Microsoft Dynamics 365

TechTalk

Dynamics 365
Supplier communications
agent

Beatriz Nebot Gracia, Senior Product Manager, AI ERP
Dennis Conrad, Principal Engineering Manager, AI ERP
Adi Vijayashankar, Senior FastTrack Architect
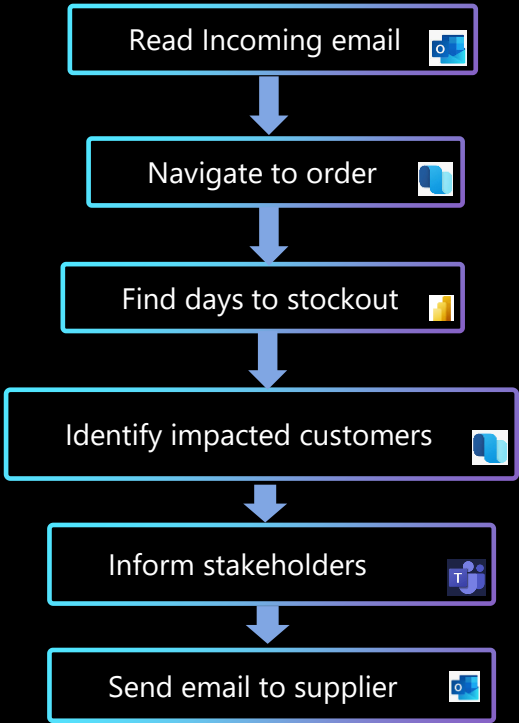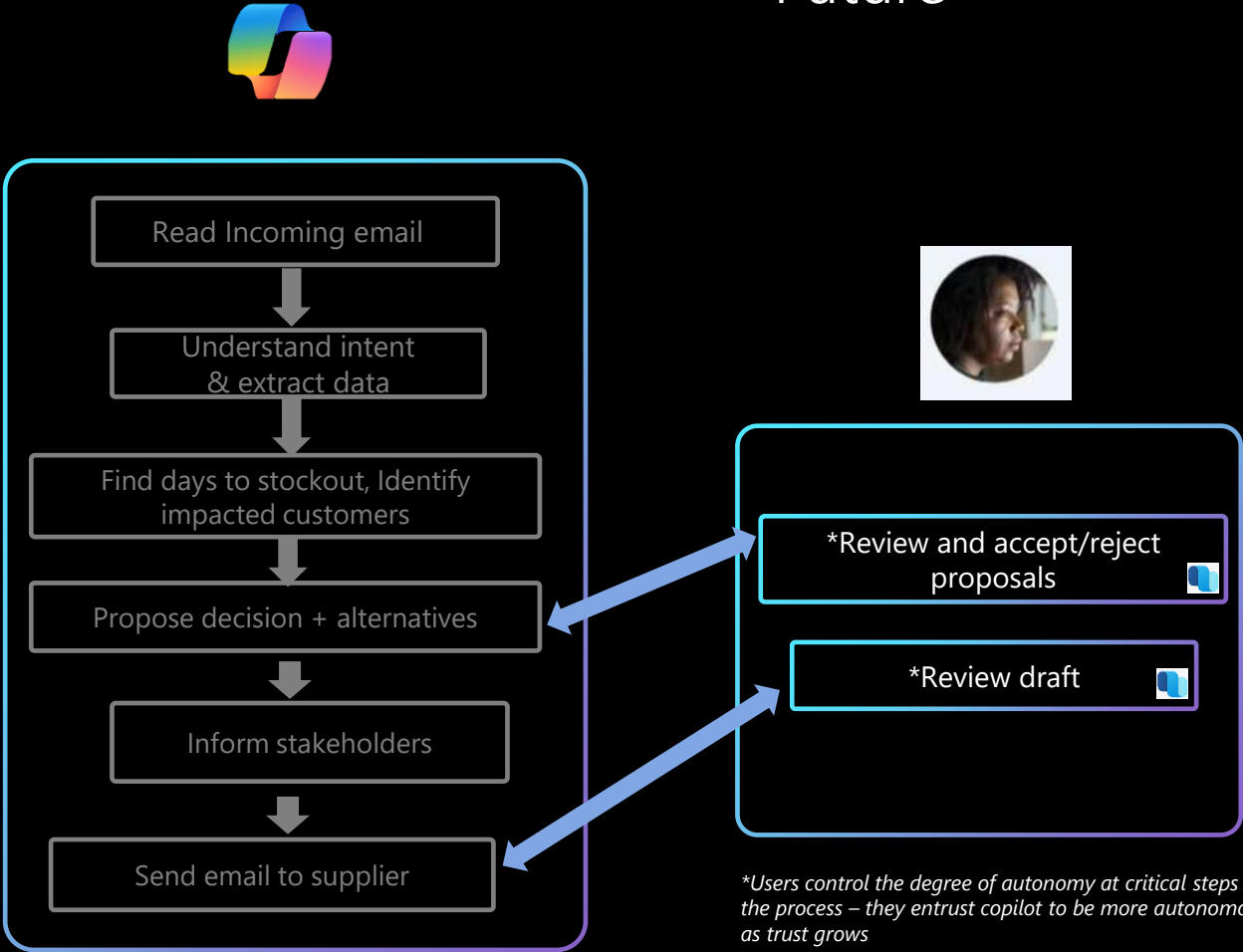**Ankur Srivatsava**, Senior FastTrack Architect

Agenda

- Supplier communications agent
  - Overview, Business Process and Use case
- Technical architecture
- Setup and installation
- Timeline
- Monetization
- Resources
- Q&A

