now, resolving an incident that could take multiple specialists using dozens of different tools, spending days or even weeks of time doing so.

Now that just isn't realistic or scalable for teams that are already working with limited resources. In fact, we're seeing a shortage of about 500,000 cybersecurity jobs in just the U.S. alone, which makes up for about 6% of total jobs in the country.

JUDSON ALTHOFF: Wow.

OLIVIA: Yeah. What we're going to see here is how Security Copilot is making investigations faster and easier for teams, enabling them to do more with less.

What we're going to see from here is how Security – excuse me, how Security Copilot is going to, from a simple natural language prompt… Let me see here. Let's make sure we're on the right track.

Perfect. OK, from a simple natural language prompt like analyze incident, Copilot then suggests some of the highest priority active instances that an analyst can dive into and then look into that more. What we're going to see is how Copilot creates a plain English summary of what's happened.

JUDSON ALTHOFF: Super.

OLIVIA: And this is based on trusted, authoritative information like Microsoft Defender and Log files. And then we're going to see down here below that there's even a diagram of the attack path as well.

JUDSON ALTHOFF: That's really cool.

OLIVIA: Yeah. Now, some incident responses, they may require these specialized skill sets that not all analysts have called reverse engineering. And that's where we can look into a piece of malware to see what it does. But with Security Copilot, every analyst can reverse engineer with a click of a button here.

From here, Copilot's analysis of the code is showing us that the malware is trying to get to this group policy object using this ID number from this hidden folder. Now, these details can help teams find other affected devices and cleanup.

Analysts can also use Security Copilot to help neutralize active threats, and this is using the container prompt book. What we see here is how Copilot is laying out some steps for us. The first is to isolate the affected devices. Next is revoking access for any compromised account. And then finally, of course, is to restore devices to a healthy state.

JUDSON ALTHOFF: It basically walks us through how to manage the threat.

OLIVIA: Exactly.

JUDSON ALTHOFF: That's really cool.

OLIVIA: Yeah. With Security Copilot, even a junior analyst can then perform the most advanced research or investigation in just a fraction of the time that it would traditionally take us.

JUDSON ALTHOFF: That's awesome.

OLIVIA: Yeah, and I'm excited to announce that this fall we are going to open our early access program to our customers and partners who are using Microsoft Defender for Endpoint to experience Security Copilot for themselves.

JUDSON ALTHOFF: Fantastic, Olivia. Thank you so much.

OLIVIA: Thanks for having me. (Applause.)

JUDSON ALTHOFF: Super. So, if that seemed like a whirlwind tour of the house and an awful lot of technology demos, it was. And that actually is very emblematic of all of the value that this partner ecosystem can provide to customers in AI transformation.

And so, you can build upon these assets if you're an ISV or a digital native. You can help drive implementation and value realization of these assets if you're a systems integrator. And, of course, our cloud solution providers are going to drive this stack across the board. Our device partners have a role to play. No matter what kind of partner you are in our ecosystem, there's value to be added in this era of AI transformation, and we're really excited to get started with all of you.

But it actually gets better. In fact, there's an industry value that is added on to this house construct. And to share more with you, I'm going to invite Nick Parker to the stage in just a moment. But before I do – (laughter) – well, you come up if you want, Nick.

Look, I've spent my career working with partners, and it has been just the ultimate pleasure to work with each and every one of you to bring technology to life for our customers around the world. And I couldn't be more grateful for the work that you do. So, thank you sincerely. (Applause.)

Nick, come on up.

NICK PARKER: Thank you. So, building on the momentum that Judson shared, what we're seeing is how this next generation of AI is producing unique solutions tailored for specific industries and customers. Let's start with healthcare.

In this healthcare example, your house is a hospital, and it's filled with clinicians, physicians, care teams, all connecting with patients to provide a high quality experience, delivering great clinical outcomes at the lowest possible cost. To show how we unlock opportunity and address the needs in this house, I'd like to invite Joe Petro to the stage.

