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The Microsoft Lifecycle Roadmap Summary: August 2025 Roadmap and Licensing Analysis

Section 1: Executive Summary & Strategic Overview (August 2025)

This report provides a comprehensive analysis of the Microsoft ecosystem as of August 2025, detailing current product statuses, a one-year forward-looking roadmap, and critical changes to licensing and policy. The analysis reveals a company in the midst of a profound transformation, driven by the operationalisation of artificial intelligence, an aggressive rationalisation of its product portfolio, and a foundational emphasis on security and compliance.

1.1 August 2025 at a Glance

August 2025 represents a pivotal month for Microsoft and its customers. The period is marked by the impending enforcement of strict licensing for Dynamics 365, a move set to end the long-standing "honour system" and compel organisations to conduct urgent compliance audits.

The AI offensive continues with the public preview of the Employee Self-Service agent, a new tool designed to automate internal HR and IT support functions.

Concurrently, the Windows 11 platform receives a significant update that bundles new AI features with security patches, while the clock runs out on the final months of free support for Windows 10.

In the cloud, new billing models for high-value AI services like the Azure SRE Agent are being introduced, while critical legacy services such as the Azure Dedicated HSM and Speaker Coach in Teams are being retired, forcing customer action.

1.2 The Three Core Strategic Imperatives

The developments of 2025 coalesce around three clear strategic imperatives that define Microsoft's direction.

First, the Agentic AI Transformation has moved beyond the conceptual phase. Microsoft's strategy has decisively shifted from presenting AI as a feature (the "Copilot" era) to positioning AI as a workforce multiplier through autonomous and semi-autonomous "agents". This is not merely a product evolution but a fundamental rethinking of how software is built and how customers are expected to operate. Major announcements from the Microsoft Build 2025 conference laid the groundwork for this shift, introducing concepts like multi-agent orchestration and the Agent Store. This strategy is being globalised through initiatives like the Agentic AI Accelerator in Singapore, a partnership with the government to invest hundreds of thousands of dollars per business to help them become "Frontier Firms"—organisations where hybrid teams of humans and AI agents collaborate.

Second, Portfolio Rationalisation and Revenue Optimisation is being executed with vigour. The company is aggressively consolidating products with overlapping functions to simplify its offerings and create clearer upsell paths. The most prominent example is the retirement of Microsoft Project for the web and its absorption into a newly tiered Microsoft Planner, which now serves as the single, unified work

management solution. This consolidation is paired with the retirement of numerous underutilised or legacy services, such as the Azure Dedicated HSM and Speaker Coach in Teams, which reduces maintenance overhead and focuses engineering resources. Simultaneously, Microsoft is closing revenue leakage loopholes through stricter licensing enforcement for Dynamics 365 and by transitioning its on-premises server products to subscription models that require active Software Assurance, effectively ending the perpetual licence for new features.

Third, Security as a Foundation is being reinforced as a non-negotiable prerequisite for the AI era. Recognising that the power of AI agents is derived from their access to sensitive corporate data, Microsoft is embedding security and governance deeper into the product stack. This is evident in Microsoft Purview's new capability to use Data Loss Prevention (DLP) policies to block M365 Copilot from processing emails that carry sensitivity labels. It is also demonstrated by the mandatory transition away from legacy authentication protocols, such as the permanent removal of Basic Authentication for SMTP in Exchange Online, and the enforcement of stricter default access policies across the platform.1.3 The Human Capital Realignment

Underpinning these strategic shifts is a significant realignment of Microsoft's human capital, highlighted by the more than 15,000 redundancies announced in 2025.

These are not conventional, cost-cutting redundancies in response to poor financial performance. Instead, they represent a deliberate restructuring to align the company's workforce with its AI-first future. In an internal memo, CEO Satya Nadella articulated this as a necessary transition from a "software factory to an intelligence engine", noting that AI now writes up to 30% of code in some internal projects.

The systematic targeting of middle management and roles in divisions like gaming, which saw over 3,000 positions eliminated, is directly connected to the massive investments being made in agentic AI.

