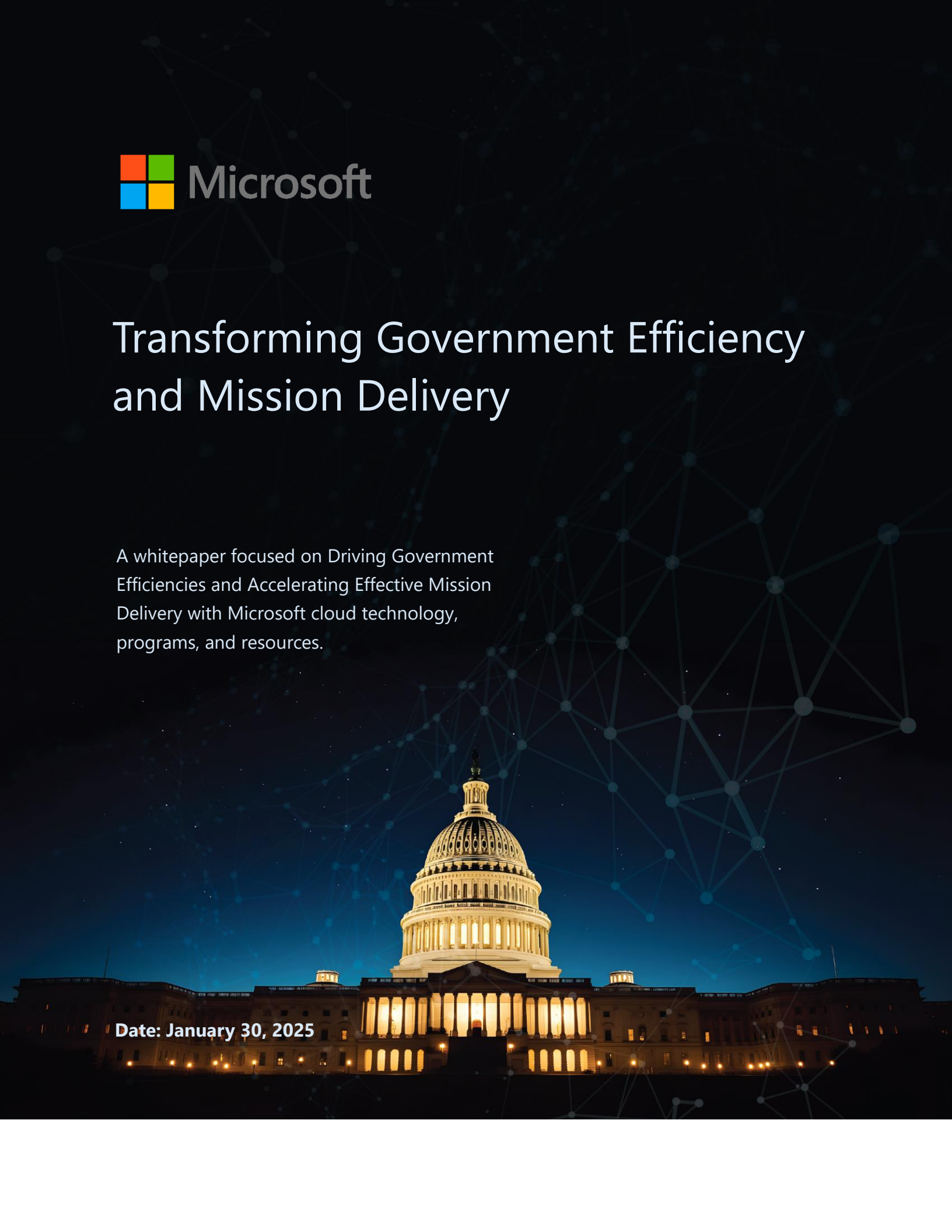




Transforming Government Efficiency and Mission Delivery

A whitepaper focused on Driving Government Efficiencies and Accelerating Effective Mission Delivery with Microsoft cloud technology, programs, and resources.

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Foreword

Our U.S. Government agencies stand at the brink of a transformative era, with opportunities to enhance services, strengthen interagency collaboration, reduce costs, and improve efficiencies while upholding the highest standards of security and compliance. Microsoft is proud to partner with government leaders in supporting government mission delivery more effectively through innovative cloud solutions. The need to reduce federal spending while maintaining effective government operations has never been more critical. In this context, the opportunity to lower costs while enhancing mission and citizen services delivery is unprecedented. Modernization and automation powered by optimized platforms unlock new potential. By prioritizing these efforts strategically, agencies can streamline operations, reduce inefficiencies, and dramatically enhance the impact of government services—delivering greater value to our citizens and businesses while enhancing national security. This approach not only addresses immediate fiscal challenges but also builds a stronger, more agile foundation for the future.

This transformative moment also presents a chance to leverage cutting-edge technologies like artificial intelligence (AI) to drive efficiency, improve citizen services, and boost the nation's economy. Throughout history, general purpose technologies—such as electricity, semiconductors, and software—have revolutionized industries and shaped societies. Today, AI, along with cloud

computing, process automation, and advanced analytics, is driving similar change. By embracing these innovations, agencies can rethink cumbersome IT silos, adopt integrated, collaborative systems that are more resilient and manageable, and strengthen their ability to deliver on critical missions and innovate as a nation while safeguarding national security.

A key part of this transformation is equipping the federal workforce with the skills and resources needed to adopt and maximize the potential of new technologies. Microsoft's commitment to skilling is not just about technology adoption—it's about ensuring agencies and citizens alike can thrive in a world where using AI becomes a natural extension of everything we do. Over the past year, Microsoft has trained over 23 million people across 200 countries in digital skills.

For over nearly fifty years, Microsoft has proudly partnered with the U.S. Government to improve efficiency and enhance the experience for citizens while achieving mission and national security objectives. We welcome the opportunity to discuss these ideas further. Please contact your account team or govefficiency@microsoft.com if you would like to explore how we can support your goals.

Executive Summary

The U.S. federal government faces a unique opportunity to revolutionize its operations by embracing technology-driven modernization. More than 80% of the federal government's IT budget is traditionally consumed by maintaining outdated systems, leaving little room for innovation and optimization.¹ In addition to being expensive to maintain, many of these systems utilize legacy technologies that are difficult, if not impossible to harden against today's cyber threats. These aging and often duplicative legacy systems not only impede the efficiency of government services but also create friction for citizens and corporations relying on critical programs such as benefits, permits, and grants. Moreover, as cyber threats grow in complexity and frequency, these older systems expose vulnerabilities that undermine national security. In comparison, well-optimized IT enterprises typically allocate closer to 60-70% of their budgets to maintaining existing systems, underscoring the federal government's disproportionate use of limited funds to sustain outdated technology. To address these challenges, modernizing federal information systems and infrastructure is essential: modernization will enable seamless service delivery to citizens and strengthen the federal government's threat mitigation, detection, and response capabilities.

Over the past decade, American private sector businesses have successfully tackled similar challenges by transitioning to modern, cloud-based computing platforms increasingly

powered by AI. Governments, however, face unique obstacles in achieving the same progress, not only due to the absence of well-structured modernization initiatives, but also workforce skill gaps caused by limited training opportunities. These initiatives are crucial to funding, executing, and optimizing technology platforms that empower agencies to make the necessary investments to eliminate waste and duplication, while also consolidating data silos. Taking such steps is essential for driving impactful, data-driven decisions through modern data analytics and AI.

Through the power of AI today, our research shows that 70% of employees are reporting increased productivity and a 29% faster completion rate for tasks like developing Q&As or enhancing content for the agency's web site for improving the delivery of citizen services, or researching and summarizing issues or topics for the program office or agency leadership, all of which are common in government mission delivery.² Recognizing this opportunity, many agencies are partnering with Microsoft to integrate generative AI into core processes, such as repetitive acquisition actions, budget and financial management, and responding to citizen requests. These efforts not only help agencies address substantial backlogs but also empower their workforce with modern tools and the necessary training to drive sustainable efficiency and innovation. Process automation capabilities further reduce time spent on routine activities like meeting scheduling by more than 50%, allowing employees to focus

on higher-value initiatives. These innovations illustrate the tangible ways new technology can strengthen government operations and deliver meaningful benefits to both employees and citizens.

Microsoft is actively engaged with government agencies to realize significant cost savings, enhance service delivery, and increase citizen trust through the following opportunities:



1. Reduce Legacy IT and Enhance Security Through Cloud Modernization: Migrating to secure, scalable cloud infrastructures can significantly reduce the high costs of maintaining legacy IT and communication systems while improving security and operational agility.



2. Harness AI-Infused Automation to Improve Responsiveness and Reduce Costs: Implementing AI-driven automation can streamline routine tasks, enhance responsiveness, and reduce operational costs, allowing employees to focus on the mission.



3. Modernize Federal Finance and Fight Waste, Fraud, and Abuse: Optimize revenue collection, reduce fraud, and ensure accurate service delivery through cloud machine learning (ML) and AI.



4. Foster Collaboration and Enhance Service Delivery through Unified Platforms: Unified digital platforms running on modern, secure cloud technology can deliver services to citizens seamlessly and efficiently, leveraging AI-enabled insights across agencies.



5. Strengthen Cybersecurity Measures: Strengthening cybersecurity measures is crucial to combat the growing risk of cyber threats and safeguard sensitive government data.



6. Advance American Science and Discovery: Investing in high performance computing can help maintain the country's leadership position in the global economy by advancing science and discovery.



7. Optimize Supply Chains with AI: AI-driven analytics can streamline procurement processes, reduce inventory costs, improve logistics, and optimize operational efficiency and effectiveness.



8. Transform Healthcare Delivery and Enhance Outcomes: AI, ML, and cloud computing capabilities can help improve diagnostic precision, increase productivity, and reduce costs while enhancing client and provider satisfaction.



9. Improve Employee Productivity to Optimize Focus on Mission: Investing in the latest tools will help streamline workflows, optimize resources, and enable government employees to focus on what matters most: their mission.



10. Enhance the Skills of the Workforce to Implement National Strategies: Empower federal employees to thrive in a technology-driven environment by identifying skill gaps, fostering continuous learning, and aligning training programs with mission objectives.

Modernizing at Microsoft: Efficiency, Agility, and Resilience

The U.S. federal government faces mounting pressure to deliver more efficient services, enable seamless interagency collaboration, and accelerate decision-making—all while lowering costs and maintaining stringent security standards. This challenge is compounded by continued reliance on legacy IT systems that hinder agility, increase operational costs, and expose vulnerabilities to evolving cybersecurity threats.

In an era where timely decision-making can impact critical areas like public health, national security, and disaster response, technology serves as a transformative enabler. Cloud computing, AI, and data governance solutions offer government agencies a path to modernize their information systems, enhance collaboration, and secure sensitive data. By embracing these technologies, agencies can unlock new efficiencies, optimize their workforce, and deliver better services to the public.

Microsoft's own journey in IT modernization demonstrates the transformative power of cloud technologies, AI, and robust data governance. This path, shaped by an early recognition of the high costs, inefficiencies and risks associated with operating legacy systems, offers an invaluable roadmap for government agencies navigating similar challenges posed by inefficient operations, legacy and duplicative systems, as well as siloed platforms.

By using these tools, Microsoft achieved substantial cost savings, improved agility, and enhanced operational resilience.

In its early years, Microsoft also contended with siloed legacy systems, which were costly to maintain, difficult to scale, and inadequate for modern operational demands. For instance, managing global operations using disparate systems constrained innovation and created inefficiencies. Recognizing these limitations, Microsoft transitioned to a cloud-centric architecture using Microsoft Azure. This shift yielded significant benefits, including measurable operational cost reductions and increased system scalability, allowing Microsoft to support over 220,000 employees worldwide efficiently while maintaining the security of our critical intellectual property and employees' personal information. The pivot to the cloud also facilitated the transitions required during the 2020 pandemic, enabling consistent service reliability and business continuity globally for our employees, as well as for our customers.³

AI played a pivotal role in Microsoft's modernization, enhancing operational excellence and productivity across the organization. The introduction of Microsoft 365 Copilot and generative AI capabilities dramatically reduced time spent on routine tasks such as scheduling, enabling employees to focus on strategic work. Predictive maintenance powered by AI decreased

system downtime by over 30%, extending device lifespans and reducing IT support costs. These improvements not only enhanced productivity but also elevated employee satisfaction by delivering seamless technology experiences.

Over the years, Microsoft has achieved measurable efficiency gains through the implementation of standardized monitoring, automated incident management, and the adoption of a Zero Trust security model. For instance, the Microsoft Digital Defense Report highlights that enabling multifactor authentication (MFA), a key Zero Trust principle, can prevent 98% of identity-based attacks⁴. Additionally, Microsoft's security measures have blocked over 70 billion email and identity threats annually⁵. These tangible outcomes have significantly enhanced system reliability, security, and compliance, positioning Microsoft as a model for innovation-driven efficiency.

Microsoft's transformation was not merely a technological upgrade but a cultural shift toward agility, resilience, and excellence, paving the way for public institutions to achieve greater operational efficiency and service delivery. Microsoft is committed to helping agencies realize lasting value from their investments in modernization and transformative technologies like AI.

To better understand the impact of AI on organizational outcomes, we partnered with IDC to conduct a study, [The Business Opportunity of AI](#)⁶, to identify key insights into the value AI generates and its potential to reshape processes across sectors. Notably, the study found that for every \$1 invested in

generative AI, organizations are seeing an average return of \$3.70.⁷ These findings highlight AI's capacity to drive efficiency, innovation, and long-term improvements in mission outcomes.

