DIGITALGATES

Becoming Frontier: Transforming with AI

Lead with AI for success in the agentic economy

Microsoft

Lead the next era of innovation as a Frontier Firm

The world of work is transforming and the organizations leading the way are those embracing AI to create a new kind of enterprise: the **Frontier Firm**. Becoming Frontier means evolving into a secure, AI-first organization where human ingenuity and intelligent technology work together to drive innovation and impact. These hybrid human-AI teams unlock agility, productivity, and entirely new business models reshaping how work gets done and what's possible.

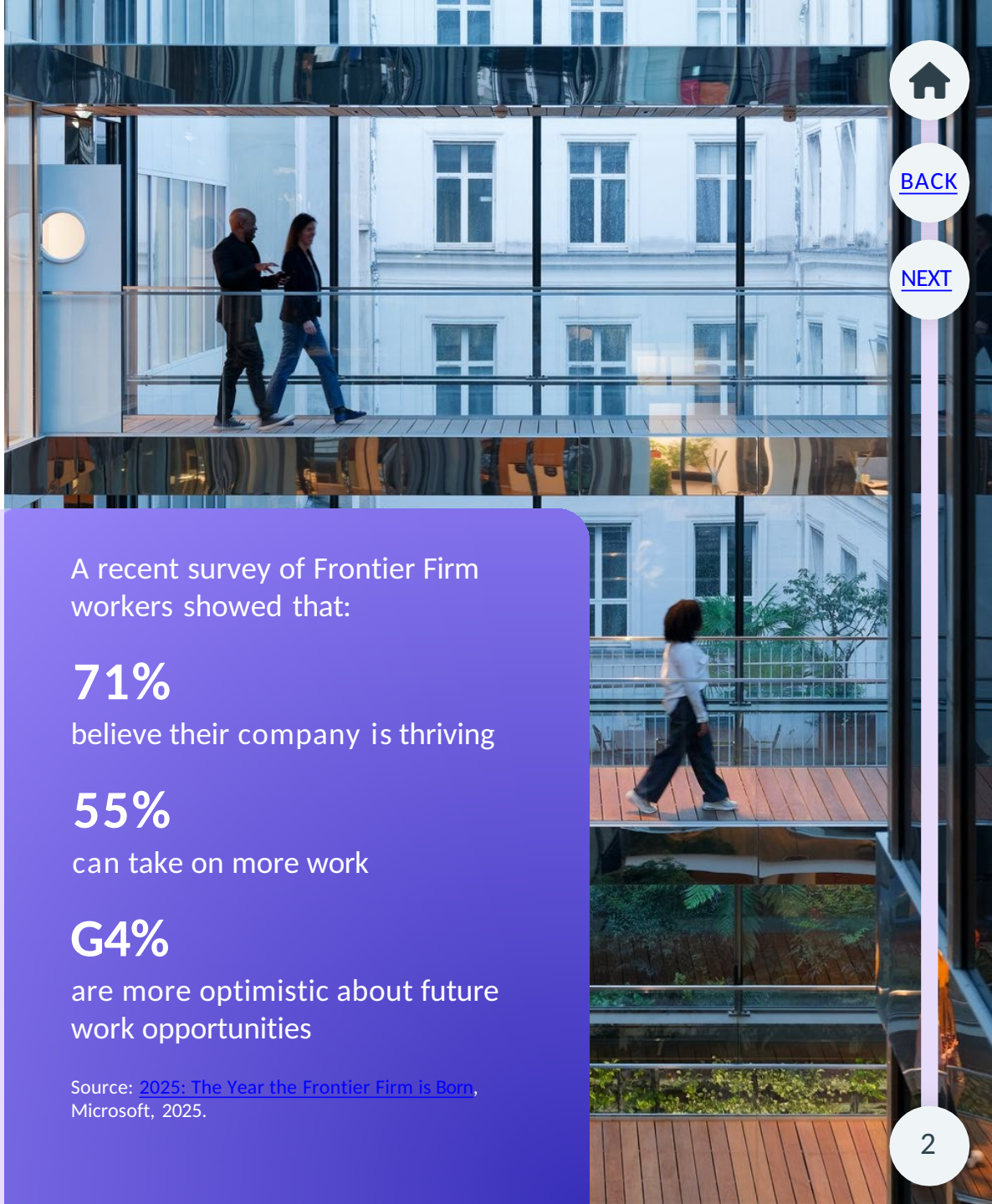
Enrich employee experiences
Attract top talent and equip them with world-class tools that help them do their best work.