Joe, please. (Applause.)

JOE PETRO: Good to see you.

NICK PARKER: Nice to see you.

JOE PETRO: All right, so Nuance Dragon Ambient Experience, or DAX, and the newest product called DAX Express, both run straight at the heart of this problem that we call physician burden and physician burnout. Many of us probably don't realize this, but as patients, when you speak to your physician for 20 or 30 minutes, there's an incremental, on average, 16 minutes of clinical documentation, administrative burden that sits on top of that outside of that moment of care.

And as you've heard Satya speak about this morning, we brought generative AI together with Dragon Medical One, which is our flagship clinical documentation product, with all of our EMR partners and integrations, and that is what Dragon Express, DAX Express actually is, and that's what we'll actually show you right now.

Let's see how Dr. Walker here leverages DAX Express with this patient, George Adams, as he's opted into the program. What you see here is the physician just starts the natural conversation, basically picks up the cell phone, asks George if it's OK to start recording. After that, it's a completely natural experience.

The DAX mobile is then put down, physician's eyes are free to make eye-to-eye contact. Hands are free as well. Physician's no longer burdened by having to take notes in real time, having to remember any details of the conversation. Fundamentally, what we're attempting to do here is bring joy back to the practice of medicine for physicians worldwide.

This patient happens to have presented with complaints of something called chronic fatigue. So, this could be simple, super simple, like you need to get a little bit more sleep, but it could be super complex and could be an advanced disease state. These transcripts can be super long and involved, cover a ton of territory. A 10-minute encounter can literally produce several pages of transcript.

Then when the episode is complete, generative AI takes over again. And then within seconds, this transcript is turned into clinical documentation. This is, for lack of a better description, it's called a SOAP note, subjective objective assessment and plan. It's basically clinical documentation formatting. All the relevant details are captured and the irrelevant details are ignored.

What you've seen here is DAX listens, generative AI converts the speech stream over to a transcript. The speech is diarized, it's split between physician and patient, and there could be a number of patients actually in the room, and then it's turned into the final document. But the physician is basically in complete control of this experience and does the final editing.

What you're seeing here is a mobile use case where the physician walked out of the room, picked up DAX Express Mobile, and actually did a simple voice command to do an edit. Editing can also be done at the desktop at Dragon Medical One. Both the mobile

app and DMO support a huge number of voice capabilities, natural language commands, literally thousands.

Dr. Walker finally sends the finalized note through voice to the EMR. And in this case, what you're actually seeing is a cropped image of Epic. This all comes with a mind blowing level of value and impact. We cut about 50% of the time out of the clinical documentation experience, a 70% reduction in feelings of fatigue and burnout. And here's the whopper. The physicians can actually see an incremental three to five patients per day using a product like DAX. And so, you've got a happy physician, you've got happy patients, and then you also have a happy health system because it's impacting the top line.

This is an actual experience inside of Epic. It's called the In Basket. In this demo, Dr. Walker receives a message from that same patient, George, and he's basically saying that he became a new grandpa. He's got all these sick grandkids crawling all over him, and he's worried about his condition and whether or not he should take precautions.

What you saw happen here is the message flowed into the In Basket. Physician basically clicked on the message, read the message from George. And then what generative AI did is it looked at the message, looks at information inside of the EMR, and then it produces a message for the physician to see so Dr. Walker can check the response for accuracy, make edits before sending, and then send a thoughtful response back to the patient.

Since the pandemic, physicians have seen 150% increase in this type of patient messaging. Epic has developed this AI-powered solution that helps physicians organize, draft and send messages more efficiently. So, they've been doing completely awesome work, and this is really just the beginning.

NICK PARKER: What I love about the demo is you really showed – Judson talked about those three AI priorities, the first being how we infuse AI into our products. And, of course, you've showed that with how you've taken AI into Nuance and with DAX Express. And then the second was how our partners are infusing AI into their solutions. And, of course, you showed not only Epic infusing AI into their solution, but also how it's working with M365 Copilot.