Purchaser's day – Reimagined

Today


```
Read Incoming email  (Outlook)
        ↓
Navigate to order  (Office)
        ↓
Find days to stockout  (Excel)
        ↓
Identify impacted customers  (Office)
        ↓
Inform stakeholders  (Teams)
        ↓
Send email to supplier  (Outlook)
```

Future

Copilot

```
Read Incoming email
        ↓
Understand intent
& extract data
        ↓
Find days to stockout, Identify
impacted customers
        ↓
Propose decision + alternatives
        ↓
Inform stakeholders
        ↓
Send email to supplier
```
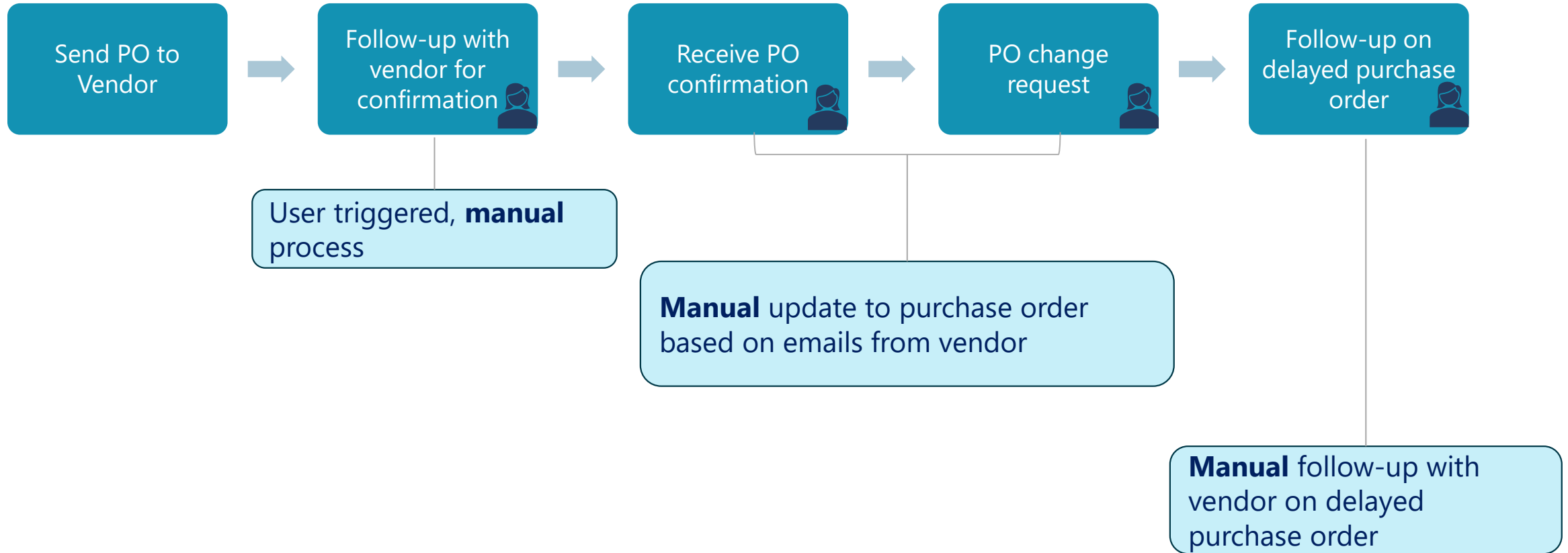
*Review and accept/reject proposals

*Review draft

*Users control the degree of autonomy at critical steps in the process – they entrust copilot to be more autonomous as trust grows

As-Is process: Purchase Order

Send PO to Vendor → Follow-up with vendor for confirmation → Receive PO confirmation → PO change request → Follow-up on delayed purchase order

User triggered, **manual** process

Manual update to purchase order based on emails from vendor

Manual follow-up with vendor on delayed purchase order
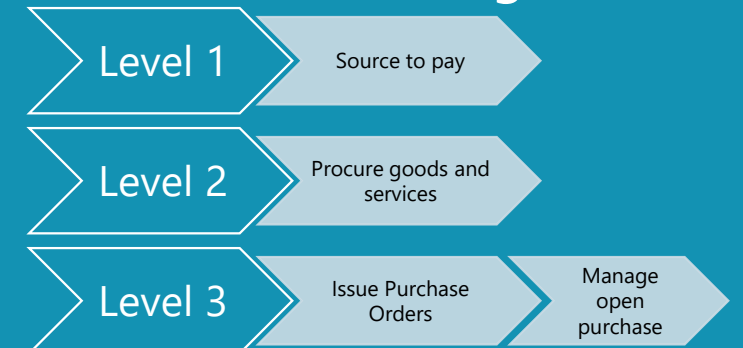
Manual