As Microsoft launches initiatives like the Agentic AI Accelerator and monetises new AI-native roles like the Azure SRE Agent, it is simultaneously shedding human capital in areas it deems either ripe for automation or less central to its future growth.

For customers, this dual motion of investment and divestment provides a clear signal of where Microsoft's future innovation will be concentrated and where the risk of product discontinuation is highest.

Section 2: The AI-First Ecosystem: Copilot, Agents, and Platform Evolution

The most significant technological and strategic shift at Microsoft is the operationalisation of artificial intelligence across its entire product portfolio. The paradigm is evolving from AI as an assistant to AI as an autonomous actor, a change reflected in product branding, platform architecture, and licensing models.

2.1 From Copilot to Agents: A New Paradigm

Microsoft is signalling a fundamental change in how users will interact with its software suite. This is most evident in the decision to rebrand the central "Microsoft 365 App" to the "Microsoft 365 Copilot App". This is not a cosmetic update but a strategic move to position AI as the primary interface for the entire productivity cloud. The establishment of a new, dedicated URL,

M365Copilot.com, further solidifies this AI-centric branding, making it clear that Copilot is no longer just a feature within apps but the front door to the entire ecosystem.This rebranding coincides with the general availability of the **Agent Store**, a pivotal platform development announced at Microsoft Build 2025. The Agent Store transforms Copilot from a closed tool into an open platform, creating a marketplace for both first-party agents built by Microsoft and third-party agents from partners and customers. This ecosystem approach is designed to foster innovation and allow organisations to tailor AI capabilities to their specific workflows.

As of August 2025, several key first-party agents are being rolled out:

- **Employee Self-Service Agent:** Now in public preview, this agent connects to a company's internal HR and IT knowledge sources to automate responses to common employee queries. Its goal is to reduce the burden on human support desks and provide instant self-service capabilities.
- **Skills Agent:** Now generally available, this agent is powered by a new "People Skills data layer" within Microsoft 365. It enables employees and managers to identify experts and map talent across the organisation, directly impacting strategic workforce planning and internal project staffing.
- **Azure SRE Agent:** This specialised agent for Azure automates incident response for cloud services. Billing for this service is set to begin on September 1, 2025, introducing a significant new licensing concept based on consumption.

2.2 Copilot Feature Enhancements (August 2025)

While the strategic focus shifts to agents, the core Copilot experience continues to be enhanced:

- **Microsoft 365 Copilot App:** The mobile app on iOS is gaining voice interaction capabilities. A unified conversation history is also rolling out, allowing users to access their past Copilot interactions from any Microsoft app.
- **Contextual Grounding:** The ability of Copilot to reason over specific data is expanding. Copilot Chat can now be grounded in the content of Copilot Notebooks and specific Microsoft Teams chats. It also now supports a wider array of file types for analysis, including CAD files and XMLs.
- **Windows 11 Integration:** The August 2025 Security Update for Windows 11 deepens AI integration at the operating system level. The "Click to Do" feature, which appears when highlighting text or images, gains new actions like "Practise in Reading Coach", "Draft with Copilot in Word", and the ability to initiate Teams messages or meetings.
- **Copilot in Teams Meetings:** Scheduled for rollout in December 2025, this enhancement will allow Copilot to perform live web searches and query a user's work files and emails during a meeting. This will provide richer, more contextually aware answers and insights in real-time.

2.3 Licensing and Monetisation of AI

Microsoft is implementing a multi-tiered licensing model for its AI offerings. The base-level Microsoft 365 Copilot Chat (formerly Microsoft Copilot with Enterprise Data Protection) remains available at no additional cost for users with a Microsoft Entra ID account, providing web-grounded chat with commercial data protection. However, access to more advanced capabilities, particularly agents that reason over private company data, requires either a full Microsoft 365 Copilot licence or will be subject to metered, consumption-based billing.The introduction of **Azure Agent Units (AAUs)** for the Azure SRE Agent marks a

critical evolution in Microsoft's monetisation strategy. This new consumption-based metric signals how Microsoft intends to charge for high-value, autonomous AI services that deliver tangible operational outcomes, moving beyond simple per-user-per-month subscriptions.