Reinvent customer engagement
Connect more deeply with customers, driving stronger relationships and more personalized experiences.

Reshape business processes
Streamline operations and empower employees to identify new opportunities for innovation.

Bend the curve on innovation
Use AI to spark creativity, generate new ideas, and iterate faster than ever before.

Together, these principles form a clear framework for your AI transformation journey, helping your organization move from experimentation to execution, and ultimately, to becoming a true Frontier Firm.



A recent survey of Frontier Firm workers showed that:

71%
believe their company is thriving

55%
can take on more work

G4%
are more optimistic about future work opportunities

Source: 2025: The Year the Frontier Firm is Born, Microsoft, 2025.

Generative AI is redefining how modern organizations operate

Generative AI is no longer a curiosity—it's a business imperative. As organizations shift toward the next era of AI-powered work, the most ambitious are charting a course to become **Frontier Firms,** enterprises built around on-demand intelligence, powered by human–AI collaboration, and designed to create value at unprecedented speed.

In just a short time, generative AI has moved beyond experimentation. Early tools like chatbots, text generation, and image creation tools laid the foundation, and they're still part of the picture. But now, generative AI is being deeply embedded into core business workflows, becoming a defining feature of how modern organizations operate.

There's no single way to implement generative AI, and that's where its strength lies. You might need something simple and fast, like an assistant built into your productivity tools. Or something more custom, like a customer support chatbot trained on your company's knowledge base and integrated with your ticketing system.

Whatever you need, there's a tool for you in the generative AI toolbox. The key is having a strategy to determine which options make sense for you right now.

Make an impact your way.

AI transformation isn't a one-time event; it's an ongoing journey of adaptation, experimentation, and growth.

Get started quickly.

Use out-of-the-box tools when you need speed and simplicity and extend them as your needs grow.

Empower everyone.

Use low-code tools to democratize AI while enabling developers to build at scale.

Build to differentiate.

Create custom AI agents, assistants, and apps to deliver capabilities no one else can.

Prioritize security.

Make responsibility, compliance, and trust a part of every layer of your AI stack.

82%

The rise of agents—According to the 2025 Work Trend Index, 82% of business decision makers say they're confident they will use AI agents to expand workforce capacity.

Grow at your own pace with extensibility

You don't have to build from scratch to get the most out of generative AI. Extensibility enables you to tailor prebuilt solutions — like Microsoft 365 Copilot—using your data, systems, and workflows.

Whether you're using tools out of the box, configuring them to fit your needs, or building something custom, generative AI delivers value at every level. Extensibility simply gives you the flexibility to go further when and where it matters.

What it means to extend generative AI

Extending generative AI means taking a ready-made solution, like Copilot, and enhancing it to reflect the way your organization works. By extending existing tools, you're building on top of a powerful foundation to accelerate results without building from the ground up.

Add your data. Ground generative AI in your company's content, knowledge base, or business rules.

Customize the experience. Modify prompts, actions, or the user interface (UI) to match how your teams work.

Integrate with your systems. Connect to CRM systems, ERP platforms, and other tools so AI can take action and deliver insights within your existing workflows.

The benefits of extensibility

Extensibility is about meeting your business where it is. With extensibility tools like Microsoft Copilot Studio, you can move quickly, tailor AI to your unique needs, and involve more people in building the solutions that matter.

With extensibility, you gain the flexibility to grow at your own pace without starting from zero. Build on the tools you already have, expand on frameworks that are already working, or innovate in a new direction. You have options.

Benefits of extending off-the-shelf solutions

Move faster
Deploy working tools quickly, then iterate and adapt as you go.

Empower more people
Business users and domain experts can help design solutions using low-code tools.

Stay secure and compliant
Enterprise-grade guardrails and governance are built in from the start.

Empower people and transform processes with generative AI

Generative AI is not just a productivity tool. It's a flexible set of capabilities that can help you completely reimagine how your business works. By combining tools like agents, AI-powered assistants, and even custom-built solutions, you can move beyond casual experimentation to achieving practical, wide-ranging impact.

As you bring AI into your organization, it helps to understand two generative AI core capabilities: assistants that help individuals work smarter and faster and agents that handle complex tasks and can transform entire processes.
Let's take a closer look at both.

What are AI-powered assistants?

Generative AI assistants, like Microsoft 365 Copilot, are designed to help individuals work faster, smarter, and more effectively. They act as personalized support systems, built right into the tools people use every day.

