

Microsoft Copilot Buying Checklist for SMBs

A practical, vendor-neutral checklist covering licensing, data readiness, governance, and a 30-day pilot. Designed for UK small and medium businesses making their first serious Copilot decision.

How to use this document: work through it as a team - ideally with your IT lead, an operations sponsor, and one finance voice in the room. Anything you cannot tick is not a blocker, but it is a risk you should name before you sign.

1. Define the business case

Before you talk to anyone about licences, get clear on what you are trying to change.

- Named the two or three workflows you most want Copilot to improve (e.g. proposal drafting, meeting follow-ups, finance variance commentary).
- Estimated current time spent on those workflows per week, per person.
- Agreed what 'good' looks like in 90 days - hours saved, faster turnaround, fewer errors, or higher quality output.
- Identified an executive sponsor who owns the outcome, not just the budget.
- Confirmed this is not being bought because a competitor mentioned it at a conference.

2. Pick the right Copilot for the job

Copilot is a family, not a product. Match the use case to the SKU before you cost it.

Copilot Chat (free, with enterprise data protection)

- Confirmed every employee with a work Microsoft account has access.
- Briefed the team that this is the safe place for ad-hoc AI use - not consumer ChatGPT.
- Added it to onboarding and your acceptable use policy.

Microsoft 365 Copilot (per-user add-on)

- Identified 10-20 power users across functions who will pilot it for 90 days.
- Confirmed those users live in Word, Excel, PowerPoint, Outlook, and Teams daily.
- Checked their existing M365 plan is eligible for the Copilot add-on.
- Modelled annual cost per seat and compared against estimated time saved.

Specialist Copilots (Sales, Service, Finance, Dynamics)

- Confirmed the underlying system (Dynamics 365, Salesforce, SAP) is in active use and reasonably clean.
- Spoken to the team who would use it - not just the manager who would buy it.
- Decided whether this is a 'now' purchase or an 'after M365 Copilot lands' purchase.

GitHub Copilot

- Counted developers who would benefit, not total engineering headcount.

- Agreed a code review and security policy for AI-assisted code.

Copilot Studio (custom agents)

- Identified one narrow, repeatable workflow worth building an agent for.
- Named an internal owner who will maintain the agent after launch.
- Treated the first build as a learning exercise, not a production system.

3. Licensing and commercials

- Confirmed your current Microsoft agreement type (CSP, EA, MCA) and who your reseller is.
- Got a written quote covering year-one and year-two pricing - not just month one.
- Asked about minimum seat counts, ramp deals, and any pilot pricing.
- Checked whether existing Microsoft 365 plans need upgrading before Copilot can be added.
- Modelled the all-in cost: licences + internal time + change management + training.
- Agreed an exit position - what happens at renewal if adoption is weak.
- Recorded the decision and rationale somewhere your future self can find it.

4. Data readiness and security

Copilot is only as good as the data it can see. It will also surface anything users already had access to but never noticed - which is where most early problems come from.

Permissions and oversharing

- Reviewed SharePoint and OneDrive sharing settings - especially 'anyone with the link' and company-wide shares.
- Audited Teams sites and channels for over-broad membership.
- Identified sensitive folders (HR, payroll, M&A, legal) and confirmed access is tightly scoped.
- Run a sample search as a typical employee account to see what Copilot would actually surface.

Sensitivity labels and DLP

- Decided on a small, usable set of sensitivity labels (e.g. Public, Internal, Confidential, Restricted).
- Applied labels to the highest-risk content first.
- Configured Data Loss Prevention policies for obvious categories (card numbers, NI numbers, client PII).

Records and retention

- Confirmed retention policies are in place for email, Teams chat, and SharePoint.
- Cleaned up obvious junk (old project sites, ex-employee OneDrives) where practical.

Tenant hygiene

- Confirmed MFA is enforced for all users.
- Reviewed admin role assignments - fewer global admins, not more.
- Checked guest access settings on Teams and SharePoint.

5. Governance, policy, and people

- Drafted a one-page AI acceptable use policy covering Copilot and consumer tools.
- Communicated what staff can and cannot put into AI - especially client data.
- Agreed how AI-generated content is reviewed before going to clients.
- Briefed line managers so they can answer the obvious questions.

- Told the works council, union representatives, or staff forum if you have one.
- Updated your privacy notice if Copilot will process personal data in new ways.
- Decided how you will respond if a customer asks 'do you use AI on our data?'

6. The 30 to 90-day pilot

A pilot exists to learn, not to prove. Treat it as a structured experiment with a clear stop / scale / pivot decision at the end.

Setup (week 0)

- Selected 10-20 pilot users across at least three functions.
- Confirmed each pilot user has a real, named workflow they will use Copilot on.
- Captured a baseline: hours per week on the target workflow, current quality, current pain points.
- Booked a 60-minute kickoff covering use cases, prompting basics, and the data policy.
- Set up a private Teams channel for pilot users to share wins, prompts, and complaints.

During the pilot (weeks 1-8)

- Held a 30-minute weekly check-in for the first four weeks.
- Captured the three most-used prompts per role, written down and shared.
- Logged any data, security, or quality issues - even small ones.
- Asked one question every fortnight: 'what would make you give this up tomorrow?'

Decision point (weeks 9-12)

- Re-measured time spent on the target workflows.
- Collected qualitative feedback in writing - not just verbally.
- Compared adoption rate (active weekly users) against your 90-day goal.
- Made an explicit decision: scale, hold, or stop. Documented why.
- If scaling: defined the rollout sequence, training plan, and the next licence count.
- If stopping: captured what you learned so you do not repeat the mistake in 18 months.

7. Measuring success after rollout

- Defined two or three outcome metrics tied to the original business case.
- Set up Microsoft's adoption reporting (or an equivalent dashboard).
- Agreed a quarterly review cadence with the executive sponsor.
- Built a simple internal 'prompt library' so good practice spreads.
- Identified champions in each function to keep momentum going.

8. Red flags - reasons to pause

If three or more of these are true, slow down before you sign.

- No named executive sponsor with skin in the game.
- No specific workflow in mind - just a general feeling that 'we should be doing AI'.
- SharePoint and Teams permissions have not been reviewed in over a year.
- No MFA, or significant numbers of shared accounts.
- Reseller is pushing a large multi-year commitment with no pilot stage.

- Pilot users would be senior people who do not actually use M365 day-to-day.
- No one inside the business is excited - it is being driven by a single board member or vendor.

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