Supplier Communications Agent

Supplier Communications Agent can help purchasing teams to be more productive by automating the routine communication, follow-up with suppliers and updating the purchase orders, so that they can focus on higher value-adding tasks.
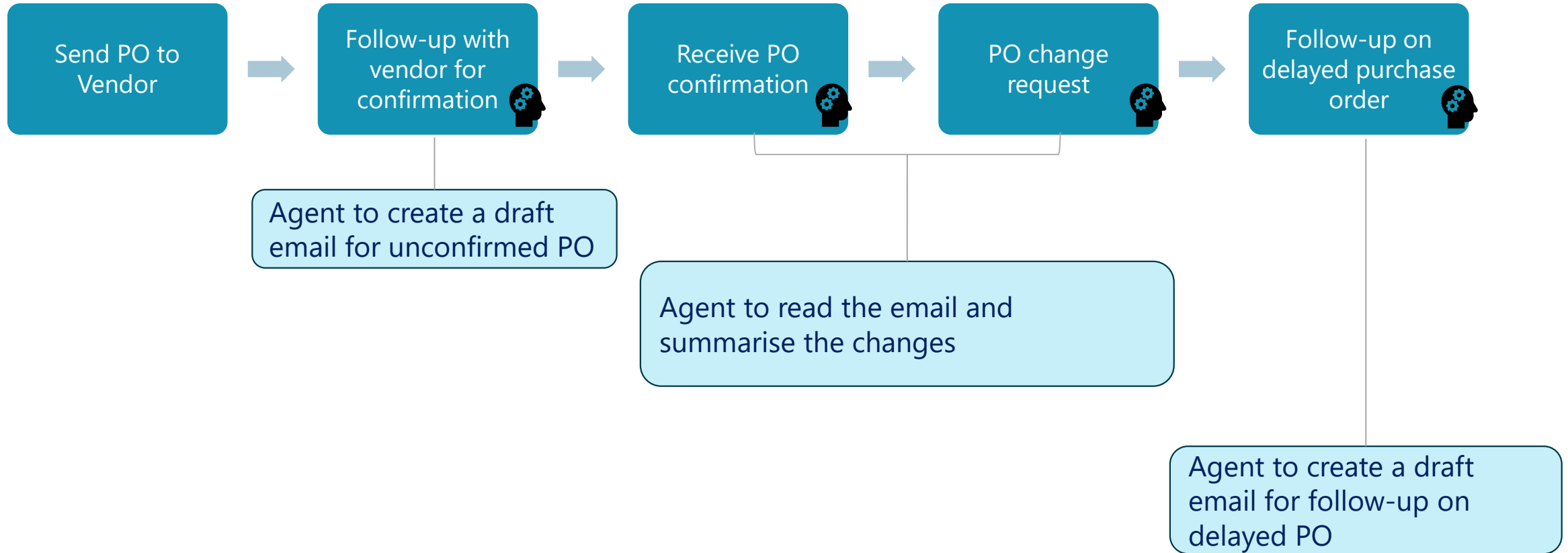
Today, procurement personnel spend a significant portion of their time on manual, repetitive tasks—such as tracking supplier responses, updating purchase orders, and managing changes manually.

These activities not only consume time but also drive up operational costs. By automating these tasks, the Supplier Communications Agent allows procurement teams to focus on strategic, high-impact work—improving both productivity and cost-efficiency.
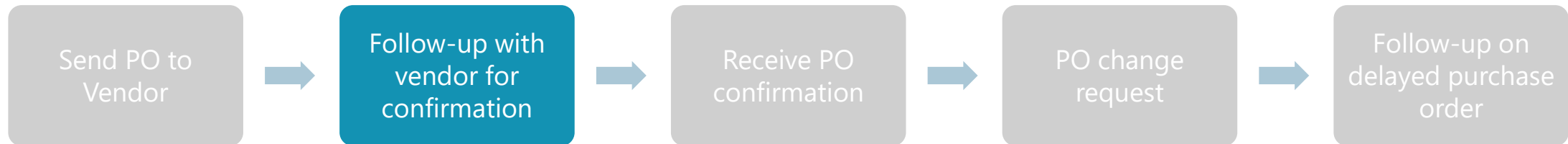
Business Process Catalog Reference

Level 1	Source to pay	
Level 2	Procure goods and services	
Level 3	Issue Purchase Orders	Manage open purchase

To - be process: Purchase Order

Use Case

Contoso Entertainment is a distributor and installer of **home electronic equipment.** Contoso purchase speakers , speaker cabinets and other supplies from various vendors including **Acme Supplies** for installation at customer site.

Julia Thornber (Purchasing Clerk) would like the agent to follow-up on purchase orders that have not been confirmed by the vendor Acme Supplies and draft an email to the vendor with the corresponding purchase order number as reference.

| Send PO to Vendor | → | Follow-up with vendor for confirmation | → | Receive PO confirmation | → | PO change request | → | Follow-up on delayed purchase order |

Search for a page

USMF | Contoso Entertainment Syste...

Welcome, Julia. You have 7 work items assigned to you.

Work items (7)

Catalog approval
Due by 4/21/2017 11:34:00 pm

Catalog | Catalog: 5637145339, Julia Funderburk

[Approve] [Reject] ...

Cash advance approval
Due by 5/16/2017 07:00:00 am

Cash advance request | Employee: Kim Nelson, 000005

[Approve] [Return] ...

Approve travel requisition
Due by 5/17/2017 03:48:00 pm

Travel requisition | Employee: Kim Nelson, 000001

[Approve] [Return] ...

Catalog approval
Due by 11/12/2018 08:50:00 pm

Catalog | Catalog number: C0008, Julia Funderburk

[Approve] [Reject] ...

Record returned | Cash advance request
Employee: Julia Funderburk, 000004

The current record has been returned to you, or you have been asked to make a change. Perform any required actions and choose resubmit to resume processing.

