

2026 EDITION MICROSOFT AI

The Ultimate Guide to Microsoft Copilot and Dynamics 365

From AI assistant to autonomous agent — how Microsoft Copilot and Dynamics 365 have evolved, what's changed in 2025–2026, and what your organization needs to know to keep up.

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What This Guide Covers

- The shift from Copilot-as-assistant to agentic AI
- AI-driven customer insights and engagement
- Copilots across every role and Dynamics 365 app
- The Work IQ convergence and what it means for your stack
- Operational benefits and how to act on them

The Impact of AI and Microsoft Dynamics 365

Artificial intelligence analyzes data, recognizes patterns, and predicts outcomes — and Microsoft has embedded it directly into the tools your teams already use. [Microsoft Copilot](#) integrates across the entire [Dynamics 365 suite](#), learning from your data and adapting to how your organization works.

What began as an AI assistant — surfacing summaries, drafting emails, suggesting talking points — has evolved into something fundamentally different. In 2026, Copilot is an **agentic AI layer**: it doesn't just suggest actions, it executes them. Autonomous agents now operate 24/7 inside Sales, Customer Service, Finance, Supply Chain, and Business Central, handling work that previously required human initiation.

That shift matters. It changes how you staff workflows, how you design processes, and how you measure ROI on your Dynamics investment.

64%

of businesses expect AI to
increase productivity

Forbes Advisor, 2024

90%+

of Fortune 500 companies
use Microsoft 365 Copilot

Microsoft FY26 Q1 Earnings

1,100+

new features shipped
across Microsoft 365 and
Copilot in the past year

Microsoft, 2026

The Biggest Change Since the Original Guide

The original framing of Copilot as a "brilliant assistant" is now underselling the technology. As of the 2025–2026 release waves, Copilot agents in Dynamics 365 can autonomously research leads, respond to cases, process payables, and manage inventory — without waiting for a human to initiate. The architecture has shifted from assisted work to delegated work.

AI-Driven Customer Insights: Now With Real-Time Unified Profiles

Customer Insights — Dynamics 365's AI-powered data platform — has expanded well beyond preference tracking and segment analysis. In 2026, it provides real-time, unified customer profiles that flow directly into Copilot and autonomous agents, so your teams can act on current data without switching systems.

With Copilot and Customer Insights working together, your teams can:

Understand customers in real time

Unified profiles update continuously, giving sales, service, and marketing a single current view of each customer — no data lag, no reconciliation.

Personalize at scale with AI agents

Copilot agents in Customer Insights – Journeys engage the right audiences automatically, adjusting messaging based on live behavioral signals.

Identify upsell and churn risk proactively

Predictive models surface at-risk accounts and upsell opportunities before your team would have spotted them manually.

Reduce service costs through AI deflection

AI agents handle routine queries and case triage autonomously, routing only complex issues to human agents — lowering cost per resolution.

Make faster, data-grounded decisions

Copilot surfaces insights in context — inside Outlook, Teams, or the Dynamics app itself — so decisions get made where work happens.

Connect data across the Microsoft ecosystem

Customer Insights integrates with Power Platform, Azure, and M365 Copilot, creating a consistent data layer across your entire technology stack.

Stat: 60% of business owners believe AI will improve customer relationships (Forbes Advisor). With real-time unified profiles now standard in Customer Insights, the infrastructure to deliver on that expectation is in place.

Copilots for Every Role — Updated for 2026

Microsoft has expanded Copilot across every major Dynamics 365 app and platform product. The capabilities below reflect the current state as of the 2025 Release Wave 2 and 2026 Release Wave 1 — not the 2024 preview-era descriptions.

Copilot in Dynamics 365 Sales

Autonomous agents now research leads, synthesize account context from CRM and M365 sources, and engage prospects proactively. Sellers get AI-generated meeting prep, opportunity summaries, and deal risk alerts — all surfaced in context without leaving Outlook or Teams.

Customer Insights – Journeys Copilot

Copilot and AI agents orchestrate personalized customer journeys across channels automatically, adjusting based on real-time behavioral data. Lead generation and audience engagement run with minimal manual configuration.

Customer Service Copilot

Four AI agents reached general availability in October 2025, handling case triage, knowledge retrieval, and intent recognition. Supervisor tooling gives managers real-time visibility into agent activity, telemetry, and outcomes.

Copilot in Field Service

AI-generated work orders, intelligent technician scheduling, and mobile usability improvements now include vendor coordination and deeper integration with Project Operations — reducing dispatch delays and on-site rework.

Finance Copilot

Agents drive faster financial close, automate routine reconciliation, and support large-scale operations with predictive cash flow modeling and business performance analytics. Financial threat detection operates continuously in the background.

Supply Chain Management Copilot

A new supplier communication agent automates vendor interactions. Event and promotion-aware demand forecasting, improved quality management for sample handling, and warehouse app upgrades ship in 2025 Wave 2.