And then the last impact is how our customers are infusing AI to unique business problems where it matters most. And we've got a great demo here, in fact, a video from UnitedHealth Group that we'll share to show how they've done that.

Thanks, Joe.

JOE PETRO: Thank you. (Applause.)

(Video segment.)

NICK PARKER: It's great to see that real use case directly playing a transformational opportunity in production today.

So now, let's shift industries to manufacturing. If you're in consumer goods or manufacturing or energy, your house is likely a factory. And we can add a tremendous amount of value on every floor and behind every door in customers in these industries. To show this example, I'd like to welcome Andy Pratt.

Andy, please. (Applause.) Nice to see you.

ANDY PRATT: Yes.

NICK PARKER: OK, Andy. What are you going to show us today?

ANDY PRATT: OK. Today, we're going to dive into the work we're doing with Ecolab. So if you don't know Ecolab, they are literally a world leader in water and sustainability solutions, but they also have thousands of frontline workers, who, every day, are going into these really complex industrial sites.

We've teamed up with them, and over the last few months, we basically brought a whole suite of digital and AI capabilities to really help their customers achieve these incredibly complex sustainability goals. Let's dive in and take a look, a very fast look at some of the work that's been going on.

First of all, we've got to turn the physical world into a digital one. So to do that, we've partnered with Hexagon, who, among other things, have these incredible handheld scanners. This allows me to literally walk around a facility. It's taking millions of laser measurements, real time. It's taking photogrammetry. It's slamming it all together, and I get this incredible high fidelity twin and representation of the space.

From there, we move into one of my favorite things, which is let's build out a full digital twin. What I've got here is you can see this is an Azure digital twin. We've taken that scan, we've modeled it all up, we simplified it. We've just focused on the water processing facility here. But I've got all kinds of information I need now. I've got heights, diameters, pipe flows, but we've really got to start now bringing this to life.

I'll connect to the existing sensors, so partners like Rockwell and all the controllers, we can get the infrastructure that's already deployed. But actually, I often need to deploy new sensor fabrics. And in this particular instance, we have to deploy a new water monitoring sensor fabric.

However, to do that, there is literally hundreds of different types of sensors. We've got thousands of different mounting points, and it can be a real complex problem. Building on some of the stuff you saw from Jessica earlier, some of the stuff you saw from Charles, we're leveraging all of that into industrial environments now. I can directly, on the digital twin, have an AI agent supporting me in what type of sensors I should use,

specific data sheets here coming in. I can get information on the correct mounting and mounting considerations. So all of this, having an expert at my hands, millions of technical manuals and documentation, being able to help me come up with the right bill of materials for the sensor fabric.

Now we're packaging that up, we're getting that to the customers' hands. Their sensor pack arrives, installation, not always super straightforward. Again, we're leveraging our mixed reality capabilities here where we can have guides and remote assists, basically taking the customer through exactly where to mount, how to mount and getting the telemetry streaming.

So. We've now moved forward again. We have integrated the Power Platform here and specifically, Power BI. We've got our telemetry coming up with our industrial IoT assets. We've secured it all the way across the defender and now, we're orchestrating Edge and Cloud with (inaudible) dark.

With all of this together, telemetry's live, the twin's coming to life. I can see notifications, I can get insights. But because we're cloud side, I can use Ecolab's 3D platform, which gives incredible advanced contextualization to the water processing. I can integrate with our Cloud for Sustainability, which gives us a framework for managing the progress we're looking to make.

But if we look at this demo here, you can see that, OK, so we've made some great progress, and we potentially have this predictive trend of increased water consumption. I want to dial in to the areas that's potentially causing the concern. And here, I'm not entirely sure what's causing it. So, I really do need to lean in for some help.