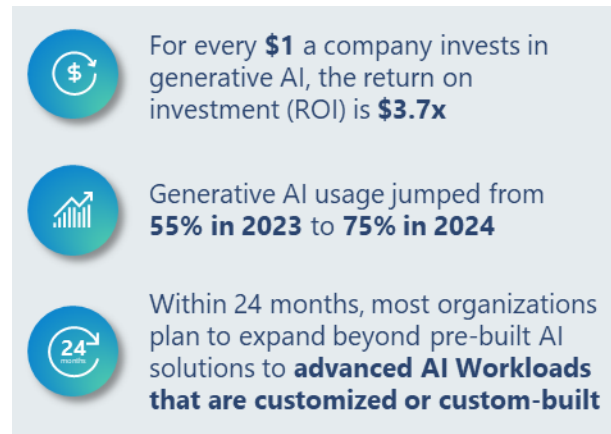


Figure 1. Top 3 IDC Study Findings

Today, over 85% of Fortune 500 companies use Microsoft AI solutions to modernize their operations and achieve their strategic goals. Across a wide range of sectors and missions, we have observed that AI transformation efforts often align with four key organizational objectives:

- **Enhancing workforce productivity:** By automating repetitive and mundane tasks, AI empowers federal employees to focus on complex, creative, and high-value tasks, improving mission delivery and reducing administrative burdens.
- **Transforming citizen engagement:** AI enables personalized and efficient interactions with constituents, providing improved public services while easing workloads for government personnel.
- **Modernizing operational processes:** AI is driving innovation across operational areas, from public safety and regulatory

compliance to financial management and logistics, enabling agencies to optimize processes and identify new opportunities for growth and efficiency.

- **Accelerating innovation for mission**

success: AI is significantly reducing development timelines for applications, fostering rapid prototyping, and enhancing agencies' ability to deliver innovative

solutions to meet evolving national priorities.

As AI adoption grows, the federal government has an opportunity to learn from industry's experience, harnessing this technology to better serve the American people, strengthen data driven operations with automation, and achieve critical objectives more efficiently in an increasingly complex environment.

Opportunities to Drive Efficiency in U.S. Government

Reduce Legacy IT and Enhance Security Through Cloud Modernization

Migrating to secure, scalable cloud infrastructures represents a transformative strategy for modernizing government IT systems, enabling U.S. federal agencies to reduce costs, improve efficiency, and enhance mission delivery. By using solutions from trusted U.S.-based technology providers, agencies can significantly reduce the financial and operational burdens of maintaining outdated data centers. For example, a study by IDC found that organizations using cloud services achieved a 16% reduction in infrastructure costs over three years and an 86% decrease in unplanned downtime.⁸ These cost savings and reliability improvements are essential to address the high operational costs often associated with legacy IT systems. Additionally, adopting modern cloud platforms in an optimal manner has been shown by 94% of IT professionals to reduce upfront startup and maintenance costs, while providing a foundation for scalability and future innovation.⁹

To unlock the full potential of cloud migration, agencies must prioritize operational agility, data-driven insights, and robust security measures aligned with Zero Trust principles. Microsoft's Strategic Roadmap for Efficient Mission Delivery

(see **Figure 2**) highlights key pillars—embracing agility, building a robust data foundation, optimizing processes, and integrating AI—that guide agencies in achieving these goals. Modern cloud platforms are uniquely capable of protecting sensitive information at all levels, from Personally Identifiable Information (PII) to classified and Top-Secret data. This is achieved through advanced security tools, hardware-level encryption, and compliance with rigorous regulatory standards. Hyperscale cloud providers design their systems with integrated security measures, including robust data center practices, operational commitments, and policies that safeguard data by default. By capitalizing on these capabilities, agencies can confirm the confidentiality, integrity, and availability of their most critical information while achieving unprecedented levels of operational efficiency. Cloud-based systems also allow agencies to respond quickly and effectively to changing demands, improving performance while safeguarding sensitive government data from evolving threats.

By eliminating data silos and creating a cohesive, multi-cloud ecosystem, agencies can optimize costs, foster inter-agency collaboration, and increase flexibility in accessing services while avoiding vendor lock-in. Additionally, the consolidation of rich data estates on secure, cloud-based



Figure 2. Strategic Roadmap for Government IT Efficiency.

platforms enables agencies to derive actionable insights, streamline decision-making, and measure the impact of programs more effectively. These secure cloud environments align with the highest compliance standards and rely on physical, network, and application-level protections to create a comprehensive security framework for federal missions.

Continuing to fund and support legacy IT systems is extraordinarily cost prohibitive over time, as these systems often require ongoing updates, specialized support, and increased labor, all of which strain operational budgets. While many government agencies have adopted cloud over the years, most mission focused workloads are still on-premises across the government with enormous IT debt. At the same time, the majority of applications that have been migrated to cloud services are operating in

Infrastructure as a Service (IaaS), which is a great step operationally that also helps drive compliance, but certainly should not be considered as *fully optimized* from a cost nor agency value perspective.

Transitioning to cloud-based Platform-as-a-Service (PaaS) and Software as a Service (SaaS) solutions eliminates much of the complexity associated with maintaining on-premises hardware and software while eliminating the operational and potential licensing costs of IaaS. By abstracting infrastructure management, SaaS and PaaS enable agencies to shift focus from routine maintenance to mission-critical innovation, reducing the total cost of ownership (TCO). Gartner studies indicate that organizations transitioning to PaaS experience up to a 30% reduction in maintenance costs compared to traditional on-premises or Infrastructure-as-a-Service (IaaS) environments.¹⁰

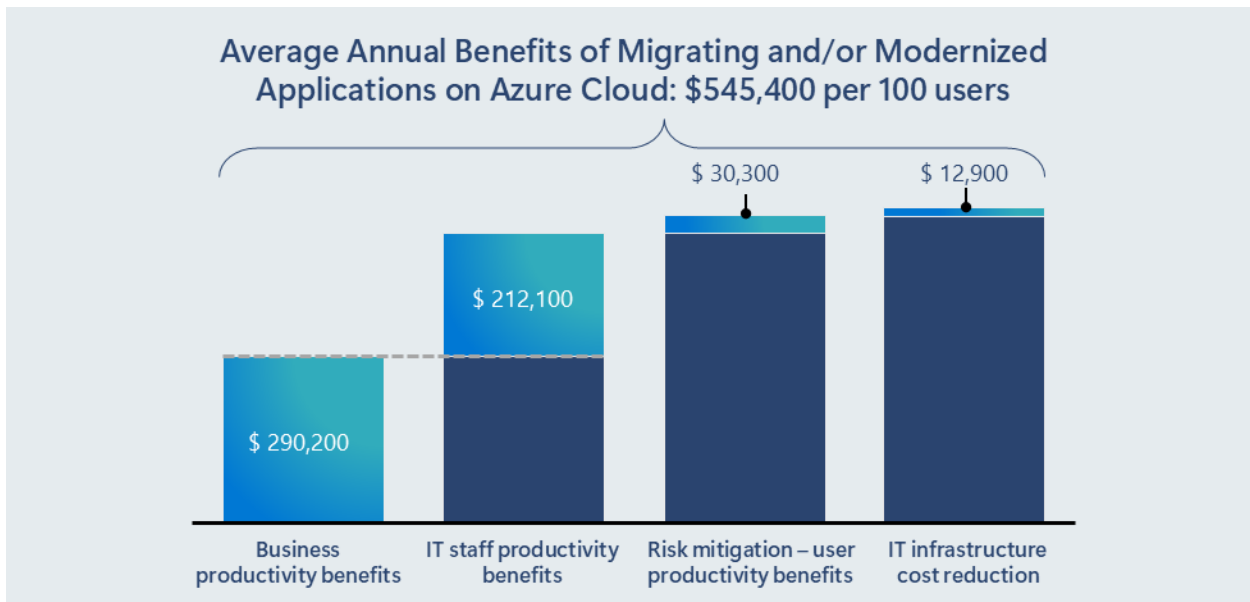


Figure 3. Average Annual Benefits of Migrating and/or Modernized Applications on Azure Cloud.

A clear example of how modernized technology and automation can deliver measurable benefits is seen in the Washington Metropolitan Area Transit Authority (WMATA), which serves over 430,000 daily riders across Washington, D.C., Maryland, and Virginia. By migrating critical infrastructure to the cloud, WMATA has demonstrated how targeted modernization can improve operational efficiency and service reliability, even within longstanding systems. Facing challenges with aging IT systems that led to high maintenance costs and service disruptions, in mid-2022 WMATA undertook a significant modernization initiative, migrating critical infrastructure operations, including fare collection, to a unified cloud platform. This transformation took only six months, and enhanced the transit system's safety, reliability, and resiliency while reducing operational complexities.

By adopting a unified platform, WMATA achieved measurable efficiencies and improved operational outcomes. The modernization effort reduced maintenance calls and overtime costs, streamlined data analysis, and fostered stronger collaboration across departments. The platform's robust infrastructure enhanced availability and resiliency, minimizing service outages that previously impacted millions of commuters. Additionally, WMATA utilized advanced analytics to monitor and optimize the performance of bus, rail, and safety systems, enabling data-driven decision-making that improved overall service delivery.

This comprehensive modernization not only updated WMATA's IT infrastructure but also established a foundation for sustained innovation. By aligning its systems to a unified cloud environment, WMATA delivered tangible benefits to its operations and set a new standard for efficient, reliable, and resilient transit services.¹¹

A modern IT infrastructure grounded in cloud technologies also facilitates automation and AI integration, critical enablers of mission success. Automating workflows, reducing duplicative processes, and focusing resources on high-value tasks can significantly enhance productivity and employee experience. AI-driven solutions amplify these gains by delivering actionable insights in real time, improving service delivery, and mitigating risks. Federal agencies must also invest in continuous learning initiatives, such as building AI centers of excellence and training personnel on cost-effective, impactful technology use. These steps ensure that agencies can adapt quickly through early insights and align IT efforts with mission strategies. By partnering with industry leaders like Microsoft, federal agencies can execute tailored migration strategies that drive innovation, maximize cloud capabilities, and transform mission delivery in ways that meet the evolving needs of the American public.

Much like legacy IT applications and platforms, aging telephony systems based on traditional on-premise Private Branch Exchange (PBX) systems impose a substantial financial burden on the U.S. federal government, with significant ongoing investment required to maintain, scale, and modify over time. By contrast, cloud-based communications systems can reduce operating costs by 40-60% compared to traditional PBX systems, thanks to the elimination or at least a drastic reduction of hardware dependencies and a much more flexible licensing model. These estimates suggest that the cumulative cost of maintaining aging PBX systems across federal

agencies may amount to hundreds of millions of dollars annually.

Transitioning to modern communications and conferencing solutions such as Microsoft Teams offers the federal government a clear opportunity to reduce these expenses, modernize communication infrastructure, and enhance scalability. According to the [Total Economic Impact Of Microsoft Teams](#)¹², a study by Forrester, organizations implementing Microsoft Teams have achieved significant cost savings and productivity gains. These include a 12.4% reduction in third-party communication costs and a \$30.3 million increase in total productivity benefits over three years for a composite organization modeled in the study.¹³ The study's findings are supported by case studies of Microsoft clients. For example, Florida Crystals Corporation, a joint owner of the world's largest refiner and marketer of cane sugar, found that its telecom expenses dropped 78% after it modernized its collaboration and voice platforms and adopted Microsoft Teams and Teams Phone.¹⁴

By leveraging Microsoft Teams and its SaaS-based telephony and call center capabilities, the U.S. federal government can unlock substantial savings while maximizing the return on its existing investments in Microsoft 365. This approach also simplifies IT management by integrating communications into a secure, cloud-based platform already compliant with federal identity and security standards. Moreover, Teams' native mobile accessibility and enhanced collaboration features position federal agencies to thrive in

an increasingly mobile device focused work environment.

The high costs and inefficiencies associated with legacy PBX systems represent a clear target area for cost reduction and modernization within many federal agencies. By migrating to cloud based communications services such as Microsoft Teams, the U.S. Federal Government can capitalize on modern cloud-based communications, reduce operational costs by up to 60%, and enhance agency collaboration and efficiency while providing scalability and resilience for the future.

The government should prioritize the modernization of IT systems and the integration of automation to enhance efficiency, reduce costs, and improve mission delivery. Modernized systems enable agencies to streamline workflows, eliminate redundancies, and respond to evolving demands with agility, while automation reduces administrative burdens, allowing employees to focus on higher-value tasks. To achieve this, agencies should begin by assessing their current IT infrastructure to identify outdated systems and inefficiencies. Next, they should develop a comprehensive modernization roadmap that aligns with mission objectives and prioritizes the adoption of cloud technologies, advanced analytics, and AI-powered tools. By integrating automation into core processes—such as data analysis, compliance reviews, and citizen-facing services—agencies can increase operational speed and accuracy while reducing errors. Establishing clear metrics to measure progress and regularly

refining systems based on performance data ensures continuous improvement. Additionally, fostering workforce training programs equips employees with the skills needed to leverage these technologies effectively. With these steps, the government can build an IT infrastructure that is secure, scalable, and adaptable, driving more effective mission outcomes and delivering greater value to the public.

Microsoft is actively engaged to support these modernization and optimization efforts through:

- **Annual Efficiency Workshops for Each Cabinet-Level Agency:**
Microsoft is introducing a new program to collaborate annually with leadership from each cabinet-level agency through dedicated workshops focused on aligning mission objectives, budget priorities, and enabling technologies. These workshops will provide tailored resources and insights to help agencies effectively achieve their mission and delivery goals by optimizing their existing applications and services, leveraging prior investments, and addressing critical timelines and compliance requirements. This initiative is designed to foster strategic discussions that empower agencies to maximize operational efficiency and drive mission success through informed technology adoption.
- **Strategic Alignment for Cost Efficiency:**
Agencies should adopt a comprehensive Cloud Adoption Framework to align modernization efforts with clear business objectives and mission needs. This includes

prioritizing workloads based on impact and urgency, optimizing existing resources, and identifying opportunities to consolidate and reduce waste. Regularly conducting cloud optimization workshops or reviews can help agencies evaluate their current capabilities, uncover areas for improvement, and deliver cost savings through targeted modernization initiatives.

- **Optimized Architectural Design:**

Designing secure and scalable platform architectures is essential to meeting

performance, compliance, and operational goals. Agencies should focus on creating architectures that automate processes, monitor resources effectively, and minimize inefficiencies to reduce operational costs. Evaluating deployment models—such as consumption-based or subscription licensing—ensures that agencies select the most cost-effective solutions tailored to specific use cases. This strategy reduces complexity and improves predictability while maintaining security and reliability.

