

Microsoft Is No Longer Rewarding AI Experiments

Microsoft is no longer rewarding partners who *try* AI. As FY26 enters H2 on January 1, 2026, Microsoft is favoring partners who run their business on AI, prove outcomes, and package repeatable offers. That shift is already deciding who gets visibility, co-sell support, and real deals.

Microsoft's FY26 motion is clear: AI Business Solutions, Cloud & AI Platforms, and Security are the only lanes that matter. Partners aligned across all three get pulled into conversations earlier. Everyone else competes late — or not at all.

Frontier partners don't lead with pilots. They lead with proof.

They act as Customer Zero. Copilot is live inside their own teams. Agents do real work in sales, service, and operations.

Outcomes are measured, documented, and reused as credibility with Microsoft sellers.

"Being frontier isn't a badge. It's how you run the business."



Eddie Bader

They also stop selling one-offs. Instead, they productize what works. Same pattern. Same scope. Same metrics. Faster delivery. Lower cost to serve.

From the outside, their wins look random. To Microsoft, the signal is obvious.

As H2 begins, AI isn't something you pitch. It's the system Microsoft expects you to run on.

Pilot-First vs Frontier Partners	
How Microsoft now separates who gets deals from who watches	
Pilot-First Partner	Frontier Partner
⚠️ One-off AI pilots	✅ Customer Zero (Copilot live internally)
⚠️ Scattered tools	✅ Production agents doing real work
⚠️ Custom, non-repeatable work	✅ Outcomes measured and published
⚠️ No usage telemetry	✅ Repeatable, packaged offers
⚠️ Long sales cycles	✅ Marketplace + Co-Sell enabled
⚠️ High cost to serve	✅ Security built in by design
⚠️ Weak co-sell signal	
Outcome: Reactive. Invisible. Replaceable.	Outcome: Pulled into deals. Trusted. Scaled.

Microsoft doesn't reward intent. They reward proof.

RYZER Tips

- **Operate like your best customer.** Copilot in every role. Agents in production, not demos.
- **Measure outcomes, not effort.** Time saved, cycle time reduced, risk lowered, revenue moved.
- **Package repeatable offers.** Fixed scope, timeline, success metrics, and governance baked in.
- **Map everything to Microsoft's lanes.** Your offers, badges, marketplace listings, and co-sell story must align to FY26 priorities.
- **Build security in by default.** Identity, posture, and controls are table stakes, not add-ons.

When partners stay "pilot-first," they pay quietly: Missed incentives. Longer sales cycles. Higher delivery costs. Less trust from the field.

When they go frontier, the upside compounds. Higher margins. Faster pipeline. Defensible IP. Credibility that travels.

💡 Ready to Act?

If you want help turning Customer Zero into field-ready offers Microsoft will actually pull into deals, let's talk.

[Join RYZE Today!](#)

The heartbeat of the partner community. Each week we share real stories and signals from Microsoft partners – gathered through Patch Tuesday calls, field conversations, and direct feedback. Unfiltered insights to help you spot patterns, avoid pitfalls, and stay ahead.

“Do we need every Microsoft badge to be frontier?”

No. Start with one aligned offer and earn badges that directly support it. Focus beats breadth.

“How fast do we need to move?”

Quarterly, not yearly. Internal Copilot usage and one production agent this quarter is a realistic baseline.

“Is marketplace really required?”

Yes. Marketplace plus co-sell is how Microsoft scales trust. Frontier partners sell where Microsoft sells.

Patch Tuesday Preview

12/30 RYZE Members Only Call

We will see you on our next call on **December 30th @ 1:00PM ET for Part 2 of our Calendar Year 2026 Planning for Microsoft Partners.**



News, Events & Deadlines

[December 2025 Partner Center Announcements](#)

[New AI Business Solutions Partner Hub](#)

[CSP Partner Site](#)

[Partner Blog - Azure updates for partners: December 2025](#)

[Microsoft Partner Blog](#)

Partner Announcements & Incentives

[Americas Partner Blog](#)

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Microsoft Partner Community Blog

[Microsoft Marketplace Community](#)

Marketplace Announcements and Forum

RYZER Feedback

We want to hear from you!

Each week, we'll share one question to spark conversation and gather insights from partners in the field. Your feedback helps us understand what matters most to you and shapes the resources we build at RYZE.

This week's question:

Which part of becoming a frontier partner feels hardest right now: internal adoption, offer packaging, or Microsoft alignment?

How to reply: Simply hit “Reply” to this email or email ryzeup@ryze-partners.com and share your thoughts. We'll feature a few partner perspectives in an upcoming issue of the RYZE Report.

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