[See full document] [View history]

AI generated content may be incorrect. See terms

Agent activity

Follow-up
Followed-up POs	Estimated time saved ⓘ
1	0 hrs 10 min

Purchase order updates
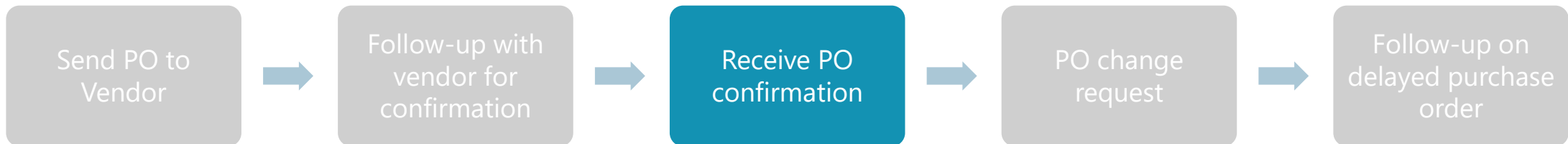| Emails received	Estimated time saved ⓘ
1	0 hrs 10 min

View activity   View agents

Workspaces

Feature management
Last visited: 3/2/2025 10:51:12 pm

Account reconciliation

Bank management

Benefits

Budget planning

Business document management

Business processes for human resources

Business processes for payroll

Cash overview - all companies

Use Case

Contoso Entertainment is a distributor and installer of **home electronic equipment. Contoso** purchase speakers from various vendors including **Lande packaging supplies**.

Julia Thornber (Purchasing Clerk) has received email confirmation from vendor Lande Packaging Supplies regarding the receipt date for all the purchase orders raised to the vendor. Alicia would like to take the help of agent to scan the email sent and update the respective purchase order with the receipt date provided by the vendor.

| Send PO to Vendor | → | Follow-up with vendor for confirmation | → | Receive PO confirmation | → | PO change request | → | Follow-up on delayed purchase order |

Welcome, Julia. You have 8 work items assigned to you.

Work items (8)

Catalog approval
Due by 4/21/2017 11:34:00 pm

Catalog | Catalog: 5637145339, Julia Funderburk

Approve   Reject   ...

Cash advance approval
Due by 5/16/2017 07:00:00 am

Cash advance request | Employee: Kim Nelson, 000005

Approve   Return   ...

Approve travel requisition
Due by 5/17/2017 03:48:00 pm

Travel requisition | Employee: Kim Nelson, 000001

Approve   Return   ...

Catalog approval
Due by 11/12/2018 08:50:00 pm

Catalog | Catalog number: C0008, Julia Funderburk

Approve   Reject   ...

Record returned | Cash advance request
Employee: Julia Funderburk, 000004

The current record has been returned to you, or you have been asked to make a change. Perform any required actions and choose resubmit to resume processing.

Agent activity

Purchase order follow-ups

Followed up ⓘ	Time saved ⓘ
1	0 hrs 10 min

Purchase order updates from vendors

Emails received	Time saved ⓘ
24	4 hrs

View activity   View agents

Workspaces

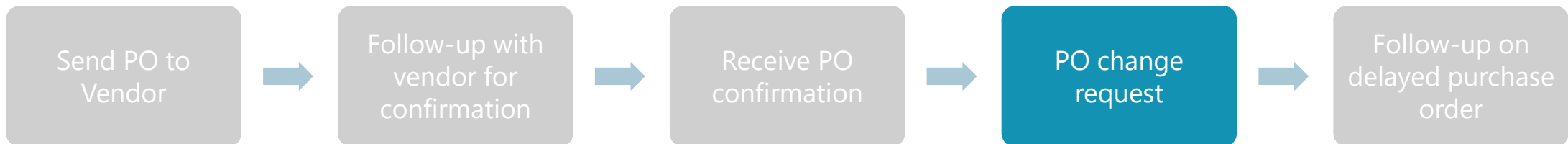|	Feature management
	Last visited: 4/25/2025 07:31:30 am

Account reconciliation

Bank management

Benefits

Budget planning

Business document management

AI generated content may be incorrect.   See terms

Use Case

Contoso entertainment is a distributor and installer of **home electronic equipment. Contoso** purchase speakers and speaker cabinets from various vendors including Acme Supplies for installation at customer site.

Julia Thornber (Purchasing clerk) has received email from vendor Acme requesting for changes to the delivery quantity and receipt of the purchase orders.

Alicia would like to take the help of agent to scan the email sent to procurement team and identify the fields in the purchase order lines where the vendor has indicated that there will be changes. She would like to review the changes and then accept the selected changes into the purchase order.

| Send PO to Vendor | → | Follow-up with vendor for confirmation | → | Receive PO confirmation | → | PO change request | → | Follow-up on delayed purchase order |

Search for a page

USMF | Contoso Entertainment Syste...

AD

Welcome, Julia. You have 2 work items assigned to you.

Work items (2)

Record returned | Cash advance request
Employee: Julia Funderburk, 000004

The current record has been returned to you, or you have been asked to make a change. Perform any required actions and choose resubmit to resume processing.

See full document   View history

Resubmit expense report
Expense report 000034 has been returned to you

See full expense report   View history

Agent activity

Follow-up
Followed-up POs   Estimated time saved ⓘ
3   0 hrs 30 min

Purchase order updates
Emails received   Estimated time saved ⓘ
1   0 hrs 10 min

View activity   View agents

Workspaces

	Feature management	
	Last visited: 3/2/2025 10:51:12 pm	>

Account reconciliation   >

Bank management   >

Benefits   >

Budget planning   >

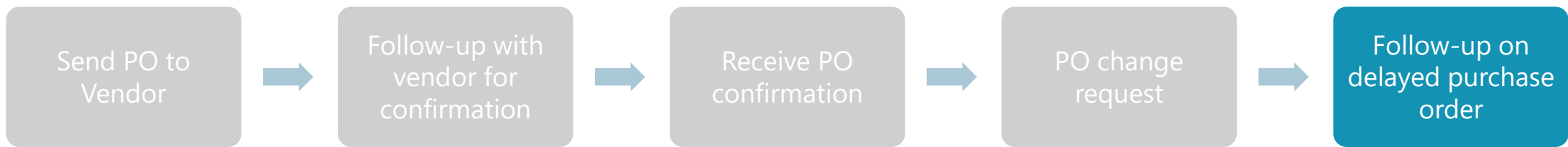Business document management   >

Business processes for human resources   >

Business processes for payroll   >

Cash overview - all companies   >

✦ AI generated content may be incorrect. See terms

Use Case

Contoso entertainment is a distributor and installer of **home electronic equipment. Contoso** purchase speakers and speaker cabinets from various vendors including Acme Supplies for installation at customer site.

