




50 years of IT at Microsoft

Lessons from the front lines of digital transformation

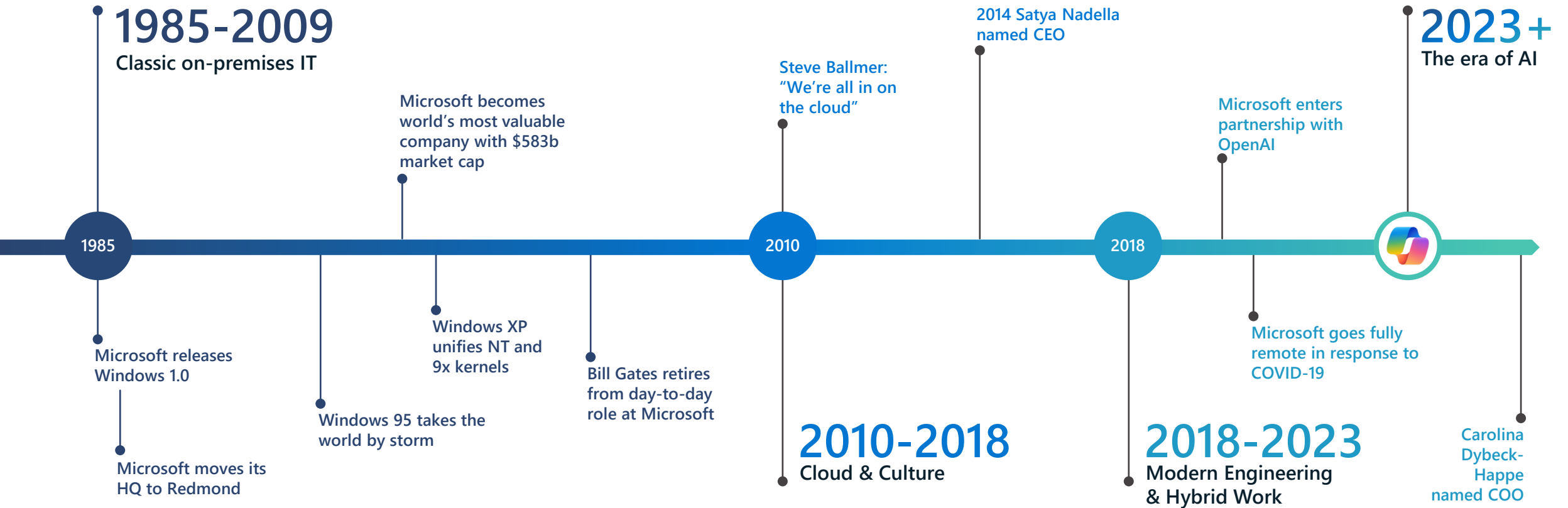
Nathalie D'Hers
 Microsoft Digital



Hi, I'm Nathalie!



Microsoft Digital's IT journey



"MICROSOFT IT"

"CORE SERVICES ENGINEERING"

"MICROSOFT DIGITAL"



Classic on-premises IT 1985-2009



“Developers, developers, developers!”