In a seemingly counterintuitive but strategically significant move, Microsoft is eliminating usage-based billing for selected Microsoft Graph metered APIs, such as those for Teams chat export, effective August 25, 2025. This decision is designed to reduce friction for developers and encourage the creation of more applications and compliance tools that are deeply integrated with the Microsoft 365 data ecosystem. By forgoing direct API call revenue, Microsoft fosters a richer ecosystem of dependent third-party solutions, increasing the platform's overall value and making it more difficult for customers to migrate away. This classic platform strategy prioritises long-term ecosystem lock-in over short-term revenue.

Section 3: Microsoft 365 & Teams: The Collaboration Hub Transformed

The core Microsoft 365 productivity and collaboration suite is undergoing significant changes that align with the broader strategic pushes toward AI, portfolio rationalisation, and enhanced governance.

3.1 Current State & August 2025 Announcements

Several updates rolling out in August 2025 refine the user experience and add new administrative capabilities:

- **Microsoft Places:** A new, dedicated admin centre is launching to provide a centralised portal for managing physical office resources like buildings, floors, and desks. This is complemented by a new map-based desk reservation feature within Microsoft Teams for users with a Teams Premium licence, signalling Microsoft's intent to compete in the hybrid work and facility management software market.
- **Outlook:** The new Outlook for Windows client now supports drag-and-drop functionality for emails and files between different account types, including personal, enterprise, and shared mailboxes. This addresses a long-standing usability request and improves productivity for users managing multiple identities.
- **SharePoint:** Governance is being enhanced with the ability for library owners to apply sensitivity labels directly at the document library level, ensuring all content within inherits the policy. For site owners, SharePoint Page Analytics is being upgraded with long-term data retention, reporting by distribution lists, and data export options.
- **Teams:** The platform sees several changes: a new web sign-in experience adds support for Apple and Google credentials for easier access ; IT administrators gain the ability to run silent call simulations to proactively test network readiness for voice and video ; and a formal Know Your Customer (KYC) process is being implemented for organisations requesting new phone numbers for Teams Phone. In a notable feature retirement,
  Speaker Coach, which provided real-time feedback on presentation skills, is being retired in mid-August 2025.

The most substantial change in this period is the **retirement of Microsoft Project for the web**. Starting in August 2025, Project for the web and the associated Project and Roadmap apps within Microsoft Teams are being retired. Users will be automatically redirected to Microsoft Planner. This move consolidates

Microsoft's work management offerings, positioning Planner as the single, unified solution. Existing data from Project for the web will be preserved within Planner as "premium plans", creating a new, higher-tier offering within the familiar Planner interface. However, existing "Roadmaps" will not be automatically migrated and must be manually recreated by users as "Portfolios" in Planner. This consolidation simplifies the product landscape for users but requires immediate action from organisations that relied on the Roadmap feature.

3.2 One-Year Roadmap (Aug 2025 - Aug 2026)

The Microsoft 365 roadmap reveals a steady cadence of feature releases over the next twelve months:

- **November 2025:** Microsoft Teams will enhance its webinar capabilities with a private chat channel for organisers, co-organisers, and presenters. For iOS users, Teams meetings will integrate with Live Activities, showing real-time meeting status updates on the device lock screen.
- **December 2025:** Copilot in Teams meetings will begin its rollout of a major upgrade, enabling it to search the web and a user's work files, emails, and contacts during a live meeting for more insightful responses. A new, third-generation file and folder sharing experience will also begin rolling out across Microsoft 365, centred on a simplified and more secure "hero link".
- **March 2026:** Rollout is scheduled to begin for **Information Barriers (IB) v2**. This is an opt-in upgrade for customers using the v1 compliance feature, offering support for larger-scale segmentation, multi-segment user assignments, and more flexible people discovery controls.
- **August 2026: Microsoft 365 Backup** will gain the ability to configure long-term retention policies, allowing data to be preserved and restorable for periods longer than the default one-year term.