Julia Thornber (Purchasing clerk) would like the agent to identify purchase orders that have delayed in delivery so that she could followup with the vendor(s) and draft an email with specified field on the purchase order lines that can be used as reference in the email to vendor.

| Send PO to Vendor | → | Follow-up with vendor for confirmation | → | Receive PO confirmation | → | PO change request | → | Follow-up on delayed purchase order |

Search for a page

USMF | Contoso Entertainment Syste...

Welcome, Julia. You have 2 work items assigned to you.

Work items (2)

Record returned | Cash advance request
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See full document   View history

Resubmit expense report
Expense report 000034 has been returned to you

See full expense report   View history

Agent activity

Follow-up

Followed-up POs	Estimated time saved ⓘ
3	0 hrs 30 min

Purchase order updates

Emails received	Estimated time saved ⓘ
1	0 hrs 10 min

View activity   View agents

Workspaces

Feature management Last visited: 3/2/2025 10:51:12 pm	>
Account reconciliation	>
Bank management	>
Benefits	>
Budget planning	>
Business document management	>
Business processes for human resources	>
Business processes for payroll	>
Cash overview - all companies	>

✦ AI generated content may be incorrect. See terms

Search for a page

Standard view

Edit

Save   Reviewed emails   Configure agents   Taught items   Options

Field in purchase order
Unit

Standard view ⌄

RE: You can confirm order 127

Lande Packaging Supplies

✓ Apply all suggestions   ⊖ Ignore all

Value in email
Pcs

Value in purchase order
ea

Analysis by Agent

Based on this email, Agent suggests the following updates. Review how information is mapped from the email to fields in the purchase order.

◉ Always do this for Lande Packaging Supplies

When **Lande Packaging Supplies** says **pcs** in their email, always map it to **ea** in purchase order lines.

○ Always do this for all vendors

○ One-time change

Purchase order header

✓ Apply suggestions

	Suggestion	Purchase order	Approval status	Confirmed receipt ...	Requested receipt ...	Purchase order stat...
○	Current	00000127	Confirmed	4/30/2025	4/30/2025	Open order
	↳ Change detected		Confirmed	**4/2/2025**	4/30/2025	Open order

Purchase order lines

✓ Apply suggestions   Display dimensions

		Suggestion	Line number	Item number	Product name	Unit price	Quantity	Unit	Co
○	⟳								
✓		Current	1	A0001	HDMI 6' Cables	12.00	20.00	Pcs	4/
✓		↳ Change detected				12.00	**5.00**	ea ⌄	4/
		Current	2	A0002	HDMI 12' Cables	24.00	10.00	Pcs	4/
		↳ Rejection detected				24.00	10.00	Pcs	4/

AI generated content may be incorrect. See terms

Email

RE: You can confirm order 127

From: Lande Packaging Supplies (chihunlee@microsoft.com)

To procurementagentpoc@aurorafinanceintegration02.onmicrosoft.com; procurementagentpoc@aurorafinanceintegration02.onmicrosoft.com;

Sorry, we need to make a couple of other changes for the order.

We can only deliver 5 items for A0001 and we cant deliver A0002 at all. Everything else in the order should be the same.

Save   Cancel

Left sidebar list:

Acme Office Supplies
00000125 poc 1
Change request

Acme Office Supplies
00000125 5/1 new sol -1
Change request

Lande Packaging Supplies
127 confirmed
Confirmation, Other

Lande Packaging Supplies
Order 127 confirmed
Confirmation

Lande Packaging Supplies
00000128
Change request

Acme Office Supplies
Regarding 00000125 5/1
Change request

Acme Office Supplies
00000125 4/30 poc night
Change request

Lande Packaging Supplies
RE: You can confirm order 127
Change request

Lande Packaging Supplies
RE: You can confirm order 127
Confirmation

Lande Packaging Supplies
RE: You can confirm order 127
Confirmation, Other

Lande Packaging Supplies
You can confirm order 127
Confirmation

Acme Office Supplies
About PO 00000126
Confirmation

Lande Packaging Supplies
RE: Confirm order 127
Confirmation

Lande Packaging Supplies

Manage agents

You can create as many follow-up agents and purchase order updates as desired.
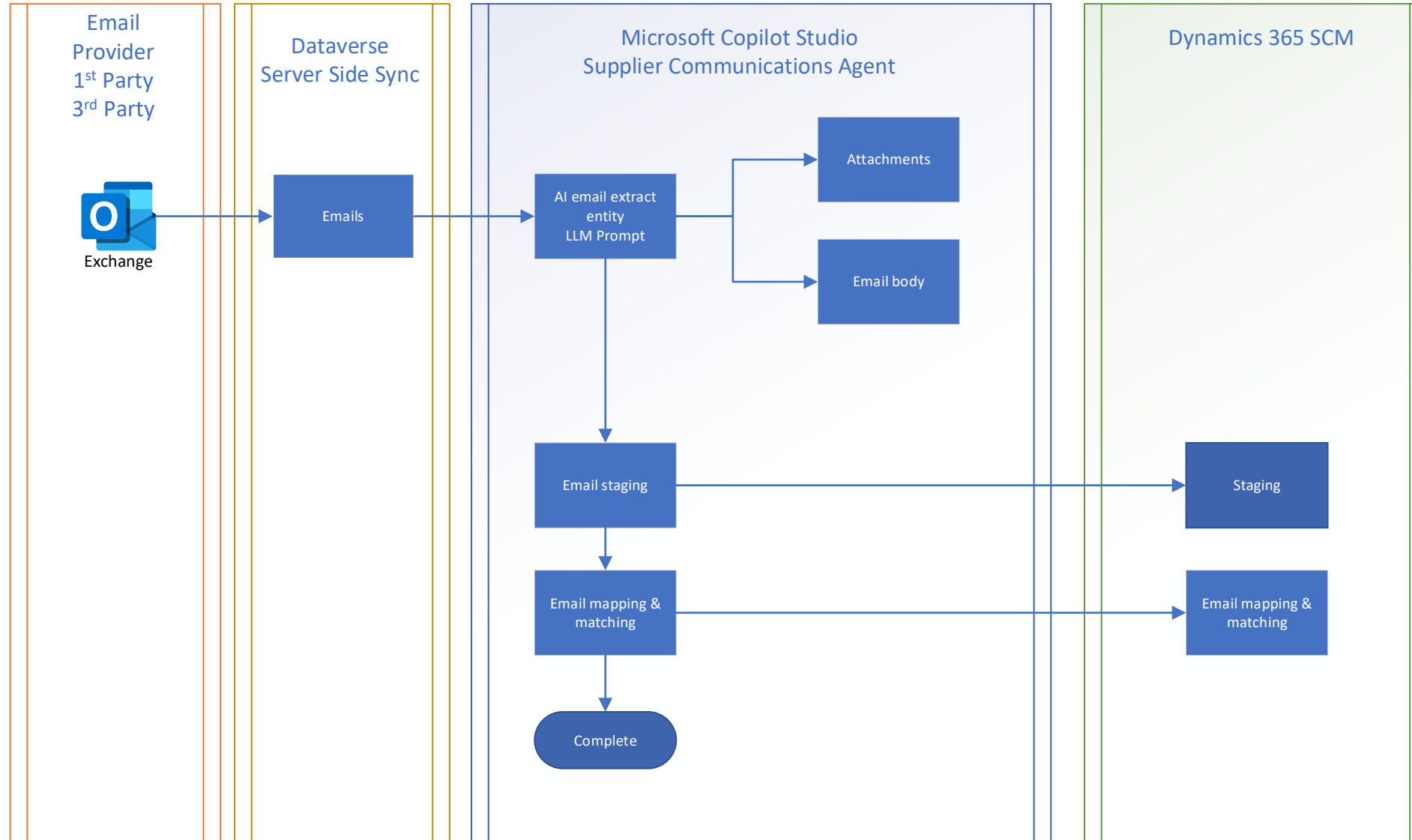
Examples:

- Follow-up for unconfirmed orders (sent more than 3 days ago)
- Follow-up for unconfirmed orders (for next 5 months)
- Follow-up on delayed orders (>2 days)
- Follow-up on delayed orders (>5 days)

Finance and Operations Preview

Search for a page

DAT | Company accounts data

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[See full document] [View history]

Resubmit expense report
Expense report 000034 has been returned to you

[See full expense report] [View history]