Harness AI-Infused Automation Across the Federal Government

Process automation has the potential to revolutionize government operations by streamlining workflows, reducing manual effort, and enabling agencies to deliver services more effectively. One critical area of impact is the automation of routine administrative tasks such as report generation and compliance verification. For example, regulatory agencies often spend considerable time preparing recurring reports or confirming adherence to complex compliance requirements. Automation can rapidly collect, analyze, and organize data from multiple sources, reducing the time spent on manual data entry and validation while improving accuracy. By shifting resources away from time-consuming repetitive tasks, agencies can focus on high-value activities, such as policy development or citizen engagement, enhancing overall mission effectiveness.

Another key area where automation drives impact is in approvals and decision-making processes. Tasks such as permitting, expense approvals, and benefit application reviews can be automated to eliminate bottlenecks and improve transparency. For instance, permit applications often require review by multiple departments, which can lead to delays. Automated workflows can route applications to the appropriate reviewers, flag issues that need attention, and provide real-time status updates to applicants. Similarly, automated expense approval systems can enforce policy compliance by flagging discrepancies or violations before approval, reducing the risk of errors or fraud. By introducing automation

in these areas, governments can significantly reduce processing times, improve consistency, and create a more seamless experience for both employees and the public.

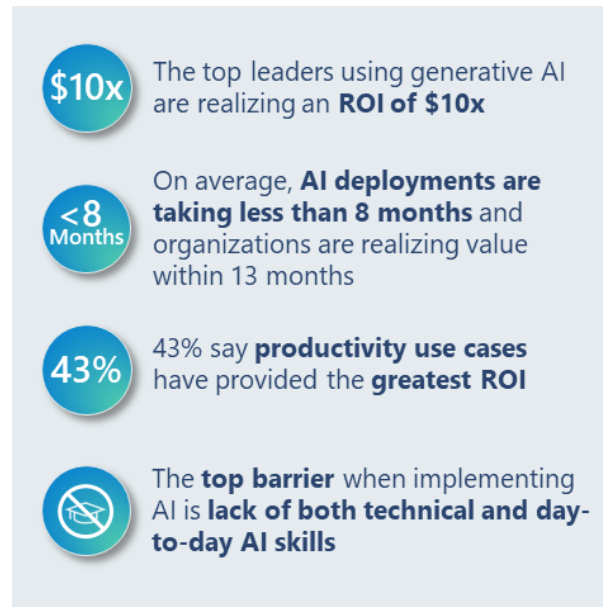


Figure 4. What Top Business Leaders are Saying About AI.¹⁵

Citizen-facing services also stand to benefit greatly from automation, particularly in areas like benefits delivery. Many government programs require citizens to navigate complex application processes to access services such as unemployment benefits, housing assistance, or healthcare programs. Automation can simplify these interactions by guiding applicants through user-friendly digital platforms, pre-filling forms based on existing data and verifying eligibility in real time. Once approved, automated systems can confirm the proper delivery of benefits, track usage to prevent fraud, and notify citizens of updates or requirements to maintain eligibility. For example, an automated system could assist a single parent in quickly applying for childcare assistance, helping

them receive support without delays or errors. By reducing friction in benefit delivery, automation enhances trust and accessibility while confirming accountability in the management of public resources.

Low code and no code platforms are revolutionizing the way government agencies approach automation. One of the primary benefits of low-code/no-code code platforms is their ability to empower non-technical staff to create custom applications tailored to specific business needs. This democratization of technology development allows agencies to address unique requirements directly, bypassing lengthy procurement cycles and reducing reliance on expensive contractor engagements.

Case Study: Automating Government Document Review with AI Automation

The Department of Interior's (DOI) Program Grants Management (PGM) organization oversees the administration and compliance of grants, developing policies and providing technical assistance to deliver efficient management in line with federal regulations. It collaborates with various entities to support the DOI's mission, confirming transparency and accountability through monitoring and oversight activities.

To comply with OMB directives to increase transparency and accountability in government funding, PGM confirms compliance with internal controls. These efforts typically involve manual reviews requiring hundreds of hours of effort to do checks against a sampling of DOI's 8,000+ grants. However, due to the time-intensive

nature of these processes, DOI was only able to review a small percentage of the grant summaries in a timely fashion.

To help increase productivity and compliance and drive greater transparency, the PGM worked with Microsoft to leverage generative AI for automated evaluation of grant award summaries reported to USASpending.gov. The resulting solution allowed the PGM to evaluate the full portfolio of grants summaries saving hundreds of hours of labor with greater consistency and no fatigue bias. The AI powered solution has been verified to produce accurate, high-quality summaries and has enabled DOI to now review 100% of grants, saving an estimated 9 months of labor.



Figure 5. PMG Benefits From using Microsoft AI Solution.

Additionally, the solution allowed the DOI staff to focus on higher impact work that benefits DOI, grantees, and citizens. DOI is building on the success of this generative AI use case to drive additional efficiency for similar activities.

Case Study: Empowering Human Resources with Automation

Human Resources (HR) is critical to every organization, and AI powered automation teams can use Copilot to create applications that automate onboarding processes, while

procurement departments can develop workflows to streamline contract approvals. AI agents can extend this functionality by automating repetitive inquiries or tasks. For example, an agency could deploy an AI-powered agent to handle routine citizen queries about benefits, freeing up personnel to focus on more complex issues.

At Microsoft, we developed and deployed **AskHR** to address the challenge of delivering high-quality HR services to a rapidly growing, globally distributed workforce while operating with limited resources.

AskHR efficiently manages over one million employee inquiries annually, averaging more than 4,500 new questions each day. The platform supports a global HR team of more than 1,400 advisors spanning 12 HR functions and 250 support teams, serving over 220,000 employees worldwide. AskHR's development was completed in just six months, showcasing how low-code/no-code platforms enable the rapid deployment of scalable and impactful solutions. By incorporating intelligent workflows and automation, the platform enables faster response times and greater accuracy in addressing employee needs. The automation capabilities within AskHR dramatically streamline processes, enabling the HR team to manage a significantly higher volume of interactions without increasing resources.¹⁶

This model offers a compelling example for government leaders looking to optimize resource use while maintaining high standards of service. By adopting similar strategies, agencies can build agile systems to meet the complex demands of serving large,

diverse populations effectively and sustainably.



Figure 6. Early Results from Copilot for Microsoft 365 and Copilot for Dynamics 365 Deployments.

Other success stories across both government agencies and private sector organizations illustrate how the integration of automation and AI and use of low-code/no-code platforms are revolutionizing service delivery by enhancing efficiency, accuracy, and responsiveness.

- Uber Technologies transitioned over 80 business processes and 40,000 workflows to automated platforms and plans to automate another 25 processes by the end of 2025. Together, these 105 automations will save the company an estimated \$2 million a month versus manual processing while significantly increasing operational efficiency.¹⁷
- Ernst & Young deployed AI and no-code/low-code capabilities to automate customer payment processing, raising its automatically matched payment rate from 30% to 80% and saving over 230,000 hours annually. Due to the reduced manual processing needed, EY is expecting increased accuracy in payment processing, resulting in an estimated 50% reduction in re-bookings.¹⁸

These examples demonstrate how AI-driven automation can handle large volumes of data and repetitive tasks, leading to significant time and cost savings. These same approaches can be applied within federal agencies to improve research, maintenance, border protection, benefit delivery, and financial operations.

To achieve the transformative benefits of AI-powered automation, government agencies should:

- **Develop a Holistic Automation Strategy:** Agencies should start by identifying processes where automation can provide the greatest value, such as repetitive administrative tasks, compliance checks, and citizen-facing services. A strategic approach ensures automation efforts are prioritized for maximum impact and aligned with agency missions.
- **Empower the Workforce Through Training:** Implementing automation technologies requires a workforce prepared to adopt, manage, and optimize these tools effectively. Agencies should invest in training programs that equip employees with the skills to use automation platforms, such as low-code/no-code tools, fostering independence and reducing reliance on external contractors.
- **Adopt Accessible Automation Platforms:** Low-code and no-code platforms enable non-technical staff to develop tailored solutions, accelerating innovation and addressing unique challenges. By democratizing technology development, these platforms reduce deployment times, cut costs, and increase agility in responding to mission needs.
- **Ensure Seamless Integration and Collaboration:** For automation to achieve its full potential, tools and workflows must be interoperable and integrated across departments and agencies. Agencies should prioritize platforms that enable end-to-end workflows, reduce redundancies, and enhance data sharing, fostering a cohesive operational ecosystem.
- **Measure, Optimize, and Scale:** Automation is not a one-time effort but a dynamic process that requires ongoing evaluation. Agencies should establish clear metrics to track efficiency gains, cost savings, and service improvements to ensure automation initiatives are aligned with evolving mission requirements.

Modernize Federal Finance and Fight Waste, Fraud, and Abuse

The integration of advanced AI and cloud technologies offers federal financial agencies transformative opportunities to modernize operations, streamline revenue collection, ensure benefits reach eligible citizens, and expedite grants management and federal acquisition processes. Microsoft has collaborated with several federal agencies and integrators to leverage generative AI in proposal writing, grant management, and benefits administration, aiming to reduce backlogs, optimize compliance, and enhance overall process efficiency.

For example, AI tools have been utilized to assist in drafting proposals by summarizing relevant information from multiple sources, accelerating the proposal creation process. These tools also support responses to Requests for Proposals (RFPs) by organizing requirements into actionable lists, streamlining the preparation and submission of proposals.

In contract management, AI enhances efficiency by summarizing key discussion points, decisions, and action items from meetings. It also evaluates multiple contracts to identify changes, provide recommendations, and ensure alignment with compliance requirements. These capabilities allow for quicker reviews of complex contract documents, enabling users to easily extract critical details such as payment terms or contract durations while gaining insights into the overall contract structure.

Unfortunately, fraud, waste, and abuse continues to cost taxpayers hundreds of billions annually.¹⁹ The loss of benefits funds to unauthorized payments has been a persistent challenge for governments worldwide. In recent years, the scale and complexity of this issue have grown significantly, driven by evolving tactics and technologies. Fraud, in particular, has become an increasingly costly and multifaceted problem. A key factor contributing to this challenge is the accessibility of advanced tools, which bad actors have leveraged to automate and scale their activities, amplifying the impact of fraudulent efforts.

However, not all losses stem from malicious intent. Unintentional errors, such as administrative oversights or inefficiencies in program design, also contribute significantly to the problem. These errors, while not driven by criminal motives, still result in substantial costs and highlight the importance of addressing systemic inefficiencies alongside combating deliberate fraud. By tackling both dimensions—intentional fraud and unintentional errors—governments can better safeguard public funds and ensure that benefits reach those who need them most.

AI-powered fraud detection tools have the potential to save hundreds of billions of dollars annually by analyzing vast datasets to detect suspicious transactions and unusual patterns. Predictive models assess the likelihood of fraud, enabling agencies to prioritize high-risk cases for investigation. Enhanced data integration and standardized collection methods improve accuracy and reliability, mitigating risks and supporting

evidence-based decision-making. Standardized data collection methods and improved data integration across agencies further enhance accuracy and reliability, mitigating risks and supporting informed decision-making.

Federal programs like Medicare, Medicaid, Veteran benefits, grants allocation, and tax administration can benefit significantly from these tools. Instituting fraud risk management reporting and establishing a permanent Analytics Center of Excellence would help agencies provide additional oversight and accountability mechanisms, enable proactive fraud detection, and improve resource allocation as well.

Case Study: Leveraging the Cloud to Fight Financial Fraud at SWIFT

A pertinent example of leveraging cloud technology to combat financial fraud is the collaboration between SWIFT and Microsoft. SWIFT, the Society for Worldwide Interbank Financial Telecommunication, provides a messaging network for financial transactions and serves as the backbone of global banking communication. Much like the need that the Federal Government often has to transfer or allocate funds across agencies or into the private sector, SWIFT facilitates the secure and reliable exchange of financial messages, including payment instructions, between more than 11,000 financial institutions across 200 countries. SWIFT processes an average of 42 million messages daily, representing trillions of dollars in transactions globally.²⁰

In partnership with Microsoft, SWIFT developed an anomaly detection model that

leverages cutting-edge Azure Machine Learning and Azure confidential computing. This model employs federated learning techniques, allowing multiple institutions to contribute to the training of the model while ensuring data privacy and security. By doing so, SWIFT avoids the need to move or copy data from secure locations, maintaining the highest levels of compliance and confidentiality.

The impact of this project has been profound. The model identifies anomalous transaction patterns across vast datasets, enabling early detection of potential fraudulent activities. This capability not only enhances fraud prevention but also significantly reduces processing time, allowing real-time analysis of transactions at scale. By eliminating the overhead of data transfer and improving overall efficiency, the collaboration has set a new standard for secure and cost-effective fraud detection.

Microsoft's Fight Against Fraud

Internally, Microsoft has also leveraged its advanced cloud capabilities and AI-driven fraud detection systems to protect its expansive global operations. By analyzing vast volumes of transactional data in real time, these systems identify patterns indicative of fraud, enabling immediate intervention to prevent financial losses. This proactive approach has significantly reduced fraud rates while ensuring that legitimate transactions proceed smoothly, improving customer experiences and reinforcing trust.

These capabilities have also resulted in measurable cost savings for Microsoft. By

reducing false positives and minimizing manual reviews, the organization has lowered operational costs and freed resources for other critical tasks.²¹ The integration of sophisticated data analysis tools with scalable cloud infrastructure has further optimized fraud detection efforts, allowing Microsoft to address emerging threats efficiently and effectively. Our success in combating fraud internally serves as a compelling example for federal financial agencies looking to enhance their fraud detection capabilities while achieving greater efficiency and cost-effectiveness as well.