On-premises labs & infra

“Order takers” – No IT budget for build/grow

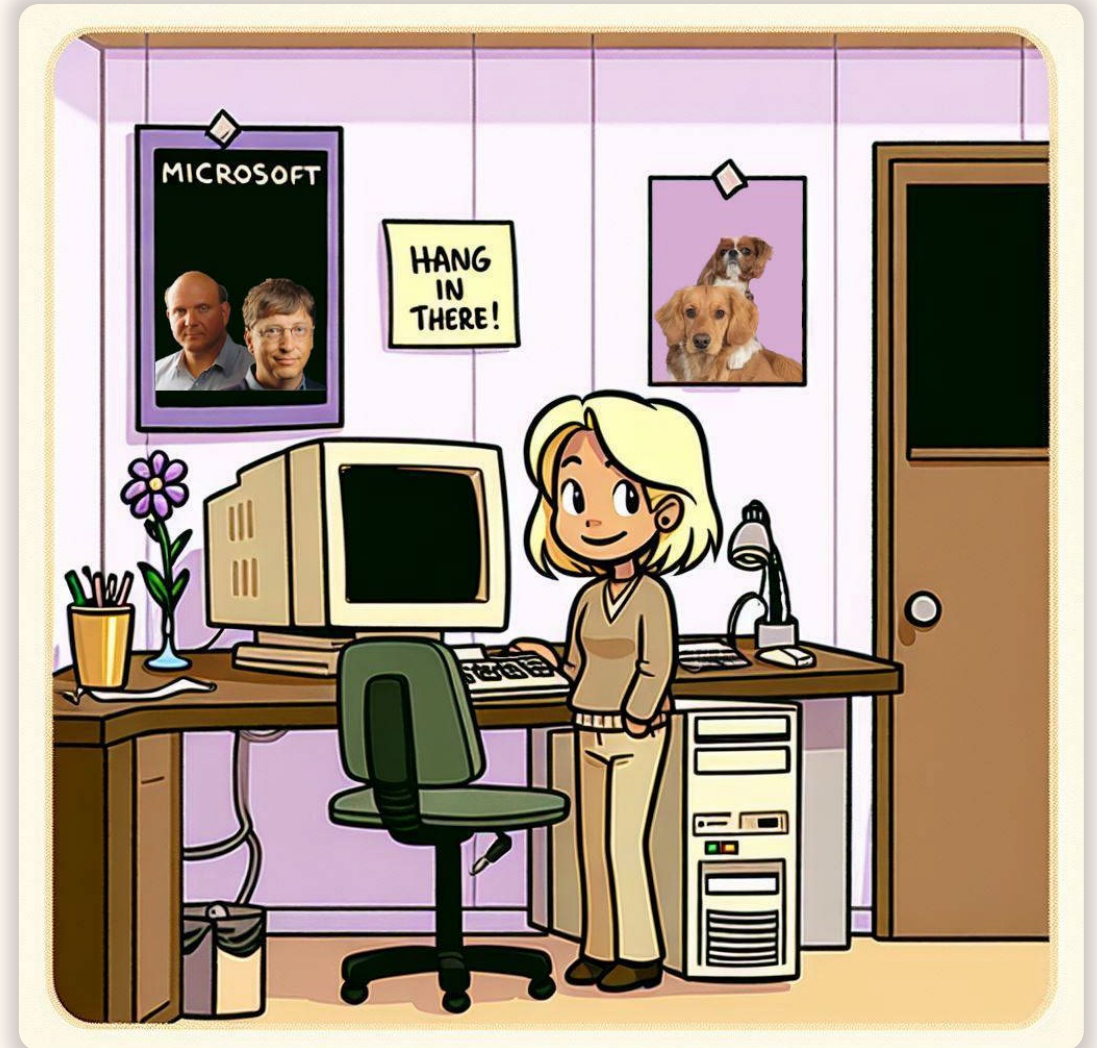
Vendor-dependent due to lack of consistent funding

Shadow IT filled the gaps

User experience was an afterthought

Operational metrics vs Business impact

Technology > Culture



Cloud & Culture

2010-2018



“We’re all in on the cloud”