AI generated content may be incorrect. See terms

Agent activity

Follow-up

Followed-up purchase orders   Estimated time saved ⓘ
0   0 hrs

View activity   View agents

Workspaces

Feature management
Last visited: 1/29/2025 05:07:06 pm

Account reconciliation

Bank management

Benefits

Budget planning

Business document management

Business processes for human resources

Business processes for payroll

Cash overview - all companies

Cash overview - current company

Catalog management

Agenda

- Supplier communications agent
  - Overview, Business Process and Use case
- Technical architecture
- Setup and installation
- Timeline
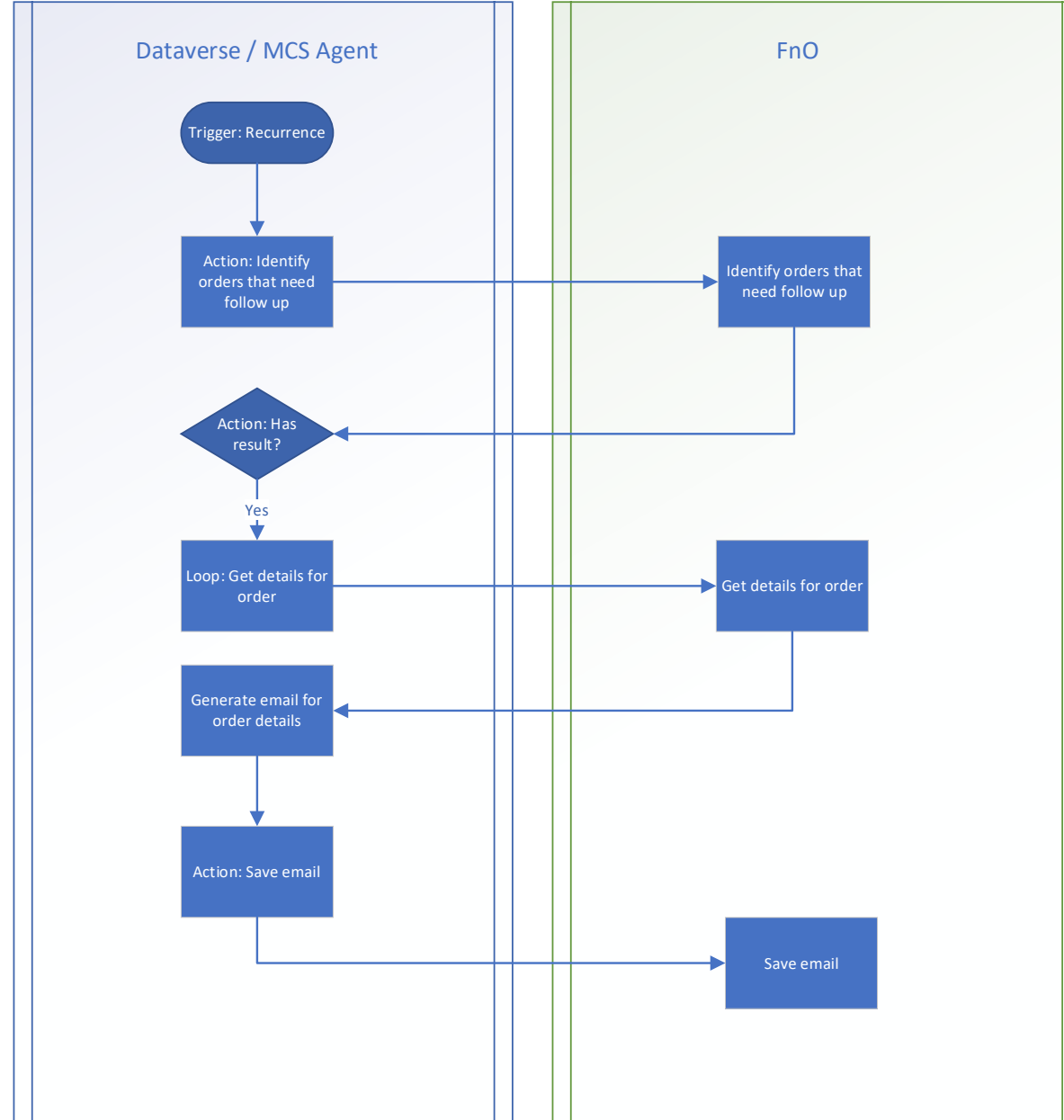- Monetization
- Resources
- Q&A

Technical architecture – Supplier Communication Agent

Inbound communication

Email Provider
1st Party
3rd Party

Exchange

Dataverse
Server Side Sync

Emails

Microsoft Copilot Studio
Supplier Communications Agent

AI email extract entity
LLM Prompt

Attachments

Email body

Email staging

Email mapping & matching

Complete

Dynamics 365 SCM

Staging

Email mapping & matching

Technical architecture – Supplier Communications Agent

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Setup and installation - Dataverse

Synchronize Mailboxes with Dataverse

The system administrator must enable Server-Side Synchronization to ensure incoming emails are synced to Dynamics 365.

Mailbox options

- Private Mailbox: Mailbox owner must update personalization settings to track all emails.
- Shared Mailbox: Create a queue in Power Platform Admin Center and provide access to all users that are using the incoming email workspace to read email content belonging to the shared mailbox.

Enable Power Automate Flows

- Enable the necessary flows by creating a dedicated user and configuring the connection using a PowerShell script.
  - Speed up updates in purchase orders with Supplier communications agent and
  - (Self Heal) Speed up updates in purchase orders with Supplier communications agent

Setup and installation – Finance and operations

Dynamics 365 F&O version
- You must be running Microsoft Dynamics 365 Supply Chain Management version 10.0.44 or later

Feature management
- The following features must be enabled in feature management
  - (Preview) Immersive Home
  - (Production ready preview) Agent management
  - (Production ready preview) Supplier Communications Agent
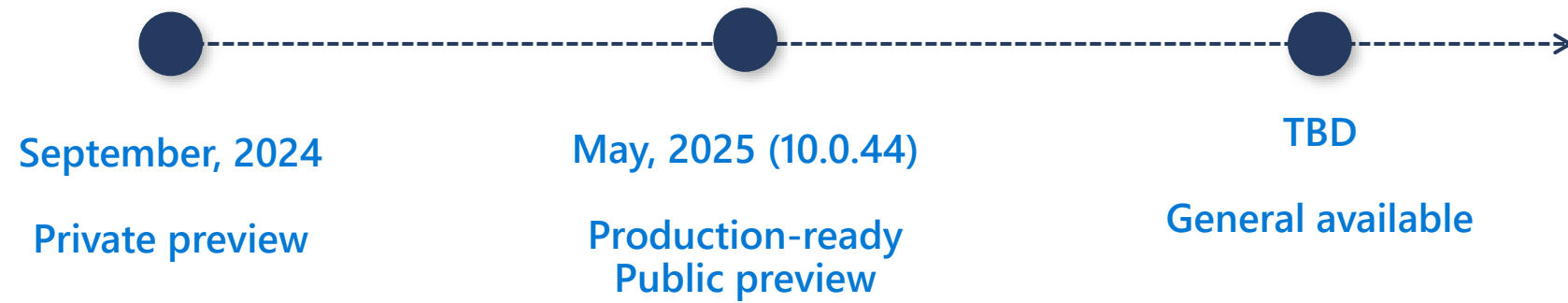
Agent configuration
- In the Agents module → Select Speed up updates in purchase orders with Supplier communications agent for inbound operations → Provide details specific to vendor, private or shared mailbox and activate
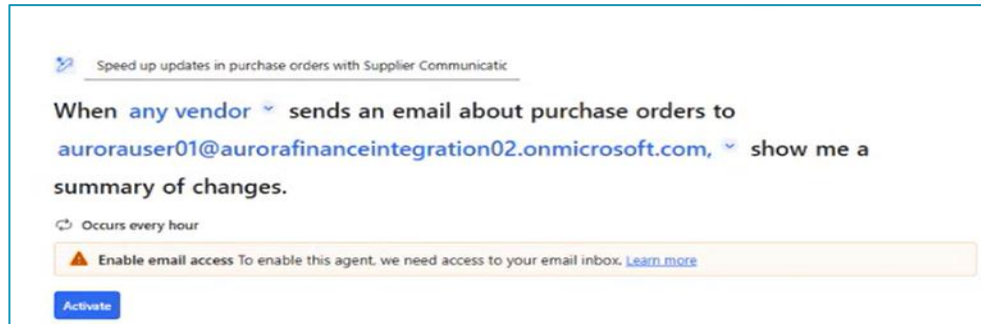
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Timeline