3.3 Policy, Governance, and Security

Security and compliance tools are being updated to account for the rise of AI:

- **Microsoft Purview:** The platform is introducing several AI-aware features. Data Loss Prevention (DLP) policies can now be configured to explicitly block Microsoft 365 Copilot from processing emails that contain specific sensitivity labels, preventing accidental data exposure through AI prompts. A new AI-powered
  Data Security Investigations (DSI) solution is launching to help security teams more effectively detect and mitigate data risks. Furthermore,
  Insider Risk Management is being updated with new detectors to identify risky AI activity, such as users inputting sensitive data into prompts or interacting with AI agents with suspicious intent.
- **Exchange Online:** A critical security deadline has been finalised. The permanent removal of **Basic Authentication for SMTP AUTH** will occur between March 1 and April 30, 2026, a slight delay from the original September 2025 target. This change will require all applications, scripts, and devices that send email via Exchange Online to be reconfigured to use modern, OAuth-based authentication. For data sovereignty needs, a preview of
  Multi-Geo In-Region Routing will begin in August 2025, giving customers granular control over which geographic region processes their inbound email.

Section 4: Azure Cloud Platform: Infrastructure, Data, and AI Services

Microsoft's foundational cloud platform, Azure, continues to evolve with infrastructure enhancements,

critical identity management transitions, and a steady cadence of service retirements that demand customer attention.

4.1 August 2025 Announcements & Key GA Features

As of August 2025, Microsoft has announced the general availability (GA) of several key infrastructure services:

- **Compute:** New virtual machine sizes, E128 & E192, are now generally available in the Esv6 and Edsv6-series VM families, offering more options for memory-intensive workloads.
- **Storage & Backup:** A significant enhancement to Azure Backup is the GA of agentless, multi-disk crash-consistent backups for Azure VMs. This simplifies the data protection process by removing the need to manage agents inside the virtual machine.
- **Hybrid:** The Azure File Sync Arc Extension has reached general availability, extending file synchronisation capabilities to servers managed by Azure Arc.
- **Licensing Terms:** A new clause has been added to the product terms for the Azure AI Foundry Agent Service. It clarifies that the "Grounding with Bing Search" feature, which allows AI agents to access real-time web data, will be billed as a First-Party Consumption Service, governed by Azure's standard consumption billing terms.

4.2 The Entra ID Transition: A Critical Deadline Looms

One of the most pressing technical mandates for organisations is the retirement of the legacy **Azure Active Directory (AD) Graph API**. This API is scheduled to be fully retired in early September 2025, with a hard deadline of **August 31, 2025**, for migrating all applications to the modern **Microsoft Graph API**. This is a non-trivial undertaking that requires developer effort to rewrite, test, and deploy code for any custom or third-party application that relies on the old endpoints for identity operations.

This forced migration is part of a broader strategy to unify all identity management under a single, more powerful API surface. Microsoft is incentivising the move by rapidly enriching the capabilities of the destination platform, Microsoft Entra ID. Recently released features include Copilot in Microsoft Entra for natural language threat investigation, new and more granular Conditional Access policies, and a public preview of cross-cloud identity synchronisation. This "carrot and stick" approach—using the hard retirement deadline as the stick and the superior functionality of the new platform as the carrot—is designed to eliminate Microsoft's own technical debt and consolidate all ecosystem interactions onto a modern, extensible platform ready for the AI era.

In a minor but highly visible change, a new default background image for Microsoft Entra work and school sign-in screens will begin rolling out on September 29, 2025.4.3 Azure Service Retirements and Deprecations (Aug 2025 - Aug 2026)

The following table consolidates key Azure service retirements scheduled between August 2025 and August 2026. This timeline is essential for risk management and migration planning.

Service/Feature Name	Retirement Date	Impact Level	Recommended Action/Replacement
Azure Dedicated HSM	August 1, 2025	High	Migrate workloads to Azure Cloud HSM or Azure Managed HSM.
Azure AD Graph API	Early Sept 2025	Critical	Migrate all applications to use the Microsoft Graph API before August 31, 2025.
Azure Database for MariaDB	September 19, 2025	High	Migrate databases to Azure Database for MySQL Flexible Server.
Azure Basic Load Balancer	September 30, 2025	High	Upgrade to Azure Standard Load Balancer for enhanced features and SLA.
Azure Unmanaged Disks	September 30, 2025	High	Convert all unmanaged disks to Azure Managed Disks.
Azure Data Studio	February 28, 2026	Medium	Transition development workflows to Visual Studio Code with the mssql extension.