By helping people make better decisions, stay focused, and reduce busy work, generative AI carves out time and energy for more strategic, creative work across your organization.

What are agents?

Think of AI agents like a team of digital coworkers. Agents use generative AI to automate and carry out business processes, working alongside people or independently to drive business outcomes. Agents:

- Complete tasks (instead of just generating content).
- Coordinate tasks across apps, systems, and data.
- Range in complexity and can be developed with low-code or pro-code tools.

Today, these tools are completely reshaping how work gets done, offering cost savings, efficiencies, and revenue generation. From simple automations to complex workflows, any process can be reimagined with agents.

Why you need both

Many business decision-makers are still unsure how assistants and agents differ or which is preferred. Here's the answer: to take advantage of the full promise of generative AI, you'll need both. Agents handle complex, multistep work across systems. Assistants help individuals work smarter and faster. And when you pair them with human ambition, you open the door to real transformation.

A closer look at Copilot

- Generates text, image, audio, and video
- Embedded in familiar apps like Outlook, Word, and Microsoft Teams
- Surfaces insights, drafts content, summarizes conversations, and automates repetitive tasks
- Grounded in internal work data (not just public web content)
- Can be tailored to your unique needs with custom prompts, business logic, and workflows

AI glossary at a glance

AI agent: Automates business processes and can be fully autonomous

AI assistant: Helps users complete tasks using generative AI

AI-native app: Designed with AI as a core feature

Extensible AI: Prebuilt AI that can be extended to meet specific needs

Custom AI: Tailored AI solutions developed for a specific purpose.

Generative AI: Creates text, images, or code from prompts

Differentiate with custom AI solutions

Off-the-shelf tools are a great starting point, but when your needs go beyond the basics, custom AI can give you a true strategic edge. If you're tackling complex processes, working with specialized data, or aiming to deliver proprietary experiences, custom solutions let you shape AI around what makes your business different. Custom development goes beyond extending existing tools. It gives you full control over the models, data, and logic driving your solution. With the AI solutions Microsoft provides, you have the flexibility and support to build what doesn't exist yet—and turn innovation into impact.

Build your own advantage with custom AI

When you build your own generative AI applications, you get to access a whole new level of creativity and control. Custom solutions help you go beyond general-purpose tools to solve specific challenges, shape unique customer experiences, and scale innovation on your own terms.

But to get there, you need the right tools, services, and infrastructure for a strong foundation. That's where the Microsoft AI development stack comes in, purpose-built to help teams create with speed, security, and sophistication.

- Solve challenges unique to your business
- Deliver personalized, differentiated customer experiences
- Innovate faster and create new sources of value at scale

What you can achieve with developer support

Create multimodal AI experiences
Combine text, image, video, and voice for a unique customer experience.

Power intelligent digital products
Adapt in real time to customer behavior and other inputs.

Launch domain-specific agents
Use these for specialized tasks, such as inventory optimization, financial forecasting, or risk monitoring.

Laying the foundation for your Frontier future

To lead in the era of AI, organizations must go beyond adopting new tools; they must embrace a new way of working. By securing AI from the ground up and embedding intelligence into every layer of operations, you lay the foundation to become a Frontier Firm: agile, scalable, and ready for what's next.

Build a secure foundation

AI brings unprecedented opportunity and equally serious responsibility. If your AI strategy isn't grounded in security and trust, it can open your organization up to risks that are very difficult to mitigate.

Today's business and technology leaders are asking the right questions and sounding the alarm on new forms of risk.

According to recent studies:

82%

worry about sensitive data leakage

55%

want clearer guidance on AI regulation

Source: First Annual Generative AI study: Business Rewards vs. Security Risks, 2024.

These aren't theoretical risks; they're practical, immediate concerns that can impact everything from reputation to compliance to customer trust.

Securing AI isn't just about locking down models, it's about protecting your people, processes, and data across every layer of your digital estate.

Responsible AI and agents

Building AI agents responsibly is crucial to ensure that these technologies are ethical and trustworthy. It's essential to follow best practices, such as using diverse and representative training data, defining clear roles and responsibilities for employees, and ensuring constant oversight of AI-powered products.

