# Microsoft enhances third-party sales partnerships amid AI-driven industry shift



Microsoft is set to enhance its reliance on third-party firms for selling software to small and medium-sized enterprises, a move that reflects shifting industry dynamics in the age of artificial intelligence. This strategic adjustment is part of a broader transformation within the software giant’s sales operations, aiming to better meet evolving customer demands and purchasing behaviours.

The company plans to have its in-house sales teams broaden their product offerings and place a greater emphasis on AI-driven solutions. To support this pivot, Microsoft will provide additional technical training to its sales personnel, equipping them with the expertise necessary to promote advanced AI technologies effectively. A Microsoft spokesperson highlighted that these changes are intended to align with the changing needs of customers and how they choose to buy software.

This trend is not unique to Microsoft. Other key players in the enterprise software market are also modifying their sales strategies in response to AI’s growing influence. For example, Salesforce has begun selling software through Amazon’s marketplace, broadening its distribution channels, while Workday is increasingly partnering with third-party sales firms to enhance profitability and reach.

Microsoft’s current strategy is the latest step in a decade-long evolution of its sales approach under CEO Satya Nadella. The company has undergone several significant reorganisations since 2017. At that time, Microsoft revamped its sales teams to focus heavily on cloud services, recruiting more technically skilled salespeople and revising compensation structures to reward customer success over mere contract signings. By 2019, the company addressed inefficiencies caused by its sales force managing numerous internal applications that diminished customer interaction time.

The latest adjustments, implemented near Microsoft’s fiscal year-end in June, represent a continuation of this adaptive process, influenced by the rapid emergence of AI technologies. The structural changes aim to integrate AI capabilities seamlessly into sales operations, enhancing both customer engagement and operational efficiency.

Industry experts underscore the profound impact AI is having on enterprise software sales. Gartner predicts that by 2028, 60% of business-to-business sales activities will be powered by AI. Microsoft’s own AI offering, Copilot, has been adopted by 60% of Fortune 500 companies and reportedly assists sales teams in closing 20% more deals, illustrating the practical benefits driving such strategic shifts.

In July 2024, Salesforce and Workday formed a strategic partnership centred on AI-driven solutions for employee service and management, reinforcing the pervasive influence of AI across enterprise software vendors. These developments collectively signal a substantial recalibration of sales models as companies adapt to new technologies and customer expectations.

Moreover, Microsoft’s increased use of third-party sales firms fits within a broader strategic trend among major technology companies to outsource certain functions. This approach aims not only to cut costs but also to enhance agility, innovation, and operational efficiency. Outsourcing affords access to specialised expertise and can accelerate project delivery, which is particularly valuable in fast-evolving fields like artificial intelligence.

This industry-wide pattern reflects a growing recognition that external partners may be better suited to serve specific market segments, freeing internal teams to concentrate on higher-value, strategic initiatives. Salesforce’s and Workday’s parallel moves to extend their third-party sales and channel partnerships exemplify this collective shift in go-to-market strategies.

In summary, Microsoft’s evolving sales strategy underscores the transformative role of AI in reshaping how enterprise software is marketed and sold, while highlighting the increasing collaboration between major tech companies and specialised third-party firms to better serve their diverse customer bases.

Source: [Noah Wire Services](https://www.noahwire.com)

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