Service/Feature Name	Retirement Date	Impact Level	Recommended Action/Replacement
Azure AD B2C P2	March 15, 2026	High	Discontinuation of the P2 feature set for all customers. Plan for service change.
Exchange Online Basic Auth (SMTP)	April 30, 2026	Critical	Reconfigure all applications, scripts, and devices to use OAuth for SMTP AUTH.
Azure Application Gateway v1	April 28, 2026	High	Migrate all configurations and traffic to Application Gateway v2.
Azure API for FHIR	September 30, 2026	High	Migrate to Azure Health Data Services FHIR service.
Azure Virtual Desktop (Classic)	September 30, 2026	High	Migrate all classic deployments to the modern Azure Virtual Desktop experience.

Section 5: Windows & Devices: The End of an Era, The Dawn of the AI PC

The Windows client ecosystem is at a historic inflection point, defined by the conclusion of the Windows 10 lifecycle and the strategic pivot to an operating system built around artificial intelligence.

5.1 The Windows 10 End-of-Life Imperative

The definitive deadline for Windows 10 is **October 14, 2025**. After this date, devices running Windows 10 Home, Pro, Enterprise, and Education editions will no longer receive free security updates, non-security

fixes, or technical assistance from Microsoft. This cessation of support poses a significant security risk to any organisation still running the operating system.

To provide a transition path for systems that cannot be immediately upgraded, Microsoft is offering a paid **Extended Security Updates (ESU)** programme. This programme provides critical security updates for up to three years, with the first year concluding on October 13, 2026. The ESU programme is designed as a costly, temporary bridge, not a long-term solution. It is important to note that the updates are cumulative; an organisation wishing to purchase ESU coverage in the second year must also have paid for the first year.The end of Windows 10 support has critical, and often overlooked, implications for Microsoft Office applications. The support deadlines are intertwined, and failure to manage both can leave an organisation exposed. The following matrix clarifies the support status of various configurations after October 14, 2025.

Operating System	Office Version	Support Status on Oct 15, 2025	Key Deadline(s)
Windows 10	Microsoft 365 Apps	Unsupported Configuration; Security updates for M365 Apps continue until Oct 2028, but no feature updates.	Oct 14, 2025 (Win 10 EOS)
Windows 10	Office 2021 LTSC	Unsupported Configuration; Office 2021 will function but is not supported on an unsupported OS.	Oct 14, 2025 (Win 10 EOS); Oct 13, 2026 (Office 2021 EOS)
Windows 10	Office 2019	Fully Unsupported; Both OS and application suite are past end of support.	Oct 14, 2025 (EOS for both)
Windows 10	Office 2016	Fully Unsupported; Both OS and application suite are past end of	Oct 14, 2025 (EOS for both)

		support.	
Windows 11	Microsoft 365 Apps	Fully Supported	N/A (Modern Lifecycle)
Windows 11	Office 2021 LTSC	Fully Supported	Oct 13, 2026 (Office 2021 EOS)

5.2 Windows 11 Evolution: Stability and AI

To encourage migration, Microsoft is heavily promoting the stability and advanced features of Windows 11. The company has officially branded Windows 11 version 24H2 as its "most reliable version of Windows yet", citing internal data showing a 24% reduction in unexpected system restarts compared to Windows 10 22H2.The August 2025 Security Update (KB5062660), scheduled to roll out on August 12, 2025, is a prime example of the new update strategy. It bundles critical security patches with significant feature enhancements, particularly for AI. This update introduces the ability to export and reset data from the Windows Recall feature and adds new AI-powered "Click to Do" actions for reading, drafting content in Word, and interacting with Microsoft Teams.In parallel, Microsoft continues to streamline the OS by deprecating legacy features. The list of components being removed or no longer developed is extensive and includes the standalone Maps app (removed from Store July 2025), Paint 3D, VBScript, and WordPad.5.3 Windows Server Lifecycle & Licensing