By adopting cloud-based solutions and AI-driven approaches like those demonstrated by Microsoft and SWIFT, federal agencies and the government as a whole can elevate their fraud prevention strategies to new heights. These innovations promise to save taxpayer dollars, improve operational efficiency, and strengthen public trust in government programs, ensuring financial integrity across critical operations.

Recommended Steps for Modernizing Federal Financial Systems

To fully capitalize on the transformative potential of advanced AI and confidential computing capabilities to help secure and validate transactions, federal financial agencies should adopt strategic approaches that integrate scalable cloud solutions and AI-driven tools into their core operations. These efforts can enhance efficiency, strengthen oversight, help OIG resources scale, and improve service delivery, ensuring that public resources are managed responsibly and effectively in service to the nation.

Establish Analytics Centers of Excellence

Federal agencies should create dedicated Analytics Centers of Excellence to centralize expertise and drive innovation in fraud prevention and operational efficiency. These centers would serve as hubs for collaboration, leveraging advanced tools and methodologies to proactively detect fraud, waste, and abuse. They would also improve resource allocation and provide a framework for adopting best practices across federal programs.

Adopt AI-Powered Fraud Detection Tools

Agencies should deploy AI and predictive analytics to analyze vast datasets for suspicious patterns indicative of fraud, waste, or abuse. These tools can prioritize investigations, reduce improper payments, and enhance oversight of programs like Medicare, Medicaid, and tax administration. Predictive models enable targeted interventions, minimizing false positives and ensuring efficient use of investigative resources.

Standardize Data Collection and Integration Across Agencies

Establish consistent data collection protocols and integration practices to create unified datasets that enhance accuracy and reliability. Improved data integration enables evidence-based decision-making, supports the identification of irregularities, and fosters cross-agency collaboration to mitigate systemic risks. This foundation is critical for AI tools to operate effectively and uncover hidden patterns.

Leverage Confidential Computing for Secure Data Analysis

Adopt confidential computing capabilities to analyze sensitive financial and transactional data securely. This approach ensures data privacy while enabling multi-agency collaboration. Confidential computing allows agencies to deploy federated learning models, where insights can be shared without moving or exposing sensitive information, aligning with strict security and compliance requirements.

Integrate AI to Enhance Service Delivery

Utilize AI-driven tools to improve service delivery across federal programs. By automating routine tasks and reducing response times, these technologies can personalize citizen interactions and ensure benefits reach the intended recipients more efficiently. Enhanced compliance processes, streamlined grants management, and

optimized revenue collection are tangible outcomes of this approach.

Foster Cross-Agency Collaboration and Data Sharing

Enable secure data sharing between agencies using standardized protocols and interoperable systems. AI models can identify cross-program anomalies and prevent fraudulent activities that span multiple programs or jurisdictions. Collaborative analytics supported by secure cloud solutions can address complex, multi-agency fraud schemes.

By following these best practices, federal financial agencies can transform their operations, improve oversight, and restore public trust while maximizing cost savings and efficiency through advanced technology integration.

Foster Collaboration and Enhance Service Delivery through Unified Platforms

To transform citizen services, the federal government should prioritize end-to-end digital platforms designed around the needs of citizens—not the complexities of government structures. These platforms should unify services on secure, modern cloud technologies that enable data sharing and AI-driven insights across agencies. By integrating data sources and leveraging advanced analytics and AI, agencies can make data-driven decisions that enhance service delivery and optimize resources.

Digital transformation should focus on making every citizen service fully accessible via intuitive digital platforms, reducing reliance on physical infrastructure and improving convenience. Modern systems should prioritize interoperability and shared infrastructure over siloed, standalone solutions, creating a cohesive technological framework that fosters cross-agency collaboration, enables data sharing, reduces duplication, and strengthens cybersecurity. For example, addressing silos within citizen-focused programs such as the Women, Infants & Children Program (WIC), Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Medicaid offers a clear opportunity to streamline service delivery. Integrating these programs into a unified platform would reduce duplicative systems, save billions in operational costs, and make it easier for citizens to access benefits.

By unifying digital platforms, fostering interoperability, and embracing innovation, the federal government can deliver seamless, efficient services while reducing costs and improving outcomes. Leveraging AI and analytics at scale leads to modernization efforts that are transformative, responsive, and aligned with the mission of serving the public effectively.



Figure 7. Benefits of Modernized Citizen Services.

Microsoft success stories across organizations and government agencies demonstrate the transformative potential of unified platforms:

- The Small Business Administration (SBA) reimagined its operations by implementing a cloud-based case management system. By integrating features like email automation, auto-routing, metrics recognition, storage optimization, spam prevention, and auditing capabilities, the SBA processed over 20 million cases more efficiently. This modernization effort has driven cost savings exceeding \$25 million annually, reduced manual workloads, and improved responsiveness to small businesses nationwide, especially during times of economic uncertainty.

- The District Attorney's Office in San Bernardino, CA partnered with Microsoft to develop a case management system to manage 65,000 criminal and asset forfeiture cases per year. The system, which supports the entire case lifecycle and integrates with several other systems for records management, document generation and automation, court case management, and text messaging, has resulted in a 99% reduction in time to access materials.
- The Choctaw Nation of Oklahoma partnered with Microsoft to implement a case management system, transforming their service delivery to over 200,000 tribal members. The new system streamlined processes for managing member services and benefits, integrating with various other systems for records management, case tracking, and automated notifications. This transformation significantly improved the efficiency and effectiveness of service delivery, enabling members to receive timely and accurate benefits, ultimately enhancing the overall quality of citizen services.²²

Natively integrated platforms simplify IT landscapes by consolidating identity, security, and workflow management. Unified identity management, for example, enables secure, seamless access to data and applications across agencies, eliminating redundant systems and strengthening security. This centralized approach reduces administrative complexity, enhances resource optimization, and provides a scalable framework to support interagency collaboration. Cybersecurity and data governance embedded in these platforms further enhance resilience against

cyber threats. A single, unified security architecture minimizes attack surfaces, accelerates threat detection, and simplifies remediation, reducing costs associated with fragmented or legacy systems. Moreover, these platforms empower agencies to adapt rapidly to mission needs, enhancing both efficiency and innovation.

In an effort to further accelerate mission delivery across government, Microsoft has worked extensively with federal agencies to enable secure file sharing, collaboration, and identity services through existing toolsets available in the Microsoft Cloud. For example, in 2020, Microsoft partnered with the General Services Administration (GSA) to formalize a model for cross-agency collaboration, enabling over a dozen federal agencies to securely share content without incurring additional costs. This program leveraged existing federal government identities to ensure content security and ownership while maximizing the value of current investments.

By combining widely deployed cross-agency collaboration tools with secure, unified platforms, our federal agencies can now streamline operations, improve accessibility, and scale interagency programs seamlessly. These platforms provide a holistic framework where collaboration and integration are not merely complementary but essential to achieving mission-critical outcomes.

A key enabler of this vision is Microsoft's Multi-Tenant Organization (MTO) capabilities, which simplify how agencies connect, collaborate, and share critical information across complex agencies. MTO allows users within a single agency to search for and

communicate with colleagues across other tenants, breaking down traditional silos and creating an interconnected ecosystem. This approach further enables multi-agency programs to operate with greater efficiency and effectiveness, empowering agencies to harness shared data for driving impactful outcomes. Whether accelerating advancements in health research, optimizing benefit management to reduce fraud and errors, or strengthening national security through more coordinated responses, these innovations support agencies in achieving their missions more effectively.

By aligning cross-agency collaboration with natively integrated platforms, Microsoft delivers a unified solution that consolidates identity, security, and workflow management. These platforms simplify IT environments by eliminating redundant systems, enhancing cybersecurity, and optimizing resource allocation. The seamless integration of collaboration tools within these platforms confirms that agencies can both address immediate challenges and position themselves for long-term innovation and transformation.

To effectively modernize IT infrastructure, federal agencies should prioritize developing a comprehensive strategy that leverages the advantages of a natively integrated platform, including the following:

Adopt unified platforms for seamless integration and reduced costs: Move toward a fully integrated IT ecosystem that combines collaboration tools, data connectivity, and low-code/no-code application development capabilities, all built

on a secure cloud foundation. By using platforms like Microsoft Office 365, the Power Platform, and Azure, agencies can reduce the number of vendors required, simplify operations, and lower costs associated with maintaining and upgrading standalone systems.

Prioritize interoperability and enterprise-wide alignment: Focus on platforms where all enterprise applications work cohesively to support mission delivery. Unlike best-of-breed solutions that operate in silos, a natively integrated environment enables data, applications, and workflows to function in unison, improving efficiency and reducing the burden of custom integration efforts. This alignment reduces operational complexity and confirms modernization efforts are scalable and adaptable to mission needs.

Optimize operational costs through centralized management: Transition to platforms that offer built-in scalability, security, and governance, reducing the need for independent resources to manage disparate systems. A unified approach minimizes operational redundancies, streamlines upgrades, and reduces downtime without the added cost of managing multiple vendors. By consolidating IT environments, agencies can reallocate funds toward innovation and mission-critical priorities.

Enable cross-agency collaboration and data sharing: Breaking down Federal data silos is absolutely essential for the federal government to address complex, interconnected challenges effectively and deliver better outcomes for citizens. By breaking down silos, agencies can collaborate

more efficiently, leveraging shared data to inform decision-making, streamline processes, and optimize resources. This capability enhances responsiveness in critical areas such as national security, where timely data exchange can thwart threats, and health research, where integrated datasets can accelerate medical breakthroughs. Furthermore, cross-agency data sharing improves the delivery of citizen-centric services by eliminating redundancies, reducing errors, and ensuring benefits are distributed accurately and promptly. It also supports more transparent and informed policymaking through comprehensive and accurate federal reporting. Ultimately, enabling data sharing empowers the government to operate as a cohesive entity, driving innovation, efficiency, and public trust.

By focusing on these areas, agencies can create a robust framework that not only

addresses immediate modernization needs but also positions them for sustained innovation and improved service delivery in the future.



Figure 8. Benefits of Citizen-centric Transformation.

Strengthen Cybersecurity Across Federal Agencies

With cyber threats escalating in both frequency and sophistication, the need for enhanced cybersecurity at the federal level has never been more critical. Traditional security models, which rely on perimeter defenses, are no longer sufficient to counter these evolving threats. To protect government infrastructure and sensitive data, federal agencies must adopt modern, proactive security measures that align with the complexities of today's cyber landscape. Organizations must address technical debt, outdated security controls, and shadow IT while implementing up-to-date data security policies to stay resilient, especially with the rise of generative AI.

The Microsoft Secure Future Initiative (SFI) represents an unprecedented, multiyear commitment to revolutionizing cybersecurity across Microsoft's products and services, directly addressing many of the complex data protection and confidentiality challenges faced by government agencies. Mobilizing the equivalent of 34,000 full-time engineers, SFI integrates Zero Trust principles and AI-driven threat detection systems into Microsoft platforms to enhance security and resilience. Adopting a Zero Trust cybersecurity framework is essential to safeguard critical government systems and infrastructure. Zero Trust principles confirm continuous verification of user identities, device integrity, and network activity, significantly reducing vulnerabilities. These measures can lower the risk of data breaches

by up to 50%, protecting sensitive information, and maintaining public trust.²³

SFI fosters a security-first culture across Microsoft, embedding cybersecurity considerations throughout development and operational processes to deliver secure solutions tailored to federal requirements. Through collaboration with public sector partners, Microsoft aligns its initiatives with frameworks like Cybersecurity and Infrastructure Security Agency (CISA) directives and National Institute of Standards and Technology (NIST) guidelines, helping agencies navigate evolving threats while maintaining compliance. This proactive approach enables agencies to protect their systems, reduce costs, and respond swiftly to incidents, all within an integrated, scalable security framework. By prioritizing cybersecurity modernization, SFI empowers government leaders to strengthen national defenses, enhance operational resilience, and maintain public trust in an increasingly sophisticated cyber threat environment.

Proactive threat detection systems powered by AI further enhance security in government IT systems by enabling real-time risk mitigation. Microsoft's platform, which analyzes trillions of daily signals, allows agencies to identify and address risks faster than ever before, minimizing potential damage and operational disruptions. These tools are complemented by regular security audits, which identify vulnerabilities and confirm compliance with evolving security standards, strengthening overall resilience.

Over the years, Microsoft has played a pivotal role in advancing federal cybersecurity operations through innovative and impactful solutions. For the Defense Information Systems Agency (DISA), Microsoft implemented a unified security strategy grounded in Zero Trust principles. This modernization effort enhanced endpoint security across mobile devices, laptops, printers, and servers, significantly reducing vulnerabilities while enabling real-time threat detection and response. These measures have strengthened DISA's ability to protect critical systems and data in an evolving threat landscape.

In collaboration with the U.S. Army, Microsoft supported the development of an Enhanced Security Administrative Environment (ESAE) for the Tactical Communications Network. By implementing a robust Identity Management

framework and integrating it with Privileged Account Management systems, Microsoft confirmed the security of critical infrastructure within a tactical cloud environment. This approach provided enhanced protection for administrative accounts, safeguarding mission-critical operations from cyberattacks.

Microsoft's leadership in securing federal cloud environments is exemplified through its involvement in the CISA Secure Cloud Business Applications (SCUBA) initiative. By developing tools and best practices for assessing and mitigating risks in cloud environments, Microsoft has enabled agencies to adopt cloud-based solutions with greater confidence. These efforts have not only reduced vulnerabilities in SaaS applications but also confirmed compliance with stringent federal security standards.



Figure 9. Four Key Benefits of AI for Cybersecurity.

Microsoft's commitment to securing critical infrastructure extends beyond federal operations to initiatives like its Rural Hospital program. This effort provides cybersecurity tools, training, and technologies to rural healthcare providers, empowering them to defend against increasingly sophisticated threats. These lessons are directly applicable to federal agencies managing decentralized operations, offering a model for securing distributed systems and protecting critical services in resource-constrained environments.