September, 2024

Private preview

May, 2025 (10.0.44)

Production-ready
Public preview

TBD

General available

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Copilot Studio is a consumptive service that enables use of agents

Copilot Studio usage burns "messages"

Full feature parity across message pack and metered offering

Burn rate parity across message pack and metered offering

Leverage your existing Azure commitments (MACC) with the Pay-as-you go meter

New!

Message packs

- ✓ Tenant-wide message packs
- ✓ 25,000 messages/month
- ✓ $200 per pack/month

Pay-as-you-go

- ✓ New PAYG meter
- ✓ $0.01/message
- ✓ Can decrement MACC

Utilization rates depend on type of agent and prompt

*Rate changes in effect as of April 1, 2025

	Orchestration Mode	M365 Copilot Users	Copilot Chat Users	Use of Other Agents Built w/ Copilot Studio
Web-grounded answers Dynamically-generated responses based on the web as a knowledge source.	Classic & Generative	0	0	2 messages
Classic answers Predefined responses manually authored by makers through topics (includes messages, connectors, flows etc.) that are static unless manually updated in Classic Orchestration mode. Used when a precise or controlled response is desired output. Each action (not each topic) counts as an answer. Not available in agent builder.	Classic only	0	1 message	1 message
Generative answers [1,2] Dynamically-generated responses based on knowledge sources and context that provide flexible and natural interactions.	Classic & Generative	0	2 messages	2 messages
Tenant graph grounding for messages [1,2] Grounding to enhance AI agents with up-to-date, context-aware knowledge from Microsoft 365 and external data, offering built-in security and inheriting data access governance policies.	Classic & Generative	0	10 messages*	10 messages*
Agent actions [1,2] AI-led orchestration for triggers, topics, agent flows, text & generative AI tools, Power Platform premium connectors and custom connectors to automate complex business processes. Not available in agent builder.	Generative only	0[4]	5 messages*	5 messages*
Text & generative AI tools Specialized tools that extend agents capabilities by teaching them to perform specific tasks, leveraging a combination of AI prompt engineering, model configuration, code execution, and knowledge retrieval	-	-	-	-
Basic (Message rate per 10 responses[3])	Classic & Generative	1 message*	1 message*	1 message*
Standard (Message rate per 10 responses[3])	Classic & Generative	15 messages*	15 messages*	15 messages*
Premium (Message rate per 10 responses[3]) For deep reasoning prompts	Classic & Generative	100 messages*	100 messages*	100 messages*
Agent flow actions (Message rate per 100 flow actions) Flow actions are used to create agent flows. Agent flows are rules-based automations in Copilot Studio that follow a predefined sequence of flow actions to perform repetitive tasks.	Classic & Generative	13 messages*	13 messages*	13 messages*

Notes

1. Each interaction with an agent could utilize multiple utilization rates simultaneously i.e., an agent grounded in Tenant graph could use 12 messages (10 for the graph grounding and 2 for Generative Answer) to respond to a single complex prompt from the user. Most agents built natively in SharePoint or Copilot Chat will have tenant graph grounding enabled by default.
2. Generative answers, tenant graph grounding for messages, web-grounded answers and agent actions apply to both declarative agents and custom engine agents.
3. 1 response = 1,000 tokens for LLM models, 1 image for image processing, 1,000 characters for text processing and 1 row when processing rows for prediction. Billing will be prorated to exact number of responses.
4. Agent actions are included at no additional cost for interactive use only. Autonomous use will incur a 5-message charge.

Supplier Communications Agent
D365 Supply Chain Management

EXAMPLE

A purchase order is sent to a vendor. The vendor does not confirm the order in a week, so the Supplier Communications Agent is set to remind the vendor to confirm with an email (**1 agent action**).

Then, the vendor confirms the order. The agent reads the email body (**4 agent actions**) and attached pdf confirmation (**2 agent actions**) .

Key Assumptions

✓ End users may or may not have M365 Copilot licenses

✓ Supplier Communications Agent has been enabled

Type	# of actions	Messages/action	# of billed messages
Agent action: write email	1	x 5	= 5 messages
Agent action: read email	4	x 5	= 20 messages
Agent action: read email attachment	2	x 5	= 10 messages

Total = 35 billed messages= $0.35
With $0.01/message

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Resources

- Learn: [Supplier Communications Agent overview](#) , [Set up and configure the Supplier Communications Agent](#)

- Blog: [Reimagining Supplier Communications in Dynamics 365](#)

- Monetization (copilot studio messages): [Copilot Studio licensing - Microsoft Copilot Studio | Microsoft Learn](#)

- Yammer: [(Preview) Supplier Communications Agent](#)

Microsoft Dynamics 365

Q & A

Microsoft Dynamics 365

Thank you