The server operating system follows its own lifecycle cadence, with several key dates approaching:

- Security support for **Windows Server 23H2** (Annual Channel) ends on October 24, 2025.
- The third and final year of paid Extended Security Updates for **Windows Server 2012 and 2012 R2** concludes on October 13, 2026.
- Mainstream support for **Windows Server 2022** ends on October 13, 2026, at which point it will transition to the Extended Support phase.

A major shift is occurring in the licensing model for on-premises server software. With the release of the Subscription Editions of Exchange Server and Skype for Business Server, Microsoft is extending the model first used for SharePoint Server SE. This model requires customers to have active Software Assurance (SA) or purchase a direct subscription licence to use the latest version and receive feature updates. This change effectively ends the traditional perpetual licence model for new on-premises server functionality and aligns the revenue stream more closely with that of cloud services.

Section 6: Business Applications: Dynamics 365 and Power Platform

Microsoft's business applications portfolio is undergoing a seismic shift focused on strict licence enforcement and the deep infusion of AI to create an "agentic" ERP and CRM experience.

6.1 The Dynamics 365 Licensing Mandate: The End of the Honour System

For years, access to Dynamics 365 Finance & Operations has operated on an honour-based system,

where technical controls did not prevent users without a valid licence from accessing the system. This practice is coming to an abrupt end.

- **The New Rule:** Effective **November 1, 2025**, Microsoft will implement a "hard block", technically preventing any user without an individually assigned, valid licence from accessing Dynamics 365 Finance and Operations applications.
- **Phased Rollout:** A preparatory "soft block" phase will begin on **September 1, 2025**. During this two-month window, unlicensed users will receive in-product notifications and warnings about their non-compliant status but will retain access, giving organisations a final opportunity to remediate issues before the hard block takes effect.
- **The Hidden Risk:** The most significant financial and operational risk for many organisations is not unlicensed users, but rather *under-licenced* users. A common issue is the misconfiguration of security roles, where a user is assigned broad permissions that technically require a high-tier licence (e.g., Finance or Supply Chain Management) while only having a lower-tier licence (e.g., Team Member) assigned. The enforcement will expose these discrepancies, potentially forcing organisations into large, unbudgeted licence purchases to maintain business continuity. This enforcement is a strategic lever for Microsoft to drive revenue, force deeper engagement with its platform administration tools, and create a significant market opportunity for partners specialising in security governance and licence optimisation.

6.2 2025 Release Wave Analysis (Waves 1 & 2)

- The overarching theme for the Dynamics 365 2025 release waves is the move toward an "agentic" platform, where AI agents are embedded to automate complex, multi-step business processes.**Dynamics 365 Sales:** AI agents will automate tasks like researching leads, engaging prospects, and proactively identifying risks in sales deals.
- **Dynamics 365 Finance:** New agents are being introduced to automate account reconciliations and assist in accelerating the financial close process.
- **Dynamics 365 Supply Chain Management:** A new supplier communication agent will automate interactions with vendors, while demand planning will be enhanced with generative AI insights.
- **Dynamics 365 Human Resources:** Agentic capabilities will streamline employee onboarding with guided experiences and assist recruiters with tasks like job description generation.

6.3 Power Platform Deprecations and Changes

The underlying Power Platform is also seeing important changes and deprecations that will impact Dynamics 365 and custom applications:

- **Viva Engage Connector:** Starting September 1, 2025, the connector will no longer support OAuth 2.0 for new connections, requiring a move to Entra ID authentication. Existing OAuth connections will cease to function after November 15, 2025.
- **Dynamics 365 App for Outlook:** The contact tracking feature, which allowed users to track Outlook contacts in Dynamics 365, will reach its end of support on October 1, 2025.
- **SQL Server Connector:** The legacy V1 actions for the SQL Server connector in Power Automate will be fully disabled on June 30, 2025. All flows must be updated to use the modern V2 actions to continue functioning.

