Microsoft 365 Copilot chat

Activation Guide for IT Decision-Makers

How to enable Copilot Chat Basic responsibly, save time, and prove value

Why organisations are starting with Copilot Chat Basic?

Many organisations already see employees using AI tools in their day-to-day work. The question is not whether AI is being used. It is whether it is used securely, responsibly, and in line with organisational policies.

Copilot Chat Basic provides a sanctioned AI experience with enterprise data protection built in. It is available with many eligible Microsoft 365 subscriptions. It gives organisations a practical starting point for introducing AI, building user confidence, and learning where AI delivers value.

Copilot Chat Basic can be enabled quickly. Successful adoption still takes more than activation alone. Organisations should plan for governance, user guidance, success measures, and ongoing review. That keeps AI delivering value in a controlled and sustainable way.

This guide will help you:

- Understand the difference between Copilot Chat Basic and Microsoft 365 Copilot Premium.
- Identify what Copilot Chat Basic can and cannot do.
- Review the key considerations before activation.
- Establish appropriate governance and user guidance.
- Measure adoption, confidence, and business impact.
- Understand when to consider broader Microsoft 365 Copilot Premium capabilities.

Understanding Microsoft Copilot: two products, one name

Microsoft uses the Copilot name across two distinct products. That creates confusion. Before enabling anything, it helps to know the difference.

Microsoft 365 Copilot Premium

This is a paid licence that connects Copilot to your organisational data. Emails, Teams messages, meeting transcripts, and SharePoint documents all become searchable through the same chat interface.

Here we focus on Copilot Chat Basic. It is the starting point. No additional licence cost. No new infrastructure. Enterprise data protection built in.

Every action and prompt in this guide works within your current M365 subscription. No additional licence, deployment, or procurement is needed.

It is the fastest way to give your teams a sanctioned AI tool and start building the right habits.

Copilot Chat Basic

This is included at no extra cost with eligible M365 subscriptions. It is available to all users with a Microsoft Entra ID account on eligible Microsoft 365 subscriptions such as Business Premium, E3, or E5. It searches the web, analyses files you upload, and drafts content. It does not access your organisation's internal data.

What Copilot Chat Basic does

- Searches the web and returns results with citations.
- Analyses documents, spreadsheets, and PDFs you upload.
- Drafts content, generates ideas, and summarises information.
- Runs inside your M365 security boundary. Prompts are never used for model training.

Copilot Chat Basic is not grounded in organisational data by default. Users can upload files manually, but access to data such as emails, Teams messages and SharePoint content requires Microsoft 365 Copilot Premium.

AI in the modern workplace

Copilot Chat Basic addresses a concern that most IT leaders already have: the rapid spread of unapproved AI tools across the organisation.

The industry calls it shadow AI. Staff using personal ChatGPT accounts, free AI writing tools, and consumer-grade assistants to handle work tasks. They are not doing it to cause problems. They are doing it because the tools are useful and no one has given them an approved alternative.

Microsoft UK research found that 71% of UK employees have used unapproved consumer AI tools at work. Over half do so every week. Uses include drafting workplace communications, writing reports, and handling finance-related tasks. Only 32% expressed any concern about data privacy. And 28% said their company simply does not provide a sanctioned option.

The security implications are real. IBM's 2025 Cost of a Data Breach Report found that 20% of breaches studied were linked to unauthorised AI tools.

This is not a future risk. It is current. Copilot Chat Basic gives every eligible M365 user a sanctioned AI tool within your existing security boundary. Prompts and responses are protected under Microsoft's enterprise data protection commitments and are not used to train foundation models. They are logged for audit purposes in Microsoft Purview, and responses remain within the Microsoft 365 service. Enabling Copilot Chat Basic does not add risk. It is reducing one that already exists.



Copilot will save you time

The productivity evidence is substantial.
It comes from government trials, analyst studies, and large-scale enterprise deployments.

26
minutes saved per day

UK Government trial of 20,000 civil servants across 12 departments. That is over 8.5 hours per month, or nearly two working weeks per year per person.

9
hours saved per month per user

Forrester Total Economic Impact study. For a team of 50, that is 450 hours reclaimed every month, equivalent to nearly 3 full-time roles.

116%
projected ROI over three years

Forrester TEI study commissioned by Microsoft, based on interviews with 16 decision-makers across 12 organisations.

These numbers matter.
But they only tell part of the story.

The real value is not just speed. It is what people do with the time they reclaim. Every organisation has essential work that nobody has time to finish. Policy documents that stay outdated for months. Troubleshooting guides that exist only in someone's head. Vendor comparisons that never get past a quick search.