And so, I can jump over, create a Teams chat with my friend here, Drew, and start really unpacking, hey, what's going on in this particular site? I can introduce the AI agent. I can go ahead and ask questions about what's causing this increased water usage. And right away, context from the telemetry, from all the different data sources. It's highlighting, even highlighting the fact that it's actually a batch change. It's a change in what the facility is doing. I can ask for help and what I can do. And right away, it's recommending to evaluate a closed loop recirculation system.

So, it's deep in the technical. It's helping provide guidelines. I've got an expert there proving that's the right thing. We can take that to the customer. And just very rapidly, we've gone from digitization to AI insights to capabilities, and we're helping our customer achieve sustainability.

NICK PARKER: That's just a great demo. And I think a lot of what we're seeing is this incredible progress and all the way through integrated through Teams, but particularly for customers in the manufacturing center, who really, we are living true to the promise that if you make anything or move anything, you make a carbon footprint. You're essentially creating that carbon footprint. But if you can simulate that infinitely in the cloud, you can

build better products, a better process, more effectively, more efficiently, and ultimately, more sustainably.

ANDY PRATT: Absolutely.

NICK PARKER: Andy, thank you.

ANDY PRATT: All right. Thank you, my friend.

NICK PARKER: Thank you. (Applause.)

Today, I'm pleased to announce a new industrial metaverse offering as part of the Microsoft AI Cloud Partner Program. It's currently in private preview, and we're pleased to have so many partners already joining us. We'll move to public preview in the first half of 2024. We're excited to see your logos up on the screen joining some of our early partners there.

And it's a great opportunity for all of you, our partners who are building industrial metaverse solutions, not only to build design and engage infused AI into those projects and solutions, but also to help build your go-to-market capability with us. And Nicole will share more about that later in her keynote.

As we transition to financial services, your house is a bank. And we've really done a lot of work here, too. We are seeing generative AI crack open this industry in new, transformational ways. And, of course, this industry is highly regulated. And so, here is how some of the most influential leaders are thinking about this opportunity.

(Video segment.)

NICK PARKER: It's amazing to hear from these customers directly about how they see AI unlocking new value for their businesses. We're innovating with each and every one of them, and I'd like to show you what we've done to inspire, design and accelerate value with Moody's.

Now please welcome Bill Borden to the stage. Bill? (Applause.)

BILL BORDEN: Hey, Nick. Nice to be here.

NICK PARKER: Nice to see you. Please show us what you've done with Moody's.

BILL BORDEN: Sure. Just a couple of weeks ago, back in June, Moody's and Microsoft announced a new strategic partnership to transform Moody's vast market data platform using generative AI.

For our first use case, we've built the Moody's Copilot that can be accessed right inside of Teams. The copilot has been rolled out to all 14,000 Moody's employees worldwide,

and the Moody's team is super excited about this application. Let's take a look at the demo, and we'll show you how it works.

NICK PARKER: Cool.

BILL BORDEN: So in this scenario, Anna Willow, an investment advisor, works at a leading investment company. And she's sending an IM to Morgan Winter, who's a research analyst, who specializes in this sector, asking about a client that's looking to invest more in HLP manufacturing. Of course, Morgan suggests using the Moody's Copilot to assist them in their prep.

Anna tags the Moody's Copilot in Teams and asks for the latest insights on HLP manufacturing, focused on credit rating and financial performance. Moody's Copilot shares a summary of their strategy, products and commentary on how they can grow their business.

The copilot also provides data points in an adaptive card, which retrieves Moody's proprietary data about the company, including number of employees, revenue and ESG scores. The adapter card also has pre-loaded prompts with commonly asked follow up questions.

Now, Anna and Morgan review the data, and Anna now checks the issuer rating. The Moody's Copilot shares that HLP has an A2 rating and provides the citation to the research.

Now, Anna thanks Morgan for the help. She has all the data and insights she needs to have a really productive conversation with a really important investor customer.