A few ways the move to the cloud benefitted Microsoft

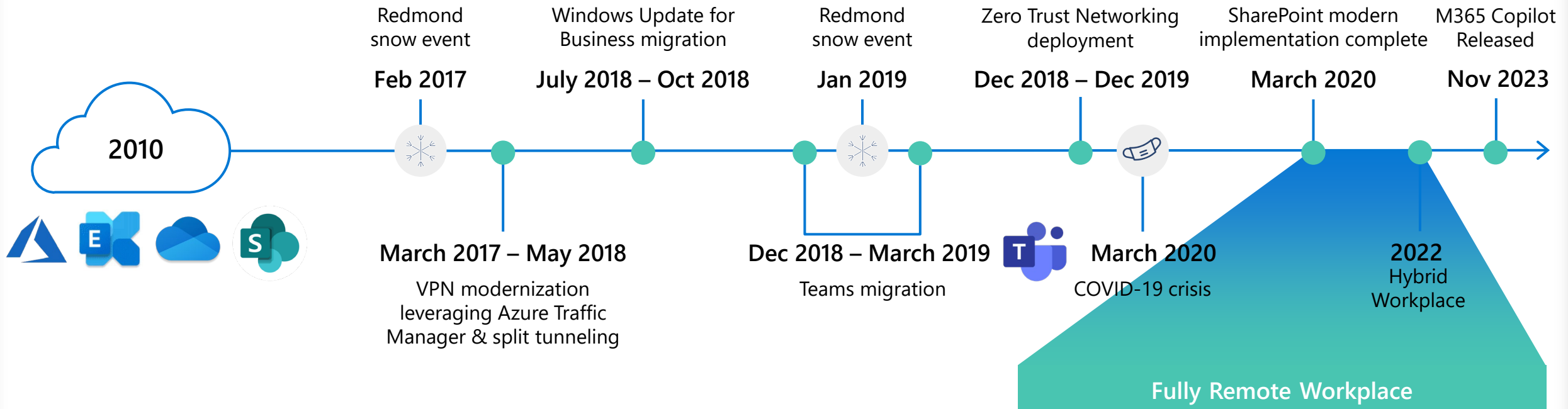
- **Scalability:** Ability to instantly scale resources based on demand without hardware constraints
- **Cost Efficiency:** Reduced capital expenses and depreciation
- **Disaster Recovery:** Improved resilience with built-in backup and recovery across datacenter regions
- **Security:** Continuously updated security
- **Agility:** Enabled faster app & service deployments
- **Global Reach:** Low latency access to workloads & services from anywhere
- **Automatic Updates:** Regular software and infrastructure updates



Before our cloud migration: 12 data centers, 44K servers (50% virtual), 32PB of storage
2025: 98.5%+ of all Microsoft enterprise workloads are now powered by Azure

Cloud adoption enabled a fully hybrid Microsoft

Hybrid workplace milestones



“Achieving our mission requires us to evolve our culture and it all starts with a growth mindset – a passion to learn and bring our best every day to make a bigger difference in the world.”


Satya Nadella
Microsoft CEO



Becoming the “Learn it all company”

- Always be learning, always be curious
- Try new things and don't be afraid to fail
- Obsess over what matters to our customers
- Embrace diversity & inclusivity in everything we do
- Operate as one company – One Microsoft



A woman with dark hair tied back, wearing a dark blazer over a light-colored top, is seated at a desk in a dimly lit office. She is looking at a large computer monitor which displays a complex interface with various charts and data. Her hands are on a keyboard. The scene is bathed in a teal/blue light, and the overall image has a semi-transparent teal overlay. In the background, there is a desk lamp and some office supplies.

Modern Engineering & Hybrid Work 2018-2023



The Modern Engineering era



Vision-Led

A clearly articulated view of where we want to take things and what we need to get there



User-Centric, Coherent Design

Puts the user at the heart of every decision.



Customer Zero

We take pride in being the first customer for a wide variety of Microsoft products and services

Other

IT as Engineering

We are an Agile/DevOps organization, not an IT organization

Managed Shadow IT

Rather than trying to prevent Shadow IT, we manage it using our M365 and Azure tenants

Measured by OKRs

We're using objectives and key results (OKRs) to align team priorities with business goals



Example: Shifting to Engineering/DevOps



Developer



Tester



IT
Solution
Manager



IT Program
Manager

Growth mindset
Learning new skills
Leadership support
Hiring for modern skills



Engineering
Program
Manager



Cloud Lead



Cloud
Architect



Software
Engineer



Partnering to build the best hybrid experiences

Digital capabilities

We keep employees productive and our environment safe and secure, no matter where employees are or how they connect. AI is defragmenting the employee experience.




Physical spaces

We partner with Global Workplace Services to imagine & deploy capabilities that support an inclusive approach to hybrid productivity.

Culture

A strong partnership with HR ensures our digital employee experience enables our aspirational culture, regardless of an employee's physical location.

The era of AI 2023+





MSD FY25 Priorities

Security

We prioritize **security** above all else. We fulfill the key pillars of the *Secure Future Initiative*: Secure by design, Secure by default, and Secure Operations.