Copilot does not remove that work. It accelerates it. A first draft that would take 45 minutes arrives in seconds. A comparison table that would take an afternoon gets a structured start in minutes. The task still needs human review. But the barrier to starting drops to almost nothing.

Staff spend less time assembling information and more time acting on it. Less time formatting status reports and more time on the analysis those reports should contain.

Microsoft's research found that the value tipping point arrives at around 11 weeks of consistent use. Early impressions are unreliable. Organisations that commit to sustained use see compounding returns.

Who needs to be involved?

Copilot Chat Basic is free. That does not mean it should be enabled without thought. A simple process drives more value and avoids common missteps.

Three groups typically need to coordinate.

1

IT and infrastructure

Copilot Chat Basic is already provisioned through your M365 tenant. IT confirms eligibility, reviews Entra ID licensing, and ensures conditional access policies apply. No new infrastructure is needed. The role here is to confirm, not to construct.

2

Security and compliance

The security team reviews the data protection model. Copilot Chat Basic's enterprise data protection means prompts and responses are processed within the M365 boundary. They are available for audit through Microsoft Purview and eDiscovery. Security confirms that the setup meets governance requirements and signs off on the rollout.

3

Business stakeholders

Department heads and team leads shape adoption. They identify the tasks that matter, encourage experimentation, and provide feedback on what works. Without business engagement, adoption stalls after the first week. This is where most rollouts fail.

A lightweight governance process, even for a free tool, gives everyone confidence that the enablement is deliberate and supported.

What to check before enabling

Copilot Chat Basic requires no new deployment. These checks ensure a confident rollout.

Licensing eligibility.

Confirm your M365 subscription includes Copilot Chat Basic. Business Premium, E3, and E5 plans qualify. Check user assignments in the Microsoft 365 admin centre. All actions described in this guide are achievable with these existing plans at no extra cost.

Data protection review.

Confirm that enterprise data protection is active for your tenant. Verify that Microsoft Purview is configured for auditing and retention. Review any existing data loss prevention policies.

Conditional access.

Ensure that conditional access policies apply to Copilot Chat Basic as they do to other M365 services. This maintains your existing security boundaries without additional configuration.

Acceptable use guidance.

Staff need clear direction on what Copilot Chat Basic can and cannot do. Key points to communicate include: never paste passwords, API keys, or sensitive credentials into prompts. Always verify AI-generated output before sharing with stakeholders. Use placeholder names for sensitive data when building templates.

Enablement planning.

Decide which teams will adopt first. Prepare role-relevant prompt examples to give staff practical starting points. Assign an internal champion in each pilot team to share what works and surface questions early.

Governance.

Governance does not need to be complicated. Copilot Chat Basic is simple to activate. Organisations still benefit from clear ownership and guidance. Those who see the most value typically agree on five things before rollout.

Ownership.

Identify who is responsible for enabling, governing, and reviewing the use of Copilot Chat. This is often shared between IT, Security, and business stakeholders.

Acceptable use.

Give users clear guidance on how to use Copilot Chat Basic. Cover expectations around reviewing outputs, handling sensitive information, and using AI responsibly.

Information protection.

Review existing data protection controls, including sensitivity labels, data loss prevention policies, and information classification standards, so they align with your AI strategy.

Human accountability.

Copilot can accelerate work, but users remain accountable for decisions, communications, and content produced using AI. Outputs should always be reviewed before use.

Ongoing review.

Schedule regular reviews to track adoption, gather feedback, and identify where more guidance or governance may be needed.

Common concerns and misconceptions

IT leaders raise the same concerns repeatedly. Each one has a documented answer.

“Copilot trains on our data.”

It does not. Microsoft confirms that customer data, including prompts and corporate content, is not used to train foundation models. This is documented on Microsoft Learn.

“Copilot Chat Basic searches our emails and files.”

The free version does not. Copilot Chat Basic is grounded in web data only. Users can upload files manually. Organisational data access requires a paid Copilot Premium licence.

“Copilot stores our data somewhere new.”

It does not. Copilot does not create new repositories or maintain persistent memory. All interactions are processed within your tenant’s existing M365 storage, audit, and retention framework.

“We cannot audit what people do with it.”

You can. Microsoft provides audit and compliance capabilities through Microsoft Purview, including visibility into Copilot activities and administrative events.

“Copilot can see everything in M365.”

It cannot. Copilot respects existing permissions enforced through Microsoft Graph. It never accesses content a user is not allowed to view. If unexpected information surfaces, the cause is over-permissive sharing, not Copilot expanding access.