These examples highlight the tangible impact of modern security strategies on federal operations, demonstrating the potential for scalable, efficient solutions across government agencies. To further strengthen cybersecurity and enhance operational efficiency, federal agencies should:

With cyber threats escalating in both frequency and sophistication, federal agencies must modernize their security strategies to protect critical infrastructure and sensitive data. Traditional approaches relying on siloed or perimeter-based defenses are no longer sufficient in the face of evolving threats. To meet these challenges, agencies should leverage integrated security platforms that combine vast threat signaling, automation, AI-powered discovery, and remediation to streamline operations, improve compliance, and strengthen cybersecurity defenses.

To improve cybersecurity measures and operational effectiveness, federal agencies should consider:

- **Adopt a Zero Trust Framework:** Implement continuous verification of identities, devices, and network activity to minimize vulnerabilities. Zero Trust principles ensure that access is granted based on dynamic risk assessments, protecting against threats both inside and outside the organization.
- **Leverage AI-Driven Threat Detection and Response:** Invest in platforms with AI-powered analytics capable of processing vast amounts of data to identify potential threats in real time. Advanced automation can enable faster detection, response, and remediation, reducing the impact of cyber incidents.
- **Consolidate Security Vendors for Improved Efficiency:** Replace fragmented point solutions with integrated security platforms that provide seamless interoperability and visibility across the organization. Vendor consolidation not only enhances security posture by eliminating gaps but also reduces operational complexity and costs, potentially saving up to 60% on security budgets.
- **Partner with Industry Leaders for Expertise and Scalability:** Collaborate with technology providers that offer scalable, integrated platforms designed to meet federal security standards. These partnerships can provide access to advanced tools, continuous updates, and best practices that keep agencies ahead of evolving threats while optimizing resources.

Consolidate Security Vendors for Improved Cyber Operations and Cost Optimization



Figure 10. Consolidating Security Vendors Can Yield up to 60% Savings.

- Integrate Holistic Security Solutions for Enhanced Visibility:** Unified security systems consolidate threat intelligence, streamline and automate intelligent data-driven workflows, and enable teams to respond more effectively. By using platforms that integrate seamlessly across all IT environments, agencies can eliminate silos, reduce alert fatigue, and improve workforce cybersecurity operations.

By implementing these best practices, federal agencies can significantly improve their cybersecurity defenses, reduce costly complexity, and simplify operations while meeting the dual demands of protecting sensitive information and maintaining compliance. Integrated platforms enable a proactive, scalable, and cost-effective approach to securing the government’s complex IT ecosystem.

Advance American Science and Discovery

The integration of advanced technologies like high-performance computing (HPC), AI, and quantum computing offers transformative opportunities to accelerate scientific progress and maximize the impact of federal research investments. By enabling rapid analysis of complex datasets, these tools drive breakthroughs in critical areas such as healthcare, national security, and environmental sustainability while enabling more effective use of government resources.

As one example, the National Aeronautics and Space Administration (NASA) Earth Science Division, in collaboration with Microsoft, has transformed how its vast geospatial data is accessed and utilized through Earth Copilot²⁴, an AI-powered assistant built on Azure’s cloud platform. NASA generates petabytes of data from satellites, sensors, and observational tools, essential for understanding critical events like natural disasters and land-use changes. Historically, accessing and analyzing this data required weeks of manual effort, specialized expertise, and significant computational resources, limiting its usability and delaying actionable insights.

Earth Copilot addresses these challenges by leveraging Azure’s scalable infrastructure and advanced AI capabilities to streamline data analysis. Through natural language queries, users can ask questions such as, “What was the impact of Hurricane Ian on Sanibel Island?” and receive instant, actionable insights. By integrating with NASA’s

Visualization, Exploration, and Data Analysis (VEDA) platform, Earth Copilot reduces data retrieval times from weeks to minutes, enabling teams to work more efficiently and focus on higher-value analysis and decision-making.

The scalable nature of Azure’s cloud platform confirms that even NASA’s immense data volumes can be processed seamlessly without the need for extensive local infrastructure, contributing to significant cost and operational efficiencies. This collaboration demonstrates how advanced technology can drive measurable improvements in efficiency, reduce operational burdens, and enable faster, more informed decision-making in data-intensive environments.

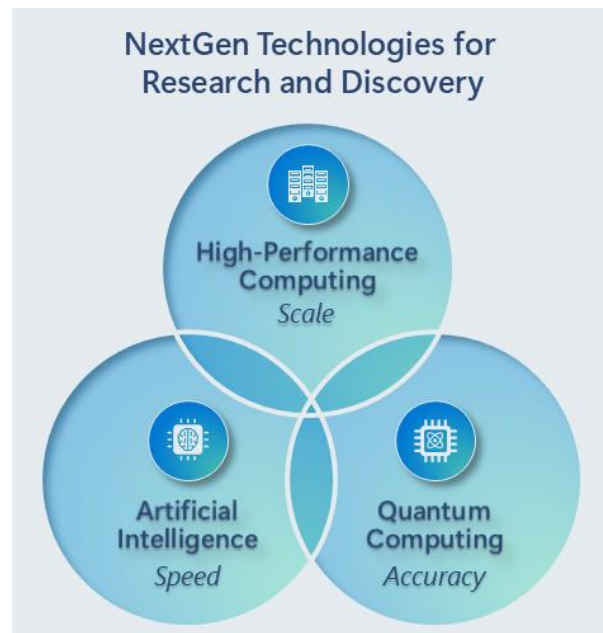


Figure 11. Components of NextGen Scientific Applications on Azure.

Another critical success area for the nation is, of course, accelerating scientific discovery, which underpins progress in energy, health, medicine, and other fields critical to national

priorities. Leadership in these domains is essential not only for addressing pressing societal challenges but also for ensuring sustained economic growth and global competitiveness. Advancing clean energy technologies, optimizing energy storage, and making breakthroughs in medical research, such as understanding molecular mechanisms in medicine, directly contribute to public health, industrial innovation, and the resilience of critical infrastructure. These efforts position the nation to adapt to emerging challenges, capitalize on opportunities, and maintain its standing as a global leader in science and technology.

The Department of Energy's Pacific Northwest National Laboratory (PNNL), in collaboration with Microsoft, is leveraging advanced AI and HPC through Azure's cloud platform to enable more efficient and impactful government research. Traditionally, processes like materials discovery and computational chemistry required years of iterative experimentation. By integrating cloud-based AI and HPC, PNNL has significantly accelerated these timelines, enabling breakthroughs in weeks that previously took months or years.²⁵

For example, researchers at PNNL used AI-driven tools and cloud computing to identify promising new battery materials, reducing the timeline for key discoveries from months to weeks. Azure's distributed computing capabilities allowed PNNL to process large datasets and simulate complex chemical interactions at unprecedented speeds, automating tasks that were once labor-intensive and resource heavy. This shift has

not only increased efficiency but also expanded research capacity, enabling scientists to address broader challenges such as energy resilience and climate adaptation.

The partnership between PNNL and Microsoft demonstrates how advanced cloud innovations can modernize government research infrastructure. By streamlining workflows and accelerating computational processes, these technologies help government researchers achieve their goals more effectively while reducing the time and resources required for critical discoveries. This collaboration highlights the transformative potential of AI and HPC to advance science and deliver results that directly support the nation's priorities.

Federal agencies collectively generate extensive knowledge across critical domains such as health, energy, defense, and the environment. However, this data often exists in silos, reducing its overall utility and accessibility. Generative AI and advanced data integration techniques present transformative opportunities to unify and analyze these research datasets, empowering researchers and policymakers to derive actionable insights more effectively. By deploying cutting-edge AI tools, agencies can enhance access to critical information, identify patterns across expansive data sets, and foster interdisciplinary collaboration. This approach supports the advancement of scientific discovery and innovation, ultimately driving progress and addressing the nation's priorities more effectively.

Key steps to modernize for greater efficiency in Federal Research and Discovery include:

- **Adopt Cloud-Based HPC for Scalable Research Infrastructure:** Transition from on-premises systems to cloud-based HPC platforms to handle large-scale data processing and simulations. Cloud platforms provide scalability, cost efficiency, and faster processing capabilities, enabling researchers to conduct complex computations and simulations more effectively.
- **Invest in Unified Data Ecosystems:** Integrate research data across agencies and disciplines using AI and cloud technologies to break down silos and foster collaboration. Unified data ecosystems enable researchers to identify patterns, query datasets efficiently, and drive interdisciplinary discoveries that address national priorities.
- **Expand Public-Private Partnerships:** Strengthen collaborations with private-sector leaders and academic institutions to accelerate innovation and share expertise. Partnerships, like those between PNNL and Microsoft, highlight the value of combining government research goals with cutting-edge industry tools and capabilities.
- **Enhance Resource Efficiency Through Virtualization and Automation:** Leverage AI and HPC to simulate scenarios and test hypotheses virtually, reducing the need for

physical experiments and minimizing resource usage. Automating repetitive data analysis tasks frees scientists to focus on high-value, innovative work.

- **Develop Ethical and Transparent Technology Guidelines:** Establish frameworks to ensure responsible and equitable use of AI and emerging technologies in research. These guidelines should prioritize transparency, accountability, and ethical considerations to maintain public trust and foster fair outcomes.
- **Prioritize Funding for Advanced Research Technologies:** Allocate targeted investments to HPC, quantum computing, and AI-driven tools that enable groundbreaking discoveries. Increased funding ensures federal research infrastructure remains at the forefront of innovation and global competitiveness.

By implementing these strategies, the federal government can modernize its research capabilities, optimize operations, and accelerate scientific breakthroughs that directly support the nation's resilience, public health, and economic stability. Embracing advanced technologies will not only improve efficiency but also enable transformative solutions to the complex challenges facing society today.

Optimize Federal Supply Chains with AI and Advanced Analytics

The U.S. federal government operates one of the most complex supply chains in the world, supporting diverse functions such as defense, disaster response, healthcare, and infrastructure. By leveraging advanced technologies like AI-driven analytics and automation, federal agencies can streamline procurement processes, reduce inventory costs, and improve logistics, enabling efficient and effective operations.

AI-powered analytics enable federal agencies to anticipate supply chain disruptions, identify bottlenecks, and optimize resource allocation. Predictive models analyze historical and real-time data to provide actionable insights, which are especially critical during emergencies when the timely delivery of essential goods, such as medical supplies or disaster relief materials, is paramount. These tools improve efficiency and reliability while reducing waste.

Automation in procurement workflows further enhances operational efficiency by eliminating repetitive tasks and minimizing administrative burdens. Standardized and automated procurement processes increase transparency, improve supplier relationships, and reduce the risk of costly errors or inefficiencies. Such advancements allow government personnel to focus on strategic priorities while achieving substantial cost savings and maintaining compliance with procurement regulations.

Dow Chemical's implementation of Microsoft 365 Copilot demonstrates how AI and

automation can optimize supply chain operations. While Dow did not provide specific cost reductions or time savings details, the qualitative improvements offer compelling parallels for federal agencies:²⁶

- **Improved decision-making speed and accuracy:** Dow used AI-powered insights to automate repetitive tasks, leading to faster and more accurate procurement decisions. For federal agencies, this could translate to reduced lead times for contract awards and procurement cycles.
- **Enhanced resilience through predictive analytics:** Dow used predictive models to anticipate disruptions and proactively address potential issues. Federal agencies could similarly use predictive tools to manage critical supply chains, such as for medical equipment or disaster relief supplies, minimizing delays during emergencies.
- **Streamlined coordination through real-time visibility:** Dow's advanced data visualization tools provided a holistic view of global supply chains, improving planning and coordination. For the federal government, adopting similar capabilities could facilitate cross-agency collaboration and improve transparency in large-scale logistics operations.

These qualitative improvements highlight the potential for federal agencies to replicate similar gains by leveraging proven technologies. Solutions such as Microsoft 365 Copilot, Azure, and Power Platform empower agencies to modernize procurement workflows, optimize resource allocation, and enhance operational oversight. These tools

enable decision-makers to focus on strategic outcomes while confirming compliance and maximizing taxpayer value.

Steps critical to the Government's financial system modernization efforts include:

- **Implement AI-Driven Predictive Analytics**

Federal agencies should harness predictive analytics to anticipate potential disruptions, identify bottlenecks, and optimize resource allocation across supply chain networks. By analyzing historical trends and real-time data, these models enable proactive decision-making, ensuring timely delivery of critical resources such as medical supplies and disaster relief materials. This approach strengthens resilience and minimizes operational delays in both routine and emergency scenarios.

- **Standardize and Automate Procurement Workflows for Efficiency**

Streamlining procurement processes through standardized, automated workflows is essential for reducing administrative burdens and improving transparency. Cloud-based automation tools can eliminate repetitive tasks, minimize errors, and enhance compliance with federal regulations. By adopting these tools, agencies can shift focus from manual processes to strategic priorities, such as improving supplier relationships and optimizing contract management.

- **Leverage Cloud Platforms for Real-Time Supply Chain Visibility**

Integrated cloud platforms should be adopted to provide a unified, real-time view of supply chain operations. These

platforms enable cross-agency collaboration, improve transparency, and support more coordinated decision-making. Enhanced visibility allows agencies to identify inefficiencies, adjust resource allocations dynamically, and ensure seamless logistics in large-scale operations.

- **Establish Clear Performance Metrics to Measure and Refine Outcomes**

Define key performance indicators (KPIs) at the outset to measure the effectiveness of AI and cloud adoption in supply chain processes. Metrics such as cost savings, lead time reductions, and supplier performance can help evaluate progress, refine strategies, and identify areas for scaling successful initiatives. Continuous measurement and feedback loops ensure ongoing optimization and adaptability to evolving demands.

- **Ground AI Solutions in Secure, High-Quality Data**

Ensure AI systems are grounded in accurate and secure data to maximize their effectiveness. High-quality, well-integrated datasets across agencies allow predictive models and automation tools to deliver actionable insights while maintaining compliance with data security regulations. Secure data practices also enhance trust and collaboration between stakeholders.

- **Foster a Culture of Innovation and Workforce Enablement**

Equip agency personnel with the skills and knowledge to effectively deploy and manage AI and cloud technologies. Training programs and a culture of innovation will empower staff to adopt new tools confidently, fostering a more agile

and forward-looking workforce. Collaborative initiatives between technology providers and federal agencies can accelerate this cultural shift.