Nick, the Moody's Copilot makes it really easy for users to access quickly data and insights about companies, using a very simple interface, and then exploring their more in a collaborative environment in Teams.

NICK PARKER: What I love about the demo, and there's multiple things that you and I chat about when we talk about this demo, first is the speed from that announcement to being able to deploy it across 14,000 in a production environment. Then, of course, it's a copilot that is essentially a plugin to Teams. So, you can go into the Teams app store and get that, get that copilot. Of course, you could also use Marketplace as your marketplace.

And I think what it's showing, particularly for our partners, is we're a platform for go to market and commercialization, as well as obviously a partner in the co-innovation. And so, it really starts to show some of those presentment layers that we've got to actually help the go to market move very quickly. And I think we're going to see more and more of this from the plugins for our partners, obviously infused with AI, showing up in our commercial platform.

Bill, thank you so much. Awesome.

BILL BORDEN: Terrific. Thank you.

NICK PARKER: Thank you. (Applause.)

I think that gives you a taste and how clear it is to see our industry growth strategy, and how we're going to invest and innovate together to drive new partner and customer opportunity. Many of the solutions that we have built and deployed together have leveraged our industry clouds. These are purpose built industry technology assets that verticalized our horizontal cloud services.

In the year ahead, we will continue to innovate these industry capabilities and provide extensibility to both you, our partners, and our customers. Additionally, we'll make increased investments in go-to-market activities to scale and simplify how we build and license industry cloud solutions together.

We know the partners that co-sell with us by industry are able to better meet customer needs and meet customers where they are. They're also able to grow faster and generate higher margins. These outcomes are driven by our unique go-to-market strategy, which is a combination of our extensible, world-class leading innovation, the largest sales force in the industry, and the scale of the Microsoft commercial marketplace. The Microsoft AI platform creates an unmatched opportunity to increase the success of everything we do together, moving forward. Thank you for all that you do as partners with us.

Now, I'd like to welcome Nicole Dezen, Microsoft's Chief Partner Officer. Nicole? (Applause.)

NICOLE DEZEN: Hi, everyone. I am so happy to be here with all of you today. And it's just awesome to see our 2023 Partner of the Year Award winners here with us live.

Satya and Judson said Microsoft has the most comprehensive enterprise portfolio in the market with the Microsoft Cloud, and AI is infused everywhere from the cloud to the edge across every one of our solution areas.

Today, I'm going to take you through everything the Microsoft AI Cloud Partner Program has to offer. First, partners of all types and every business model can seize this opportunity with the differentiated value of the Microsoft Cloud and our AI platform. Second, I'll talk about how you can differentiate yourself in the market with the new certifications and skilling for your sales and your technical talent. Third, we have fantastic new investments and incentives that you can take advantage of right away. And finally, I'm going to talk about how you can scale your go-to-market with us with our new AI resources.

In October, we launched the Microsoft Cloud Partner Program. This brought everything together across the entire partner lifecycle. This includes onboarding, skilling, go to market, incentives and co-selling. Our new Microsoft AI Cloud Partner Program has all

of those benefits, plus access to so many new offerings and capabilities that are specific to AI. And just as AI capabilities are infused throughout our portfolio, our AI benefits are wired throughout our program.

And great news, you don't have to do anything. We've already moved all of our existing partners effective immediately into the new program. You keep all your benefits and designations.

You heard today, the urgency and appetite of customers around AI is real, and this is creating new market opportunity. We're already seeing AI fueling productivity, lowering costs and accelerating innovation. We want to help you grow your business and deliver improved customer outcomes to our AI investments.

It's also great to see so many partners already innovating in copilot development by adding capabilities into new and existing apps. This is part of that AI advantage that Satya and Judson talked about.

Canadian company Thomson Reuters developed an intelligent contract drafting solution. It's powered by their legal products, content and Copilot for Word.