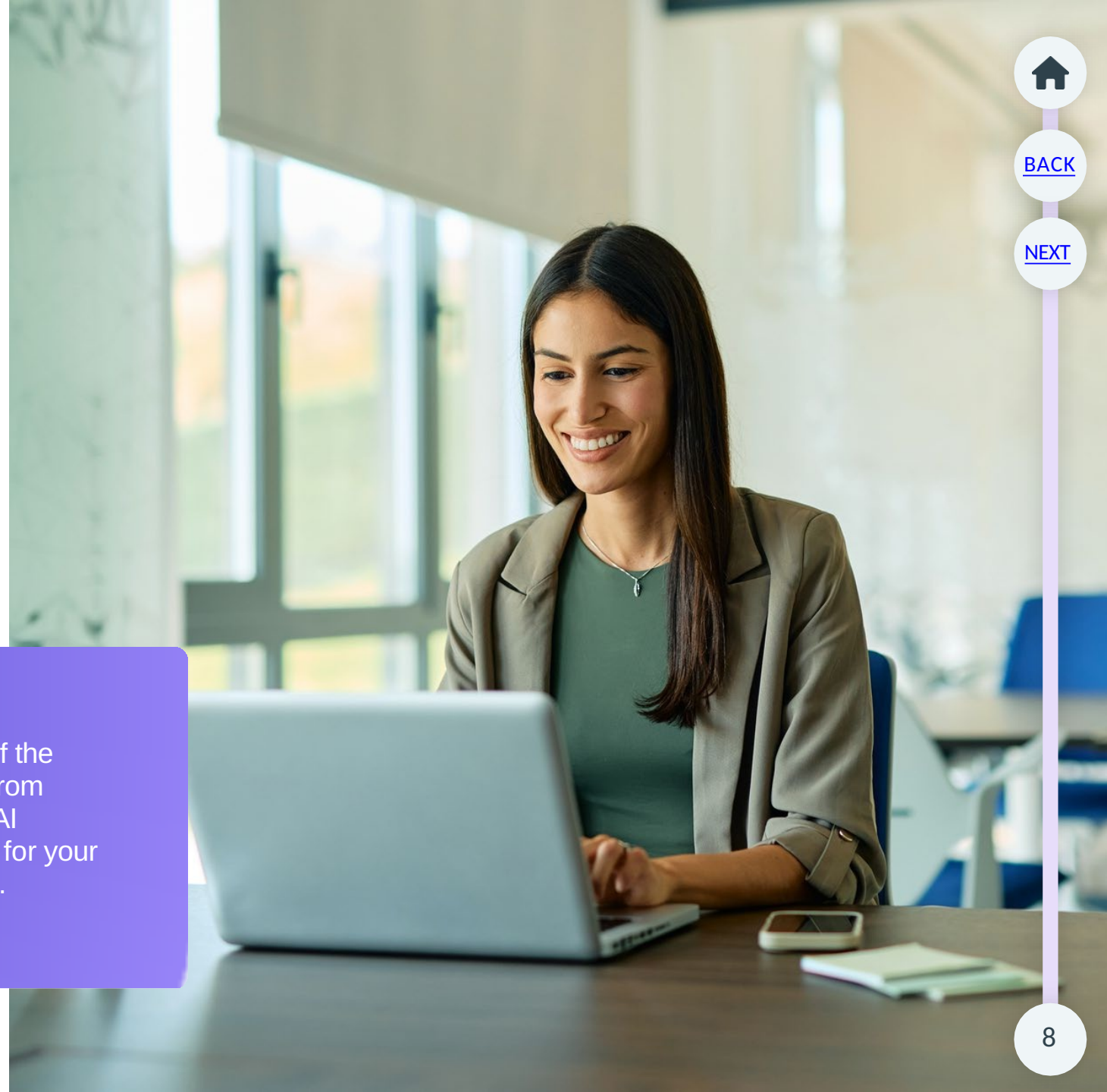
Microsoft commitment to Responsible AI

- Protect sensitive data in every interaction with AI systems.
- Detect and respond to emerging threats in real time.
- Enforce access control and governance policies at every level.
- Comply with evolving regulations while maintaining agility.
- Build user trust by being transparent, responsible, and accountable.

Design your AI transformation strategy with Digital Gates and Microsoft

Success with generative AI depends not only on having the right tools, but also on having the right partner to help you shape a strategy that evolves with your goals and delivers lasting value.

As a trusted Microsoft partner, Digital Gates brings expertise, guidance, and hands-on support to help you make the most of the flexible AI platform and comprehensive solutions ecosystem from Microsoft. Whether you're just getting started or scaling your AI capabilities, we work with you to identify the best-fit approach for your business and guide you through every step of your AI journey.



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