“Copilot knows the latest compliance standards.”

Not exactly. Copilot Chat Basic searches the web for current information. It does not include built-in, up-to-date knowledge of frameworks such as NIST or ISO 27001. For the most accurate comparison, upload the latest standard PDF and ask Copilot to review your document against it. Always verify the output against the authoritative source.

What a good first activation looks like

Organisations that get lasting value from Copilot Chat Basic share a few patterns.

They start with specific tasks, not general access.

Pick two or three teams. Give them defined use cases: drafting reports, researching vendors, summarising documents, and creating meeting agendas. Specificity produces measurable outcomes.

They share prompts, not just the tool.

Access without guidance leads to vague prompts and poor results. Share examples that apply to each role The Softcat blog series provides five practical prompts each for IT Managers, Project Managers, and Leadership, with more roles to follow.

They teach prompt structure, not just prompt examples.

Good prompts follow a simple pattern: Goal (what you need), Context (background details), Source (where to look), and Expectation (format and length). This is the GCSE framework. The blog series applies it throughout. When staff understand why a prompt works, they write better ones of their own.

They set expectations honestly.

Copilot produces first drafts, not finished work. Staff who understand this use it more effectively. Those who expect polished output stop using it within days. Think of it as a productivity tool, not a work replacement.

They commit to 11 weeks.

Microsoft's research identifies 11 weeks as the tipping point. Early impressions are unreliable. The habit needs time to form.

They gather feedback and iterate.

After four to six weeks, ask: Which tasks are faster? Where is the output falling short? What guidance do teams still need? This feedback shapes the case for the paid tier.

How to measure success

Enablement is only the first step. Organisations that achieve lasting value set measures from the start. Focus on a mix of adoption, confidence, and business outcomes.

Adoption

- Number of active users.
- Repeat usage over time.
- Usage across different departments.

User confidence

- Self-reported confidence using Copilot.
- Quality of the prompts being created.
- Number of use cases shared internally.

Business impact

- Time saved on common tasks.
- Faster content creation.
- Less effort spent searching for information.
- Improvements in employee experience.

Readiness to scale

After several weeks of use, organisations should be able to answer:

- Which use cases are creating value?
- Which teams are seeing the greatest benefit?
- Is there a case to expand into Microsoft 365 Copilot Premium?

Free Copilot Chat Basic vs paid Microsoft 365 Copilot Premium

Copilot Chat Basic helps users work with web content and files they provide. Microsoft 365 Copilot Premium extends that experience by connecting Copilot to organisational data that users already have access to.

The difference is not simply what Copilot can do; it is what information Copilot can work with.

Start with Copilot Chat Basic when you want to:

- Introduce AI safely
- Build user confidence
- Gather feedback
- Identify valuable use cases

Consider Microsoft 365 Copilot Premium when you want to:

- Work across emails, Teams and SharePoint
- Reduce time spent finding information
- Surface organisational knowledge
- Enable richer AI experiences and agents

Feature	Free Basic	Paid Premium
Web search and research	✓	✓
Upload and analyse files	✓	✓
Enterprise data protection	✓	✓
Content drafting and summaries	✓	✓
Access to organisational emails		✓
Teams chats and transcripts		✓
Sharepoint document search		✓
Researcher and Analyst agents		✓
Custom agents (Copilot studio)		✓
Priority access and voice		✓

The paid version changes what Copilot can reach, not just what it can do. A prompt like “summarise this week’s project updates” turns a blank page into a compiled summary drawn from actual Teams and email threads.

For any knowledge role that depends on finding and combining information, the paid tier delivers real value. The free tier is where you prove the case for that investment.

How Softcat supports your Copilot journey

Copilot Chat Basic can be enabled in minutes. Lasting value takes more than activation alone. Organisations that see the greatest impact combine strong governance, user adoption, and a clear plan for scaling AI across the business.

Softcat supports every stage, helping you move from first use to measurable business impact.

Ready your environment through licensing, entitlement, and technical readiness reviews.

Measure and demonstrate value through adoption reporting, success measures, and feedback that shows what is working and where more support is needed.

Improve the quality of Copilot responses by reviewing SharePoint structure, permissions, and content governance.

Unlock more value through custom agents and Copilot Studio solutions grounded in your organisational knowledge.

Accelerate adoption with workshops, pilot planning, champions programmes, and role-specific guidance.

Maintain control and trust with governance, compliance, and security guidance aligned to your business requirements.

Softcat

Copilot

To discuss your Copilot Chat Basic activation or plan for the paid tier, contact your Softcat account team.