SAP's copilot is a digital assistant and bot integration hub for the Enterprise. Their generative AI is helping customers address their talent gaps by improving how they attract, retain and skill their talent.

Microsoft AI empowers every partner to thrive in the digital economy. You heard Satya talk about the impact this is going to have on GDP and the incremental $2.5 trillion opportunity for our partners. No matter what your business model, all of our partners can benefit. Microsoft's AI innovation enables partners to infuse AI into your IP, deliver AI services, build new AI value-added services, and create new experiences across the edge.

First, the momentum for partners that are building AI infused IP is significant. Partners that develop solutions on our cloud benefit from the breadth and scale of our portfolio across all of our commercial solution areas. And we have so many new benefits with the updated program.

I'm really excited to share that ISV Success is generally available now. ISV Success is the way that our ISV partners access our product and cloud benefits. This includes Azure Cloud credits, Microsoft 365 and Dynamics 365 developer SKUs. And at the end of this year, we're also going to add access to GitHub Copilot to get some more of that developer joy.

Satya talked about our mission and that our pursuit with AI economic growth must be in service of more inclusive growth. This is why we have such a deep commitment to strengthening the diversity of our partner ecosystem. It reflects the global landscape of our business, and it leads to better outcomes.

I'm going to share just a couple of examples of the diversity initiatives that we have with our partners. We've already showcased more than 200 of our partner solutions in our commercial marketplace. This is through the Microsoft Build for 2030 initiative. This includes AI for Good, and it's in support of the United Nations Sustainable Development Goals.

London, U.K. partner Signly is an AI for Good partner. Signly created this amazing app that uses AI. It enables written text to be translated into sign language. It makes web pages more accessible for deaf people in any language. It scans the text on any website for translation, and it automatically generates videos of sign language interpreters right on the screen. The Signly app uses Microsoft AI to take very complex tasks and automate them in seconds, improving the lives of millions of people.

We're also seeing so many startups using AI to fuel innovation type. Typeface is a Microsoft for Startups Pegasus member and a cloud-based generative AI platform for enterprise content. Typeface leverages generative AI and self-serve workflows to rapidly create marketing content in seconds. Content is high quality. It's on brand. It's 10 times more personalized. This reflects the company's unique brand voice, and it protects our IP at the same time.

I'm very excited to announce that a select group of Microsoft for Startups Founders Club Members is going to get exclusive access to Typeface's private preview offering. This is also just such a great example of startups helping other startups succeed through the Microsoft ecosystem.

Building IP with an AI copilot is also leading to the development of truly disruptive apps that can address global challenges. Symphony AI is a leading enterprise AI software company. They developed the Sensa Copilot. It was designed to address the $5 trillion annual problem of financial crime. Now we're going to take a look at how they're doing that.

(Video segment.)

NICOLE DEZEN: For those of you that are interested in building solutions powered by our Security Copilot, we're excited to announce a new Security Copilot Design Advisory Council as part of our new program.

Another aspect of the Microsoft AI opportunity is for those partners that migrate, modernize and infuse AI capability across existing and new applications. We know that 90% of enterprise apps are expected to have embedded AI within the next two years. This is a rallying cry for our services partners.

Accenture Avanade is a winner of multiple Partner of the Year awards, including Global SI. Avanade created an enterprise knowledge management system for a global oil and gas company. Over several decades, this customer had accumulated millions of unstructured and structured documents and records, and it was just making it very difficult for them to

run their business efficiently. To solve this problem, Avanade built a solution that uses generative AI to create organization-wide knowledge sharing and empower their decision-makers.

Microsoft AI is also transforming how our value-add and indirect partners support their own partner communities to deliver customer value. Partner of the Year Winner for Solution Assessments Insight Enterprises created the Insight Lens for Gen AI. This is a service offering that's available right now in our commercial marketplace, and it helps businesses unlock the potential of generative AI.