- **Adopt Incremental Pilots for Scalable Success**

Start with pilot programs that address specific, high-impact supply chain challenges. Focus on manageable areas, such as automating a subset of procurement workflows or applying predictive analytics to critical logistics processes. Use these pilots to demonstrate tangible benefits, build confidence in the

technologies, and provide a roadmap for scaling solutions across broader operations.

- **Strengthen Cross-Agency Collaboration Through Digital Integration**

Build interoperability between cloud platforms and AI tools to support seamless data sharing and communication across agencies. This approach reduces silos, enhances coordination during multi-agency efforts, and promotes unified strategies for tackling complex supply chain challenges, such as disaster response or national defense logistics.

Transform Healthcare Delivery and Enhance Outcomes

The U.S. federal healthcare system provides health services to millions of Americans across diverse populations, including veterans, underserved communities, and government employees. It includes major programs that deliver healthcare insurance to over 156 million Americans, along with our nation's largest integrated healthcare system.

In the United States, we spend nearly 20% of our Gross Domestic Product on healthcare, and the largest contributor of that \$5 trillion each year is government. Without a shift in strategy and tools, healthcare research and delivery costs are expected to further increase with the growth of our older population. With our current legacy processes, it is also often said that the US does not have enough providers to care for all those who need it. Fortunately, advanced technologies, including AI and cloud-based systems, are the foundation of emerging solutions that will radically improve efficiency, cost, and patient outcomes, in the process transforming illness to wellness so people can live more productive and fulfilling lives.

For example, the rapid evolution of advanced analytics is transforming the important area of healthcare diagnostics by significantly enhancing accuracy, efficiency, and cost-effectiveness. AI models can rapidly process vast amounts of data, enabling breakthroughs leading to ever more accurate and early disease detection. For instance, AI tools analyzing mammogram images now detect early signs of breast cancer with over

90% accuracy, surpassing traditional diagnostic methods and empowering clinicians to treat tumors more effectively, leading to better outcomes at a lower cost. These types of advancements address critical challenges, as nearly 800,000 deaths or permanent disability cases annually in the U.S. are linked to late or incorrect diagnoses.²⁷ More specifically, AI-powered diagnostics can not only improve health outcomes by up to 40%, but can also reduce treatment costs by as much as 50%²⁸ while increasing access to care in areas with physician shortages, which is particularly important to the large number of Americans living in rural communities.

Generative AI tools are also revolutionizing drug development and discovery, with over 30% of new drugs projected to involve generative AI in the discovery process this year.²⁹ Combined with real world data, these advanced analytics can also reveal new uses for old medications, thereby rapidly expanding treatment opportunities and options with already available and approved cheaper medications.

New large language models (LLMs) have also opened new opportunities to unlock insights from medical records. By harnessing the power of these generative LLMs, federal healthcare systems can gain new and improved understanding, which includes the ability to predict risk and prevent bad outcomes before they happen. These new tools reduce costs while accelerating the development of life-saving treatments, setting the stage for more transformative advances in care and medical research that positively changes lives.

Technologies enabling connected care platforms and advanced AI-driven tools are proving effective in creating seamless healthcare ecosystems. Connected care systems integrate diverse data from multiple sources, enabling a harmonized and unified view of personalized and precision healthcare that enhances decision-making and care coordination. In addition, these same types of tools and strategies can provide a more holistic view of a hospital or healthcare system's operations, with the subsequent data-informed decisions leading to more streamlined efficient care. This multimodal analysis, surfaced on dashboards, allows secure real-time awareness of evolving trends that foster agility in both clinical care and operational success.

There are also exciting advancements in automated virtual assistants and chatbots, powered by natural language processing and generative AI, that can handle patient inquiries, streamline scheduling, and manage medication reminders, delivering healthcare services that are both accessible on demand and efficient at scale.

Direct patient care providers as well as call center operations also benefit from AI-driven tools like new ambient voice documentation. These systems automatically record encounters and structure the data in compliant formats. Offloading these traditional time-consuming manual tasks empowers employees to work at the top of their abilities and spend more time with patients who need it the most, leading to shorter patient wait times. In addition, the voice quality and tone has also become a new

biomarker that can identify and diagnose previously unrecognized clinical conditions.

Advanced healthcare research also benefits significantly from adoption of these new technologies, as demonstrated by Ontada, a McKesson business. Using Microsoft Azure AI and Azure OpenAI Service, Ontada processed over 150 million unstructured oncology documents, extracting nearly 100 critical data elements across 39 cancer types, delivering high-quality insights four times faster than traditional methods.³⁰ This capability decreases the cost and accelerates the pace of biopharma breakthroughs, thereby accelerating access to life-saving treatments. By embracing similar technologies, federal healthcare organizations can also revolutionize public health research, advance precision medicine, and contribute to faster and more effective treatment development.

To address the complexity and growing demands of the federal healthcare system, the adoption of advanced technologies such as AI, ML, and cloud computing can deliver transformative efficiencies and significantly improve outcomes. Predictive analytics, for instance, can streamline resource allocation, reduce unnecessary hospital admissions, and identify at-risk populations, enabling earlier interventions and better patient care.

Additionally, automation in clinical documentation and claims processing can reduce administrative overhead, allowing healthcare professionals to focus more on direct patient care, leading to faster service delivery and reduced operational costs. Imbedded cloud security by default, with rapid enterprise updates, as well as



Figure 12. Benefits of Digital Transformation in Healthcare.

automated security auditing systems, prevent costly breaches across all systems.

Some examples of the ways Microsoft clients are using these technologies to achieve efficiencies while increasing client and provider satisfaction are highlighted below:

- Facing the challenge of increasing patient demand and limited clinician resources, Medigold Health has a mission to reduce administrative burdens on clinicians so they can focus more on patient care—and in the process have better work-life balance for providers. As part of their initiative, the Medigold team migrated their applications to Azure cloud and was able to automate processes, using Azure’s AI capabilities for automated report generation. Automated processes, especially report generation, are saving clinicians significant time, leading to a 58% rise in clinician retention and greater job satisfaction. This is of particular importance as clinician turnover is associated with poor patient outcomes, and the direct financial cost of onboarding a new clinician is high.³¹

- Acentra Health has also significantly boosted employee morale and productivity by leveraging generative AI on Azure. They developed a web application called MedScribe, which uses AI to generate draft letters for healthcare service appeals. Although new, this innovation has already saved them 11,000 nursing hours and nearly \$800,000.³²
- The telehealth provider MDLIVE for Cigna used ML to create a forecasting solution to accurately predict seasonal fluctuations of illnesses. This operational knowledge allowed them to reduce patient wait times and better balance the workloads of their medical professionals. The solution has cut patient wait times by more than 50% and significantly reduced the need for costly provider overtime incentives during patient demand surges.³³

With the right investments in technology, the U.S. federal healthcare system can not only exceed its operational goals but also lead the nation in transforming healthcare delivery. Secure integrated cloud platforms also enable other federal healthcare agencies to share

and replicate the best solutions, reducing unnecessarily costly and time-consuming duplicated efforts. These productivity gains also foster faster large-scale medical research and innovation. These advancements, combined with the cloud system's ability to scale technology adoption across its network, position the federal healthcare system to lead transformative change in service delivery, operational efficiency, cost savings, and medical research.

Recommended steps to consider for Modern and Efficient Federal Healthcare include:

- **Develop Comprehensive Standards and Ethical Guidelines for Technology Use:** Establish clear frameworks for the adoption of advanced technologies, including AI and cloud computing, ensuring safety, interoperability, and compliance with privacy and civil rights regulations. Standards should include criteria for evaluating AI technologies, integrating them into electronic health records, and preventing misuse or bias in algorithms. Rigorous testing and clear communication about the capabilities and limitations of tools are essential to maintaining public trust.
- **Promote Transparency and Accountability in Technology Adoption:** Implement policies that emphasize responsible use of AI and other advanced tools. Regular quality assessments, performance improvement activities, and public reporting of safety events ensure technologies are used safely and effectively. Programs that enable researchers and healthcare organizations to leverage AI responsibly, such as initiatives similar to AI for Health, can empower innovation while upholding accountability.
- **Leverage Data Integration for Operational Efficiency:** Adopt connected care platforms that unify data across systems to enable real-time insights and better decision-making. Integrated data systems streamline resource allocation, reduce unnecessary hospital admissions, and enhance patient care coordination, particularly in underserved or rural communities.
- **Identify High-Impact Areas for Technology Deployment** Evaluate current healthcare processes to identify areas where technology can deliver the most significant benefits. Focus on workflows that are manual, inefficient, or prone to errors, such as claims processing, scheduling, or clinical documentation. Prioritize applying AI and automation to improve efficiency, reduce administrative burdens, and enhance care delivery outcomes.
- **Leverage AI and Predictive Analytics for Operational Insights** Utilize AI-powered tools to analyze historical and real-time data, uncovering patterns and trends that enable better decision-making. Predictive analytics can optimize resource allocation, streamline hospital operations, and forecast demand for critical resources, improving preparedness and responsiveness to evolving healthcare needs.

- **Enhance Data Integration to Drive Research and Care Improvements**

Adopt secure, cloud-based platforms that enable seamless data sharing across healthcare and research organizations. This integration fosters collaboration and improves the ability to conduct medical and drug research, align benefits delivery, and optimize patient care. Unified data and patient care systems unlock insights that support advancements in precision medicine, population health, and innovative treatments.

- **Apply Automation to Reduce Administrative Burdens**

Automate repetitive and time-intensive tasks like claims processing, documentation, and patient inquiries. These technologies allow healthcare staff to focus more on patient care, improving

efficiency and reducing burnout. For example, voice-enabled AI can streamline clinical documentation during patient encounters, saving time and improving data quality.

- **Address regulatory and ethical considerations:** Any regulatory framework for AI in healthcare should make sure that AI tools are rigorously tested before being made fully available to the public. Users should be clearly informed about what tools can do and what they cannot and proactive measures should be taken to protect against medical misinformation.

By taking these steps, the government can enable the responsible and effective use of AI in healthcare, ultimately improving patient safety, enhancing diagnostic accuracy, and streamlining healthcare processes.

Improve Employee Productivity to Optimize Focus on Mission

The pace of work has grown exponentially, presenting government leaders with an unparalleled opportunity to turn today's challenges into transformative advantages. By capitalizing on advancements in technology, agencies can streamline workflows, optimize resources, and amplify the impact of their workforce. This opportunity presents incredible potential to achieve greater efficiency and deliver exceptional value to the public while enabling government employees to focus on what matters most: their mission.

The real value of generative AI for knowledge workers lies in its seamless integration into the applications they already use every day. By embedding AI capabilities into familiar tools like Word, Excel, PowerPoint, Outlook, and Teams, workers can eliminate the need to switch between additional platforms or learn entirely new systems to benefit from the innovation and achieve productivity gains. This context-aware integration enables users to streamline complex tasks, make better decisions, and achieve higher productivity and efficiency. For example, AI embedded in Word can assist with generating text, summarizing information, and suggesting edits, while in Excel, it can analyze trends and create visualizations that aid in data-driven decision-making. In Outlook, AI simplifies communication by drafting emails and organizing inboxes, enabling workers to manage their time more effectively.

At Microsoft, a Copilot is an AI-powered assistant designed to work alongside users

within these existing applications, providing real-time support to enhance productivity and reduce manual effort. Whether drafting reports, analyzing large datasets, managing communications, or facilitating team collaboration, a Copilot acts as an assistant that simplifies workflows and improves the quality of work. By bringing advanced AI capabilities directly into tools upon which workers already rely, Copilots maximize the impact of generative AI, so that it directly contributes to efficient and effective work processes.

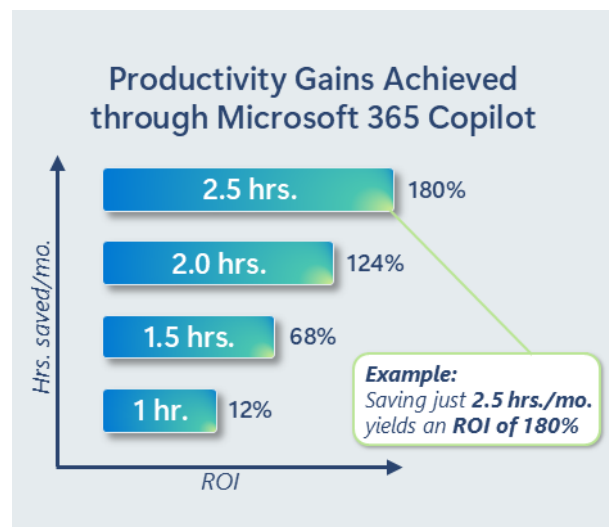


Figure 13. Productivity Gains Achieved with Microsoft 365 Copilot.

In this era of increasing workloads and data-driven decision-making, Microsoft 365 Copilot is redefining how government employees can work smarter and more effectively. Copilot seamlessly integrates into daily workflows to enhance efficiency, collaboration, and value delivery. It automates repetitive tasks, provides actionable insights, and improves communication, helping agencies maximize their resources and empower employees to focus on higher-priority activities.

Microsoft's internal deployment of Copilot across 330,000 employees and contractors demonstrates the potential of generative AI in transforming work. Seventy-four percent of employees reported improved productivity, with an average time savings of 20 minutes per day per employee. This underscores how Copilot assists with everyday tasks such as summarizing meetings, drafting emails, and managing complex workflows.

Copilot's capabilities are particularly relevant for knowledge workers tasked with managing complex projects or delivering on public service mandates. It enables government employees to efficiently conduct project research by sifting through large volumes of data, extracting key insights, and providing summaries that are both actionable and concise. For example, an analyst researching community development grants could use Copilot to quickly identify trends, summarize relevant reports, and generate tailored recommendations for decision-makers. These insights ensure faster, more informed decision-making while reducing the time spent on manual research and analysis.