Foundations

Deliver the **highest standards of service fundamentals** across our entire portfolio.

AI

Innovate across key investment areas:

Network & infrastructure • End user services • Corporate functions

Key Enablers



"AI-ready" data

AI ready data is available, complete, accurate, high quality and shaped for ML and AI.



Customer Zero

We will lead the industry in AI transformation as Customer Zero for Microsoft's enterprise products & services.



Change Management

We accelerate value for our employees through consistent change management and readiness practices.



People & Culture

We invest in a diverse and inclusive culture, leadership and management excellence, and in personal learning and growth.



FY25: Three key AI investment areas

Transform & Secure our Network & Infrastructure

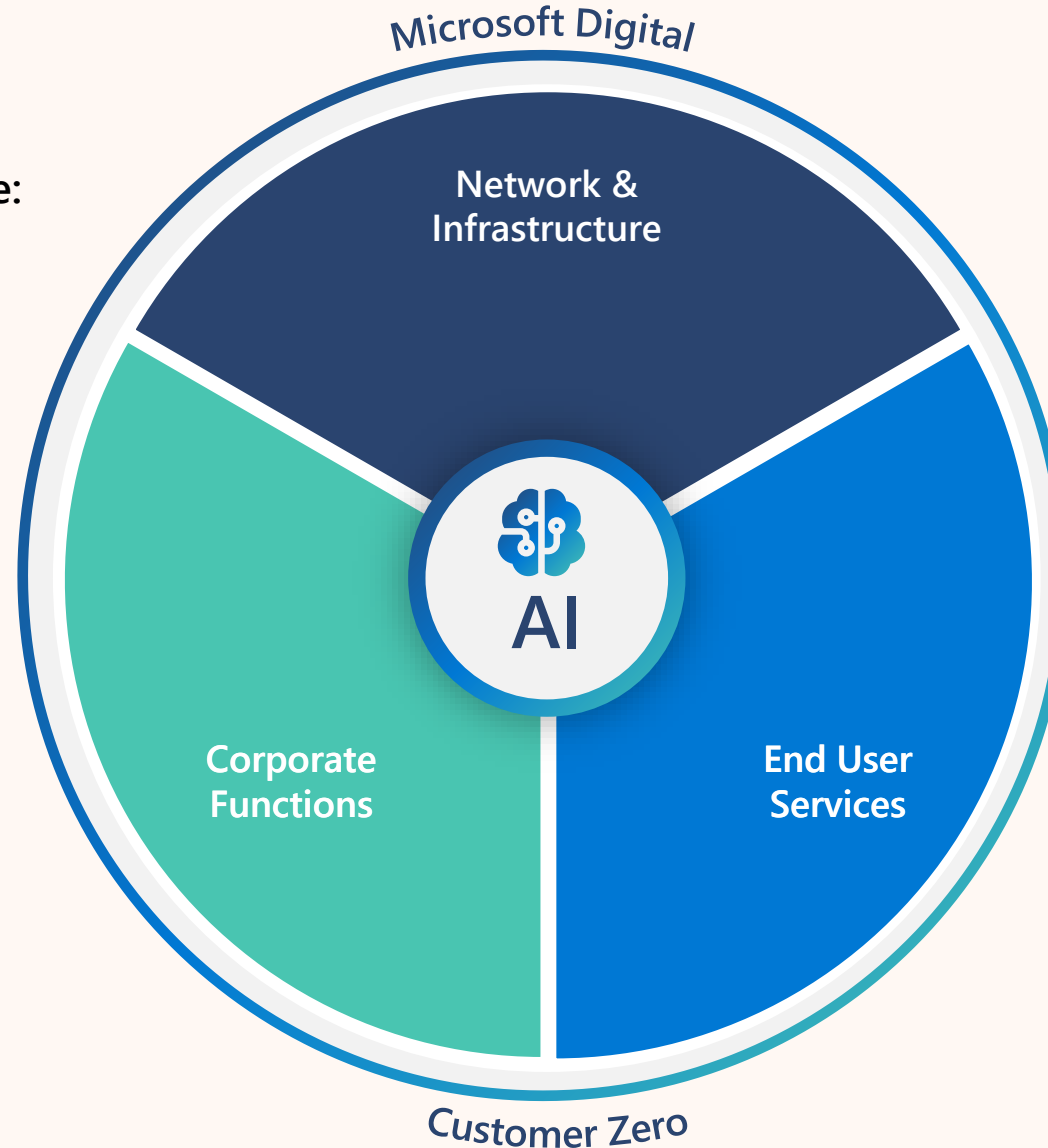
Harness the power of AI to ensure:

- Our employees stay productive
- Our devices are reliable
- Our network is resilient and secure

Accelerate Corporate Functions Growth

Transform business workflows for specialized employees to:

- Improve operational efficiency & user productivity
- Simplify regulatory and corporate compliance
- Enable data-driven decisions



Revolutionize End User Services

AI defragments the employee experience by:

- Providing contextual support in the flow of work
- Reducing the number of sites & apps an employee must remember
- Using Copilot as the "UI for AI"



Simple conversations “defragment” the employee experience

An agent specializing in workplace services—starting with HR and IT—is now available in [private preview](#)

- 1. An out-of-the-box experience** facilitates a no-configuration, focused employee self-service lens
- 2. The minimum configuration** delivers answers to employees via official content sources and company-crafted answer.
- 3. Additional configuration** reduces cost and accelerates time to value for HR and IT functions.

Knowledge access

Guidance from official sources, tailored to the individual employee.

Examples:

- Looking up company policies
- Finding team member work anniversaries
- Identifying which training courses are due

Action-taking

Act on key HR and IT issues directly from the Employee Self-Service Agent.

Examples:

- Submitting time off requests
- Requesting a new computer
- Updating name or transferring direct reports
- Checking and remediating device compliance

Business agility

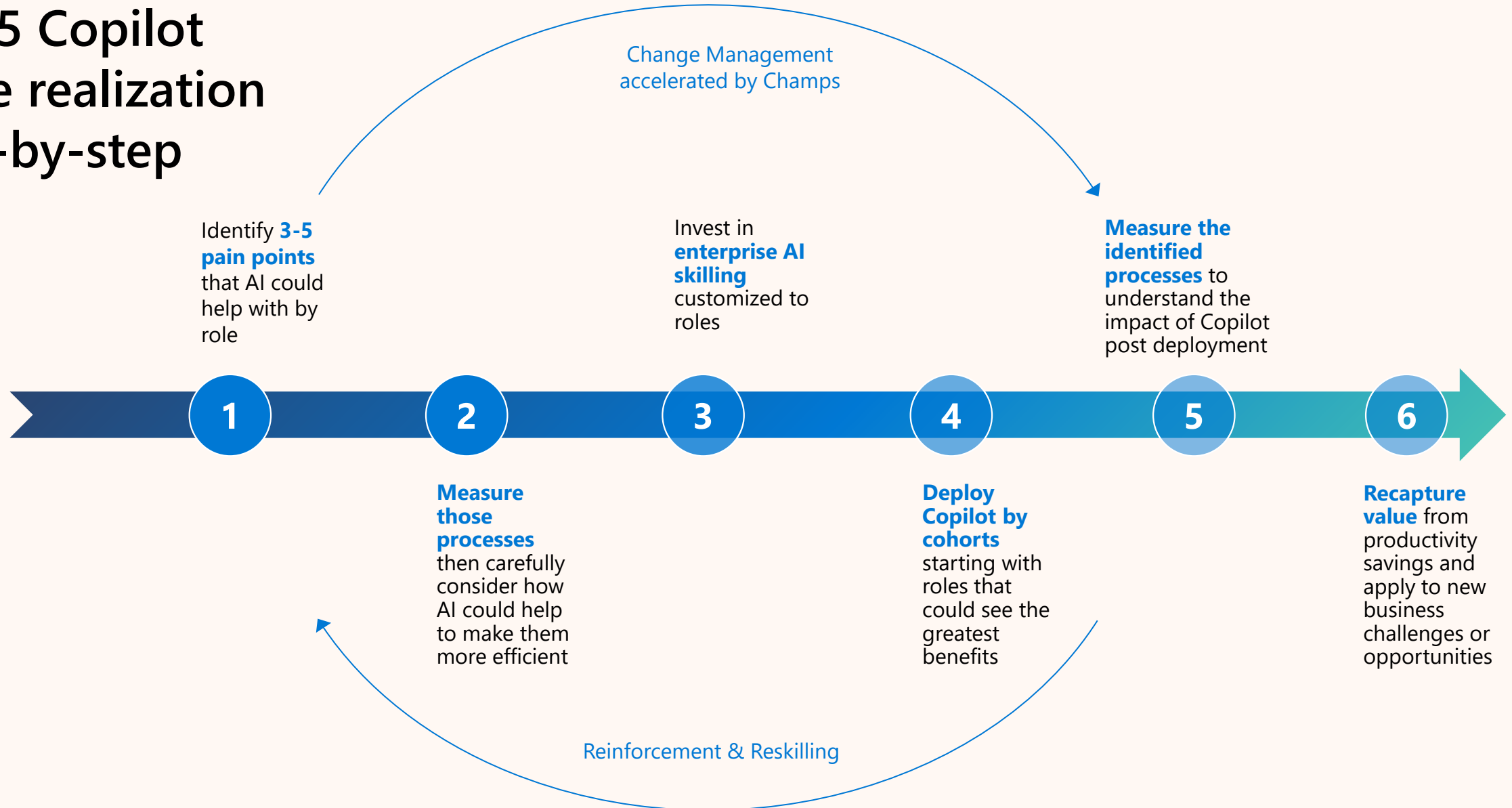
Reduced case volume and tickets back into HR and IT.