Neudesic, winner of multiple Partner of the Year awards, including Global Migration to Azure, deployed its Document Intelligence Platform to automate processes for a customer that just had these very tedious manual invoicing processes. This alone has saved this customer over $500,000 a year.

Indirect provider of the year, Ingram Micro, is helping their partners grow a more profitable business with Microsoft through their Xvantage AI-driven e-commerce platform. This helps their partners to manage their subscriptions, products and services, all through a customized single pane of glass.

There's also so much momentum for our device partners to accelerate, as devices are going to play such a key role in the era of AI. This creates a new opportunity for our device partners to build new services and experiences that are infused with AI.

I think the Yealink SmartVision 60 is a great example of this. It's truly a breakthrough in AI-powered collaboration and experiences for Teams rooms. The AI creates individual video feeds and visual labels for each of the in-room participants, helping those participants feel more included and more visible in the meeting. It also uses voice recognition to identify the speakers and the transcript. This pairs so beautifully with Microsoft's AI-based productivity tools like Microsoft 365 Copilot and Intelligent Recap in Teams.

Windows has an install base of more than 1 billion customers, and this is just such a rich platform for AI development, with tools, frameworks and services that are going to help you build intelligent apps and solutions for this user base.

Lenovo ThinkPad X13S is the first commercial notebook that's powered by Qualcomm's Snapdragon compute platform. It was also one of the first devices to debut Windows Studio Effects, which is a collection of AI-powered experiences. It leverages the built-in NPU in the device to create lower power and extend the battery life. We have many more AI-powered experiences that are coming soon from partners including AMD, Dell, HP, Intel and Nvidia.

At Microsoft Build, we announced that we're expanding our ecosystem of Microsoft copilots to include the Windows Copilot. We introduced new features that will help you build copilots, as well as next generation apps, including copilot plugins. You can sign up

now, so you can learn more about building plugins for Windows Copilot in the coming months.

We know that skilling and enablement are so critical to capacity, capability and staying ahead of customer expectations. Our new AI offering includes an AI Bootcamp, intermediate and advanced technical certifications, as well as remote and in-person workshops that are focused on AI.

Nick talked about our industrial metaverse offering. It's currently in private preview. This provides a great market opportunity for our IP services and our device partners, with both 5G and IoT. We're investing right now to help you build capabilities, with a learning path that's available today, and specializations, as well as sales readiness materials, are coming soon that will even further help you with your customer conversations.

I'm also very excited to announce that today, we are live with our new Build and Modernize AI apps with Microsoft Azure Specialization. Earning this specialization is a way to provide you with a means to differentiate your organization skills, to build intelligent apps across AKS, Cosmos DB and AI, and you'll be able to co-sell with our sales teams under our Modernize and Build Intelligent App solution play. This is just another example of how Microsoft is helping our services partners to differentiate themselves with customers.

We're also launching several new specializations this year. For business applications in Azure, we have a new Intelligent Automation Specialization. This helps you showcase your experience and success in implementing Power Automate solutions. And our new Business Intelligence Specialization is going to highlight your expertise in Power BI.

We're also introducing new designations to help customers easily identify partners that have the right expertise and the track record to serve their business needs. Our Support Services Designation is designed for those partners focused on the unique support requirements of our small and medium business customers.

Our Training Services designation is designed for those companies that deliver technical training on Microsoft's technologies. And ISV Designations, which will be available later this year, are going to differentiate our ISV partners and help customers to identify those organizations that have the software solutions that they need.

The Microsoft AI Cloud Partner Program provides unprecedented go-to-market investments to help all of you capture new opportunities.

Judson and Merrie talked about this; there are still millions of Windows and SQL Server licenses on prem. This is a significant opportunity to help those customers by migrating and modernizing their legacy apps to the cloud. Because let's be clear; customers can't take full advantage of all of the benefits of AI until they're in the cloud.