In addition to research, Copilot enhances communication by summarizing and drafting responses to inquiries. Whether handling constituent questions or internal requests, Copilot provides clear, professional replies that save time and ensure consistency. For instance, a public affairs officer could use Copilot to draft responses to recurring public inquiries or to summarize lengthy briefings for leadership, enabling timely and effective communication across the organization.

Automation is another key strength of Copilot, helping to eliminate repetitive administrative tasks that can consume valuable time. For example, program managers can use Copilot to automatically compile progress updates, generate meeting notes and summaries, and identify actionable next steps. By simplifying these processes, Copilot allows employees to focus on strategic initiatives that drive measurable outcomes for their agencies.

Copilot also enhances cross-agency collaboration, making it easier to align teams and maintain momentum on complex initiatives. It enables alignment by summarizing key points from meetings, tracking decisions, and surfacing relevant information from previous discussions or shared documentation. For a multi-agency task force, these capabilities help all stakeholders remain informed and synchronized, even as priorities evolve.

By enabling faster research, streamlining communications, automating repetitive tasks, and facilitating collaboration, Microsoft 365 Copilot provides tangible benefits to government employees and organizations alike. Agencies that embrace these capabilities can unlock the full potential of their workforce, redirect resources to mission-critical initiatives, and deliver meaningful outcomes to the public. This is a pivotal opportunity for government leaders to lead the way in operational excellence, innovation, and service delivery.

Security and compliance remain top priorities for government agencies, and Microsoft 365 Copilot operates within the secure framework of Microsoft's industry-leading compliance standards. By confirming that data is protected and used responsibly, Copilot allows agencies to confidently integrate AI into their operations without compromising sensitive information. This is particularly important for agencies handling classified or confidential data, where trust in technology solutions is paramount.

Microsoft 365 Copilot Impact and ROI

Organizations are increasingly recognizing the substantial value of Microsoft 365 Copilot, leading to its rapid adoption. Currently, nearly 70% of the Fortune 500 companies utilize Microsoft 365 Copilot, with its adoption rate surpassing that of any previous Microsoft 365 suite. With Copilot supporting sales associates, Lumen Technologies projects \$50 million dollars in savings annually. Honeywell equates productivity gains to adding 187 full-time employees and Finastra is reducing creative production time from seven months to seven weeks. Microsoft 365 Copilot's value is underscored by its measurable return on investment. A recent Forrester Study³⁴ estimates that organizations using Copilot can achieve up to a 457% ROI over three years, driven by time savings, improved decision-making, and streamlined workflows. For government agencies, these results translate into better resource allocation, reduced administrative overhead, and enhanced mission delivery.

To realize this potential ROI and streamline operations, government agencies should

adopt a strategic approach to deploying and using tools such as Copilot and AI-powered Agents across each agency. By following these steps, agencies can optimize their efficiency in Mission Delivery and achieve significant transformation:

- **Identify High-Impact Use Cases:** Focus on workflows that are time or volume intensive and repetitive, such as report generation, data analysis, and responding to inquiries. Prioritize areas where automation can deliver immediate efficiencies and measurable results. Leverage custom-agency Copilots and team Copilots to deliver faster insights and enable agencies to drive more productivity with limited resources.
- **Leverage AI for Routine Tasks:** Deploy AI-powered agents to handle repetitive administrative processes or routine service requests, enabling employees to dedicate more time to complex, mission-focused responsibilities.
- **Monitor and Optimize:** Use built-in analytics to measure productivity gains, cost savings, and adoption rates. Continuously refine processes and training programs to ensure AI tools are delivering maximum value.
- **Ensure Security and Compliance:** Work closely with IT and cybersecurity teams to integrate AI tools within existing compliance frameworks, safeguarding sensitive data while adhering to strict regulatory requirements.

Enhance the Skills of the Workforce to Implement National Strategies

As the U.S. federal government navigates a rapidly evolving, technology-driven landscape, building a skilled workforce is a strategic imperative. Advanced technologies such as AI, cloud computing, and cybersecurity are reshaping the public sector, requiring employees at all levels to possess the knowledge and expertise to harness these tools effectively. A workforce equipped with cutting-edge skills is essential to achieving mission-critical objectives, enhancing service delivery, and driving innovation across federal agencies.

The [Microsoft Work Trend Index](#)³⁵ highlights the emergence of new core competencies for the AI era, including critical thinking, analytical judgment, prompt engineering, and the ability to evaluate and refine AI-generated outputs. These skills are no longer limited to technical roles but are essential across all functions. However, many workers feel underprepared—60% report lacking the capabilities needed to meet job demands.¹⁴ This underscores the urgent need for workforce training and skilling initiatives to bridge these gaps.

To foster economic growth and enable our government and nation to receive the maximum benefits from their investments and available innovations, it is essential to create a national AI talent strategy that provides Americans of all ages and backgrounds with the chance to learn AI skills. A significant opportunity lies in developing AI fluency, enabling people to

integrate AI into their jobs just as they currently use laptops, smartphones, software, and the internet.

The need for technology skilling spans all roles within the federal government, from technical experts and program managers to administrative staff and executive leaders. Every employee has a role to play in using AI and modern technologies to streamline operations, improve decision-making, and deliver greater value to citizens. Addressing existing skill gaps and helping employees leverage AI requires a robust and inclusive approach to workforce development.

Microsoft is uniquely positioned to help the U.S. federal government build the skilled workforce needed to navigate the complexities of AI adoption and IT modernization. Through a comprehensive portfolio of skilling solutions, Microsoft supports government employees, technology professionals, business users, and the next generation of workers. In 2025 alone, Microsoft is on track to train 2.5 million Americans, equipping them with the AI skills needed to succeed in new roles, pursue advanced careers, and drive innovation within their organizations.



Figure 14. Upskilling Strategies.

Microsoft Learn provides nearly 3,000 modules and learning paths covering essential topics like AI, data analytics, cybersecurity, and collaboration. These self-paced resources empower federal employees to upskill at their convenience, addressing both general competencies and specialized roles. Industry-recognized certifications validate technical expertise in critical technologies, providing a standardized baseline of knowledge. These certifications help federal agencies establish consistency across IT teams, confirming readiness for the adoption and implementation of modern tools.

Additionally, Microsoft collaborates directly with government agencies to develop bespoke skilling programs aligned with specific missions and operational goals. This tailored approach helps strategically target workforce development initiatives to deliver maximum impact. For executives and leaders, the AI Business School offers strategic guidance on fostering innovation, ethical AI use, and cultural transformation. This program equips leaders with the knowledge to guide their agencies confidently through the digital transformation process.

Microsoft's approach to skilling is expansive and inclusive, reaching beyond federal employees to encompass a broad ecosystem that includes academic institutions, nonprofits, and community organizations. For example, Microsoft Philanthropies collaborates with governments and nonprofits worldwide to deliver community-focused digital skills training, fostering sustainable, long-term workforce development. These partnerships aim to

create a thriving, AI-driven workforce that benefits not only federal agencies but also the broader public.

The application of these skilling initiatives within the federal government will be transformative. By equipping employees with advanced knowledge and tools, agencies can improve operational efficiency, accelerate the deployment of innovative solutions, and enhance service delivery to citizens. For instance, tailored training on AI and data analytics allows program managers to make more informed decisions, while cybersecurity certifications confirm IT teams are equipped to protect critical infrastructure.

To fully harness the potential of technology skilling, consider the following steps:

- **Identify and Address Skill Gaps Across Roles:** Agencies should conduct workforce assessments to identify current and future skill gaps at all levels, from technical experts to administrative staff. By aligning training programs with identified needs, agencies can ensure employees are equipped with the skills required to adopt and leverage advanced technologies effectively.
- **Promote Continuous Learning and Development:** Encourage a culture of lifelong learning by providing employees with access to self-paced, on-demand learning resources and structured training programs. These initiatives should cover core topics such as AI, cybersecurity, data analytics, and digital collaboration to

prepare employees for evolving job demands.

- **Develop Role-Specific Training Programs:** Tailor skilling initiatives to meet the unique requirements of various roles, from IT specialists and program managers to executive leaders. Specialized training ensures that employees can apply AI and automation tools in ways that directly align with their responsibilities and mission objectives.
- **Leverage Certifications to Validate Expertise:** Establish consistency and readiness across IT teams by encouraging employees to pursue industry-recognized certifications in critical areas like AI, cybersecurity, and cloud computing. Certifications provide a standardized measure of competency and readiness for technology adoption.
- **Foster Collaboration with External Partners:** Partner with academic institutions, nonprofits, and industry leaders to expand access to skilling programs. Collaboration with these entities enables agencies to tap into broader expertise and resources, ensuring that skilling efforts are comprehensive and impactful.
- **Align Training Investments with Mission Objectives:** Skilling initiatives should be directly tied to an agency's strategic goals, ensuring that workforce development supports operational priorities. For

example, program managers trained in AI and data analytics can make more informed decisions, while cybersecurity teams can protect critical infrastructure more effectively.

- **Empower Non-Technical Staff with Accessible Tools:** Introduce low-code and no-code platforms alongside training programs to enable non-technical employees to create solutions that address specific challenges without the added cost and complexity of additional resourcing to enable line-of-business innovation.
- **Track and Measure the Impact of Skilling Initiatives:** Establish metrics to evaluate the effectiveness of training programs, such as employee adoption rates, productivity improvements, and mission-aligned outcomes. Regularly review and adapt skilling strategies to ensure they continue to meet agency needs.

A skilled and adaptable workforce is not only key to meeting the challenges of today but also to preparing for the uncertainties of tomorrow. Through robust training efforts, the U.S. federal government can foster a culture of innovation, improve operational efficiency, and fulfill its mission of delivering exceptional value to the American public. With Microsoft as a partner in workforce development, agencies can confidently embrace the future of technology and unlock new possibilities for growth and success.

Resources for Enablement

Microsoft supports government agencies by streamlining operations, automating workflows, and consolidating platforms to improve efficiency and reduce administrative burdens. Through a collaborative approach, Microsoft helps agencies identify opportunities to automate manual tasks and foster cross-departmental collaboration. These efforts accelerate service delivery, enhance operational workflows, and allow employees to focus on mission-critical initiatives while reducing overall operational overhead.

In the complex ecosystem of federal government operations, the pursuit of modernization can often feel like a race against time. Legacy systems, evolving mission requirements, and constrained budgets create a daunting trifecta of challenges. Yet, successful modernization and automation is not simply about replacing outdated technology. It is about crafting a clear, mission-driven vision that aligns technology investments with strategic outcomes—a principle that all federal agencies should embrace.

Comprehensive Technology Solutioning

Microsoft works closely with agencies to evaluate the best approaches to application development, modernization, and technology platform utilization. Whether building custom applications, adopting low-code/no-code solutions, or leveraging existing SaaS tools, Microsoft helps agencies meet their current

needs while reducing complexity, improving enterprise management, and enhancing security. Flexible cloud options, such as Azure Reserved Instances, enable agencies to align infrastructure with specific workload requirements, optimizing both costs and performance. This scalability enables agencies to manage large and variable workloads efficiently, delivering operational reliability and cost-effectiveness.

By integrating secure, collaborative, and data-driven solutions, Microsoft empowers agencies to modernize confidently and efficiently. Microsoft's holistic approach enables agencies to meet mission-critical goals while enhancing agility, improving compliance, and maximizing the return on technology investments. Through tailored guidance, strategic planning, and ongoing support, Microsoft helps agencies adopt and implement solutions that drive measurable and lasting results.

Tailored Guidance and Support

Microsoft's government-focused teams play a vital role in enabling agencies to make informed decisions about compliance, platform consolidation, and cloud optimization. Key support areas include:

- **Compliance and Security:** Providing guidance on securing data and meeting stringent government requirements, including support for FedRAMP-certified environments.

- **Strategic Planning:** Offering tailored advice to align platform models with agency use cases, manage costs, and optimize outcomes to meet optimized effective mission delivery goals. This also includes comprehensive tools and support for budget planning and resource utilization to maximize ROI and reduce waste, and in many cases unnecessary duplicative purchasing.
- **Customer Success Unit (CSU):** A dedicated team, including industry experts such as the Customer Success Account Manager (CSAM), focuses on driving digital transformation and supporting agencies' strategic plans.

By aligning platform choices to the appropriate cloud environments, Microsoft helps agencies consolidate duplicative platforms, streamline processes, and automate tasks to enhance efficiency and security. This strategic guidance helps agencies receive the best return on investment while maintaining high standards of compliance and security. Microsoft also helps agencies achieve impactful results for the public through the following programs and services:

Specialized Enablement Programs

Commitment to Government Compliance

Microsoft provides platforms like Azure Commercial and Azure Government, Dynamics 365 Government, and Office 365 U.S. Government, which meet FedRAMP requirements out of the box. This ensures agencies benefit from cost savings and rigorous security standards. In addition,

Microsoft Secret and Top Secret platforms are also readily available with comprehensive and powerful cloud services built exclusively to support US agencies and partners working with Secret and Top Secret US security classification level data. Developed using the same principles and architecture as Azure commercial and Government clouds, these environments are enhanced for maintaining the security and integrity of classified workloads while enabling fast access to sensitive, mission-critical information, and have specifically assigned resources to support agencies in onboarding and operation.

Microsoft Innovation Hub (MIH)

The [Microsoft Innovation Hub \(MIH\)](#)³⁶ is a state-of-the-art environment designed to support our customers by providing a unique space for various engagements, led by senior architects, focused on business outcomes. The MIH offers a range of tailored engagements at no additional charge to the government, from problem exploration to technical proof, including the following:

- **Business envisioning:** A human-centered design thinking approach to explore issues widely that will identify opportunities and prioritize next steps.
- **Solution envisioning:** Allows discovery of the problem or opportunity at a strategic business and technical level that will end with clear, actionable next steps.
- **Architecture design:** Provides architectural guidance, consultation on preferred practices, and risk analysis aligned with mission objectives and goals.

- **Rapid prototype:** A multi-week, in-depth engagement to transfer knowledge and prove out customized solutions combined with detailed demos and training sessions.
- **Hackathon:** A multi-day engagement to creatively apply technology and build prototype solutions to mission problems in a rapid, iterative fashion to support solution development.