Copilot in Business Central

Intelligent agents now handle payables processing, approvals, task management, and content review autonomously. Natural language queries, automated reporting, and deeper Power Platform integration round out a significant release wave investment.

Copilot for Power BI

Auto-generated reports, page summaries, and natural language Q&A remain core capabilities. Integration with Microsoft Fabric and real-time Dataverse data makes Power BI a live operational dashboard, not just a reporting layer.

Copilot in Power Apps

App creation via natural language prompts is now in broader availability. Public preview of Work IQ integration launched in March 2026, allowing users to interact with Power Apps data conversationally through M365 Copilot — without opening the app.

Copilot for Power Automate

Build, modify, and troubleshoot flows using natural language inside the flow studio. Copilot now suggests automation opportunities based on observed workflow patterns, not just explicit prompts.

Copilot Studio

The platform for building, extending, and governing custom AI agents across Dynamics 365, Power Platform, and M365. The 2026 focus is lifecycle management, enterprise governance, and agent telemetry — moving from experimentation to production operations.

Security Copilot

Now included for all Microsoft 365 E5 customers (rolling out through 2026). Security Copilot agents are embedded into Defender, Entra, Intune, and Purview workflows — with more than 70 Microsoft and partner-built agents available.

GitHub Copilot

Coding assistance, debugging support, and component design guidance — with model improvements that make suggestions more accurate and context-aware in 2025–2026 releases.

Copilot in Microsoft 365 Apps

Teams, Outlook, Word, PowerPoint, Excel, OneNote, Loop, Stream, and SharePoint all include Copilot capabilities. Copilot Chat now adds inbox and calendar awareness and access to Word, Excel, and PowerPoint agents as of March 2026.

New in 2026: Work IQ — The Convergence Layer

Work IQ is Microsoft's intelligence framework that pipes Dataverse business data into the M365 Copilot experience. In practical terms: users can query and update Dynamics 365 Sales, Customer Service, and Power Apps records conversationally through M365 Copilot — without opening a Dynamics app. Microsoft is positioning M365 Copilot as the primary interface layer, with Dynamics 365 apps as the data and logic engine underneath. If you're planning your Dynamics strategy, that convergence should factor into your training and rollout decisions now.

Optimizing Operations With Agentic AI

The operational case for Copilot and Dynamics 365 has strengthened considerably since 2024. The platform no longer just assists with decisions — it executes routine work, governs data consistency, and generates insights that would require dedicated analyst time to produce manually. Here's how the capability set maps to operational outcomes in 2026:

Autonomous task execution

AI agents in Sales, Finance, Customer Service, and Business Central handle defined workflow tasks end-to-end — lead research, case triage, payables processing, approval routing — without human initiation.

Predictive insights on live data

Copilot analyzes patterns across your Dataverse data in real time, surfacing emerging deal risks, demand shifts, cash flow stress, and churn signals before they become problems.

Integrated workflows across the Microsoft stack

With Work IQ connecting Dynamics 365 to M365 Copilot, data and workflows are consistent across Outlook, Teams, and every Dynamics app — no manual reconciliation, no context switching.

Enterprise-grade governance and telemetry

Copilot Studio now includes agent lifecycle management, usage telemetry, and governance controls — so IT and operations leadership can track what agents are doing, where they're adding value, and how to course-correct.

Personalized experiences at scale

Real-time unified customer profiles from Customer Insights feed Copilot and agent decisions across Sales, Service, and Marketing — so every customer interaction is informed by current data, not stale records.

Robust security embedded in workflow

Security Copilot agents operate inside Defender, Entra, Intune, and Purview — detecting and responding to threats at machine speed, embedded in the tools your security team already uses.

Streamlined operations through automation

Power Automate Copilot identifies automation opportunities proactively. Business Central agents reduce manual data entry, approval bottlenecks, and repetitive finance tasks — compounding efficiency gains across the org.

AI investment visibility and ROI

Copilot Studio's new agent reporting surfaces time-saving and cost-saving metrics by agent — giving operations and finance leadership a concrete view of what the AI investment is actually returning.

Note on pricing: Microsoft 365 Copilot is currently priced at \$30/user/month for enterprise and \$18/user/month for SMBs (under 300 users). Microsoft has announced commercial pricing updates effective July 1, 2026. Verify current licensing with your Microsoft partner before budgeting.

GET STARTED

Ready to Put Copilot and Dynamics 365 to Work?

TrellisPoint has 20+ years of experience implementing and optimizing [Microsoft Dynamics 365](#) and [Power Platform](#). Whether you're evaluating [Copilot](#) for the first time or planning an agentic AI rollout, we can help you build a strategy that fits your organization.

[Talk to a Dynamics Advisor](#)



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