And so, to help you do that, we're tripling our investment in Azure Migrate and Modernize. We also have a brand new AI offering called Azure Innovate. This is an investment of over $100 million. This will help you win and onboard customers into analytics and AI. These investments work together. They're designed to help you meet customers wherever they are on their Azure journey. The AI Cloud Partner Program is also here to help you scale your go-to-market with us with AI.

Partners are an extension of our salesforce. You all do so much to help customers accelerate value realization on the Microsoft Cloud. We're really excited that this year we're launching MCEM for partners to extend Microsoft's sales methodology into our partner ecosystem. For all of us to align on how we bring our solution plays to market together is going to enable us to speak the same language to customers and just go to market in harmony.

I'm really thrilled to share that FY24 is the year of marketplace. We're making a series of strategic investments that are going to unlock Azure IP co-sell benefits. We have an awesome multi-year roadmap, and today we have new capabilities in market, including multi-party offers, Azure IP co-sell benefits, and several updates to our criteria for eligible Azure solutions. These changes are going to help you expand into new sales channels, and they're going to unlock sales growth by helping customers to maximize their committed cloud investments.

We've also created a new AI Transformation Playbook, also available today for all of our partners in our program. The playbook includes so many best practices and learnings from so many of you. We've added an overview of Microsoft's AI technology, as well as skilling recommendations to help your organization. And of course, it includes guidance on how to go to market with us with AI.

We're also introducing a new era of AI Campaign in a Box. This is going to help you drive demand for your AI-based solutions. This includes both an automated on-demand version, or there's one that you can download and customize to your business needs. And we're going to create campaigns for all 18 of our mainstream solution plays in 11 languages by the end of December.

Directly following the keynotes, you get to choose which Inspire content you want to view next. We'll be featuring sessions that go deeper on topics like solution areas, the Microsoft Cloud Partner Program and marketplace and a lot more. Each of these sessions will be followed by a live Q&A, so you can get your questions answered real time. We also have on-demand sessions that are focused on industries, how to get started as a Microsoft partner and many more topics there as well.

Microsoft only achieves our mission of empowerment with our partners. Satya said, this is a once-in-a-generation moment. Microsoft is making unparalleled investments through the breadth of the Microsoft AI Cloud Partner Program to help you seize this incredible opportunity. Thank you so much.

(Applause.)

SATYA NADELLA: Thank you so much, Nicole, Nick and Judson. That was a very comprehensive overview of everything that we have to offer, and we collectively have to offer to our customers.

I wanted to very quickly close out on three points related to both our opportunity and responsibility. First is our enterprise promises around AI. We want to be very, very clear that our customers' data is their own data, that none of that data is being used or will be used to train any frontier model or any AI model, and that all of their data and all of their AI models will be protected using the best enterprise security infrastructure. These are very important things for us to stress, and most importantly, to ensure that every customer feels assured that in this age of AI, they are well protected.

Second is our differentiation. If anything, throughout this keynote, I think you really saw the depth and breadth and the comprehensiveness of what we collectively have to offer to every room of the house. We do that not only as a comprehensive stack, but with a platform-first approach. That's what really the partner opportunity is. Whether you're a startup, an SI, an ISV, we get to address every need out there across the marketplace because of that platform-first approach.

We have a business model that is aligned with you, and we collectively have a business model that is aligned with the success of our customers and the communities and countries we serve.

And lastly, we want to build, and we engender trust in how we operate, how we do business, and that to me is what differentiates us as an ecosystem.

I want to close where I started. We don't build technology for technology's sake. We build technology so that we can empower every person and every organization in every community, in every country, across every segment, across every industry sector in the world. That's what really brings us together. That's what makes us unique. That's what gives us and our people a real meaning in the work we do.

So I thank you for your commitment, your contributions, and I want to close out by playing a video of the impact that all of you as Partners of the Year are having around the world. Thank you all very much. Enjoy the rest of Inspire. Thank you.

(Applause.)

(Video segment.)

END