Microsoft Cloud Adoption Framework for Azure

The [Microsoft Cloud Adoption Framework for Azure](#)³⁷ is a full lifecycle framework and comprehensive guide designed to help federal customers successfully adopt and manage cloud technologies. It provides best practices, documentation, and tools to create and implement business and technology strategies for the cloud. The framework covers key areas such as strategy, planning, readiness, migration, innovation, and governance, providing a structured and efficient approach to cloud adoption. Many of the resources are cloud agnostic and provide templates and tools that enable agencies to better understand their cloud environment. Working with government clients, Microsoft teams use this framework to optimize and strategize the best approach for cloud migration.

- [Cloud Adoption Journey](#)³⁸ – Helps determine which workloads to tackle first and how to approach them to streamline cloud adoption. Aligning platform choices to optimal cloud instances involves selecting the right cloud services that meet specific use case requirements while optimizing costs. Microsoft teams will work with agencies to provide guidance on selecting and managing cloud resources effectively and efficiently.
- [Azure Landing Zones](#)³⁹ – Pre-configured environments that provide a secure, scalable foundation for deploying and managing workloads in Azure. They integrate best practices for governance, security, and compliance, enabling efficient resource organization across subscriptions, governance through policy enforcement, and robust security controls. These landing zones support cost management and operational efficiency by automating processes and centralizing monitoring, enabling rapid deployment of applications while maintaining high standards of security and compliance.
- [Cost Management](#)⁴⁰ – Optimizes cloud costs through cost analysis combined with budgets aligned with the desired investment. Microsoft will provide cost optimization recommendations to guide cost management efforts, such as detection of idle resources.
- [Azure Advisor](#)⁴¹ – A digital cloud assistant that optimizes Azure deployments with best practices. It analyzes resource configuration and usage telemetry and then recommends solutions that can improve the cost effectiveness, performance, reliability, and security of Azure resources.
- [Unified Operations for Hybrid and Multicloud](#)⁴² – Takes an intentional approach to maintaining one set of tools and processes to consistently manage each cloud provider through a common set of

governance and operations management practices. By delivering governance and operations management across hybrid and multicloud environments, it reduces the typical increase in operating costs across heterogeneous environments.

- [Azure Architecture Center \(AAC\)](#)⁴³ – A one-stop shop of solution ideas, best practices, example workloads, reference architectures, technology decision guides, and architecture guides for Azure workloads. This comprehensive catalog helps agencies design solutions on Azure using established patterns and practices.

Azure Migrate, Modernize, and Innovate Programs

[Azure Migrate, Modernize, and Innovate](#)⁴⁴ programs are designed to help federal agencies accelerate their cloud journey and drive innovation. These programs offer extensive guidance, assessments, proof of concepts (PoCs), pilots, and deployment assistance, enabling a well-architected and optimized approach from start to finish. By leveraging these programs, federal agencies can enhance their infrastructure, improve security, and meet mission goals.

- Azure Migrate and Modernize provides comprehensive support for migrating and modernizing on-premises estates to Azure, including access to Microsoft experts, specialized partners, and incentives to offset migration costs. This program supports various workloads such as Windows Server, SQL Server, Linux, SAP, Oracle, and HPC.
- Azure Innovate focuses on enabling AI-led transformation by providing tools, expert

guidance, and resources to build intelligent applications, leverage scalable analytics, and enhance workflows to accelerate implementation of AI, analytics, and application development.

Training & Skill Enhancement

Microsoft offers a wealth of free training resources that agencies can use to upskill their workforce. These include online learning modules, certifications, and best practices that are easily accessible via Microsoft's website. Additionally, Microsoft can collaborate with government agencies to develop custom training programs tailored to specific needs and challenges. This consultative approach extends to direct support from Microsoft's experts, who can help agencies align their workforce development efforts with cutting-edge technology solutions and best practices.

- [Microsoft Learn](#)⁴⁵ is a comprehensive platform designed to help individuals and organizations develop their skills and knowledge in various Microsoft technologies. It offers a wide range of interactive learning paths, modules, and courses that cater to different skill levels, from beginners to advanced IT professionals. Through Microsoft Learn, agency employees can access step-by-step guidance and hands-on practice to master tools like Azure, Microsoft 365, Dynamics 365, and more. This platform not only provides self-paced learning but also offers instructor-led training and certification opportunities. By leveraging Microsoft Learn, agencies can ensure their workforce

stays current with the latest technological advancements, enhancing their capabilities and productivity.

- The [Enterprise Skills Initiative \(ESI\)](#)⁴⁶ provides agency employees with access to premium skilling opportunities based on Microsoft's products, and connects agencies with trusted training service partners for quality skilling. Highlights of the program include self-paced digital credentials, certifications, applied skills practice, and exam readiness. Additionally, ESI offers virtual training days, instructor-led training, and 24x7 support so that employees have the resources they need to success. By leveraging ESI, federal agencies can enhance their workforce's capabilities, drive innovation, and improve technical capabilities for everyone.
- The [AI Learning Hub](#)⁴⁷, available on Microsoft Learn, uses a four-stage approach that agencies can follow to upskill their workforce on AI. Each stage includes curated role-based training resources—ranging from fundamentals to technical knowledge to business-user training—that teams can use to develop their AI skills. The [Accelerate AI transformation with skill building](#)⁴⁸ whitepaper outlines this recommended structure and details how Microsoft Learn can help upskill both non-IT and technical and non-IT employees.
- The [AI Federal Leadership Program](#)⁴⁹ started as a joint effort between Microsoft and the Partnership for Public Service. For more than five years Microsoft has helped support the program, both financially and with industry experts, to prepare leaders

across government to guide their agencies' AI strategy. This program is offered to select senior executives (SES/Equivalents) at no cost to federal agencies. To date more than 500 executives have participated.

The program is designed to:

- Educate agency decision-makers on the opportunities around AI.
- Highlight best practices for how to make the case for and develop AI solutions.
- Prepare leaders to incorporate AI technology into their strategies and equip their workforce.

Power Platform Center of Excellence (COE)

The [Power Platform Center of Excellence \(COE\)](#)⁵⁰ is a strategic initiative designed to help federal agencies maximize the value of the Microsoft Power Platform. By establishing a COE, agencies can drive innovation, improve efficiency, and maintain governance and control over their Power Platform environments. The COE provides a structured approach to managing and supporting Power Apps, Power Automate, Power BI, and AI Builder, confirming that best practices are followed and that resources are used effectively. Key benefits include the ability to accelerate the development and deployment of low-code solutions, enhance collaboration across departments, and confirm compliance with organizational policies. The COE also offers tools and templates to help agencies get started, along with ongoing support and guidance to enable long-term success. By leveraging the Power Platform COE, federal agencies can empower their employees to

create and manage their own solutions, leading to increased productivity and better alignment with their mission goals.

Acquisition and Authorization

As part of accelerating effective mission delivery with technology adoption, it is essential to recognize that most US Federal agencies already have access to the majority of solutions outlined in this document through existing enterprise agreements, GWACs, or acquisition vehicles. Additionally, many agencies have established Authority to Operate (ATO) approvals for a wide range of these capabilities, tools, and services. This ensures that agencies can seamlessly integrate them into their operations to drive immediate value, improve automation and security, and enhance operational efficiencies.

By leveraging pre-existing agreements, agencies can expedite the deployment of these solutions, enhancing their overall efficiency and effectiveness. These contract vehicles are specifically designed to simplify the procurement process, enabling federal

agencies to quickly and easily access the latest Microsoft technologies and services.

These contract vehicles are designed to simplify the procurement process, allowing federal agencies to quickly and easily access the latest Microsoft technologies and services, such as:

- DoD Joint Warfighting Cloud Capability (JWCC)
- GSA Multiple Award Schedule (MAS), Special Item Number (SIN) 518210C - Cloud and Cloud-Related IT Professional Services
- NASA Solutions for Enterprise-Wide Procurement (SEWP V)
- Transformation Twenty-One Total Technology-Next Generation (T4NG)
- USDA Strategic Technology Resource Acquisition and Unified Services (STRATUS) BOA

For a complete list of contract vehicles and how to get started, please visit the [Microsoft Federal Contract Vehicles](#)⁵¹ page.

Partnering on our Innovative Future

The federal government stands at the forefront of a transformational opportunity to harness advanced technologies that can redefine operational efficiency, elevate service delivery, and bolster national security. Integrating tools like AI, data analytics, and secure cloud solutions provides measurable and impactful avenues for agencies to better serve citizens, optimize resources, and achieve their missions with greater agility and effectiveness while reducing costs. By embracing this moment, government leaders can address the challenges of today while preparing for the opportunities of tomorrow.

Maximizing the potential of this transformation requires a focused and strategic approach. Agencies should unify digital platforms to streamline workflows, invest in end-to-end digital citizen services, and adopt AI to combat waste, fraud, and inefficiencies. A culture of data-driven decision-making is also vital, supported by robust data governance frameworks that enable accuracy, accessibility, and compliance with security protocols. These steps are not just enablers of efficiency—they are the foundation for improving trust, transparency, and the government's ability to meet citizens' evolving needs.

Vision-driven modernization prioritizes purpose over the temptation of "rip and replace." Instead of focusing solely on swapping legacy systems with shiny new solutions, agencies must take a step back and

articulate what they aim to achieve. This involves developing multi-year roadmaps, setting outcome-based metrics, and ensuring every modernization effort aligns directly with the agency's mission. By doing so, agencies can make targeted, efficient investments that deliver meaningful results, avoiding the pitfalls of overhauls that lead to misaligned resources and disrupted operations.

Federal agencies also operate in a shared environment of public accountability, where every decision is scrutinized for its impact on citizens. Vision-driven modernization allows agencies to navigate this scrutiny with confidence, demonstrating that modernization is not just about technology but about serving the public more effectively. It enables agencies to adopt a phased, sustainable approach, avoiding costly disruptions while ensuring that each step builds toward a cohesive, long-term strategy.

Ultimately, modernization without vision is modernization without purpose. Federal agencies have an obligation to rise above short-term fixes and embrace modernization strategies that are thoughtful, mission-aligned, and outcome-focused. By adopting vision-driven modernization, agencies can ensure they not only meet today's demands but also build the foundation for resilient, citizen-focused operations in the future.

Microsoft is deeply committed to partnering with the federal government to help realize these objectives. With decades of experience supporting governments worldwide and a comprehensive portfolio of technologies tailored to U.S. agencies, Microsoft provides not only the tools but also the expertise to guide organizations through modernization.

Microsoft is also actively collaborating with the General Services Administration (GSA) and the Office of Management and Budget (OMB) to enhance IT acquisition processes, optimize resource utilization, and improve cost management across federal agencies. In partnership with CISA, discussions with Microsoft's cybersecurity teams focused on integrating critical security elements into the Governmentwide Microsoft Acquisition Strategy framework as well. This collaboration aims to bolster cybersecurity measures across federal IT acquisitions, while improving the government's access to best practices and tools so that investments in Microsoft technology deliver optimal value for the U.S. government.

As a part of the collaborations with the GSA IT Vendor Management Office, Microsoft is also delivering a custom set of workshops and Federal Copilot Launch activities throughout 2025, providing agencies with first-hand access to tailored skilling programs designed to equip their workforces to excel.

Additionally, federal employees across all roles—from IT professionals to program managers—can gain critical knowledge in AI, cybersecurity, and cloud technologies so they are prepared to make the most of modern tools.

In addition to skilling, the adoption of advanced technologies like AI and low-code platforms can unlock new efficiencies and opportunities. AI-driven solutions can streamline internal operations, analyze complex datasets to support policy decisions, and even enhance citizen services by providing faster, more accurate responses to inquiries. Low-code platforms empower employees to create custom applications and workflows, reducing the reliance on technical knowledge and accelerating innovation across agencies.

Actionable steps agencies should take include:

- **Invest in workforce development:** Take advantage of training programs, certifications, and tailored learning paths to build the skills needed to adopt and deploy advanced technologies confidently.
- **Establish Strong Data Governance:** Implement comprehensive governance frameworks to ensure data accuracy, security, and compliance while fostering a culture of data-driven decision-making. Effective governance creates the foundation for leveraging advanced technologies like AI and automation, enabling smarter, more efficient government operations.
- **Develop Strategic Roadmaps Tied to Measurable Outcomes:** Establish phased modernization and automation plans that are directly linked to mission objectives and citizen-focused outcomes. Use data-driven metrics to track progress and continuously refine strategies to maximize impact.

- **Prioritize Stakeholder Alignment and Resource Optimization:** Engage stakeholders early and often to ensure modernization efforts align with agency priorities and resource constraints. Leverage existing investments strategically to avoid redundancies and deliver sustained value.
- **Leverage AI and automation:** Use AI to identify inefficiencies, optimize workflows, and deliver actionable insights that improve both operations and citizen outcomes.
- **Foster innovation through collaboration:** Encourage cross-agency partnerships and shared platforms to drive consistency, reduce redundancy, and create shared efficiencies.

These actions, supported by Microsoft's technologies and expertise, position agencies to achieve measurable gains in efficiency, cost savings, and mission effectiveness. For example, data-driven cultures, as highlighted in Microsoft's transformation initiatives, enable faster decision-making and stronger

alignment with organizational goals. Meanwhile, skilling investments makes sure the workforce remains adaptable, innovative, and resilient in the face of rapid technological advancement.

This is an extraordinary moment for federal agencies to lead the way in digital transformation. The opportunity is real, impactful, and within reach. By embracing modern technologies and fostering a culture of innovation and continuous improvement, agencies can achieve meaningful, measurable change. Microsoft is excited and dedicated to supporting the government's goals, missions, and growth every step of the way. Together, we can build a more efficient, secure, and responsive government—one that meets the challenges of today and prepares for the opportunities of tomorrow with confidence and optimism.

To explore tailored solutions and next steps, contact us at govefficiency@microsoft.com. Let's unlock the full potential of technology to deliver the future of government together.

Annotations

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