Examples:

- Freeing up HR and IT agents from simple or easy to resolve tasks
- Improving employee satisfaction and productivity



M365 Copilot value realization step-by-step

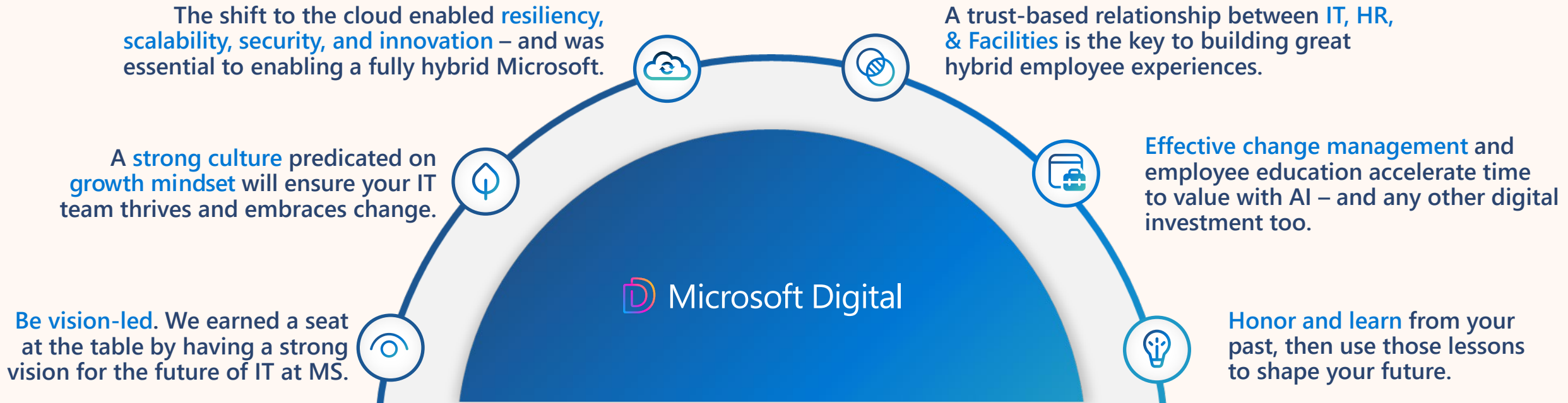




50 years of IT –
6 key lessons

Lessons from Microsoft's own digital transformation

From Windows 1.0 in 1985 to the release of Microsoft 365 Copilot in late 2023, the only constant has been change.





Thank you!

Learn more:
[Digitally transforming Microsoft: Our IT journey](#)