Section 7: Licensing and Policy Deep Dive: Navigating the Contractual Landscape

Understanding Microsoft's intricate web of licensing and support policies is fundamental to managing cost, risk, and strategy. This section demystifies these core concepts and provides a consolidated timeline of critical lifecycle dates.

7.1 Understanding Microsoft's Lifecycle Policies

Microsoft primarily uses two distinct lifecycle policies to govern its products:

- **Fixed Lifecycle Policy:** This policy applies to traditional, on-premises software products like Office 2021 and Windows Server 2022. It provides a predictable support timeline, typically 10 years in total. This is divided into two phases:
  - **Mainstream Support:** The first five years, during which the product receives security updates, non-security updates, new features, and access to no-cost technical support.
  - **Extended Support:** The subsequent five years, during which the product receives only security updates. No new features are added, and non-security updates or technical support incidents typically require a paid contract.
- **Modern Lifecycle Policy:** This policy applies to cloud services and continuously updated products like Microsoft 365 Apps and Windows 11 feature updates. Under this policy, there are no fixed end-of-support dates. Instead, customers are required to stay current by accepting regular updates to remain in a supported state.

For products that have exited Extended Support, Microsoft may offer a paid Extended Security Updates (ESU) programme as a last resort. This provides critical security patches for a limited time (e.g., up to three years for Windows 10 and Windows Server 2012) to allow organisations more time to complete their migrations.7.2 Key Licensing Changes in 2025

Two significant licensing changes are taking effect in 2025:

- **On-Premises Server Subscriptions:** Microsoft is standardising its licensing model for the newest on-premises server products, including Exchange Server SE and Skype for Business Server SE. To use these versions, customers must either maintain active Software Assurance (SA) on their perpetual licences or purchase new subscription licences. This shift aligns the on-premises revenue model with the recurring nature of cloud services and effectively ends the "buy once, use forever" model for new server features.
- **Universal Licence Terms Update:** The "Extended Term" clause for online service subscriptions is now the default behaviour. If a subscription is not actively renewed, access will automatically continue on a month-to-month basis, potentially at a 3% price uplift, until the customer explicitly opts out or cancels. This change is designed to prevent accidental service disruption for customers while capturing additional revenue from passive renewals.

7.3 Master Product Lifecycle Calendar (August 2025 - August 2026)

The following table provides a consolidated, chronological view of major product lifecycle events occurring between August 2025 and August 2026. This master calendar is a critical tool for long-range IT

planning, budgeting, and resource allocation.

Date	Product/Service	Event Type	Significance / Required Action
Oct 7, 2025	Dynamics 365 Business Central (Modern), v24.x	End of Servicing	Upgrade to a newer release wave to remain supported.
Oct 14, 2025	**Windows 10 (All Editions)**	**End of Support**	**Critical:** Migrate to Windows 11 or purchase ESU licences to receive security updates.
Oct 14, 2025	**Office 2016 & 2019 Suites**	**End of Support**	**Critical:** Migrate to Microsoft 365 Apps or a supported Office LTSC version.
Oct 14, 2025	**Exchange Server 2016 & 2019**	**End of Support**	**Critical:** Migrate to Exchange Online or Exchange Server SE. A limited 6-month ESU is available.
Oct 14, 2025	**Skype for Business Server 2015 & 2019**	**End of Support**	**Critical:** Migrate to Microsoft Teams or Skype for Business Server SE. A limited 6-month ESU is available.
Oct 14, 2025	Windows 11, Version 22H2 (Ent/Edu)	End of Servicing	Upgrade to a newer Windows 11 feature update (e.g., 23H2, 24H2).

Date	Product/Service	Event Type	Significance / Required Action
Oct 24, 2025	Windows Server, Version 23H2	End of Servicing	Upgrade to the next Annual Channel release to remain supported.
Nov 11, 2025	Windows 11, Version 23H2 (Home/Pro)	End of Servicing	Upgrade to a newer Windows 11 feature update (e.g., 24H2).
Jan 13, 2026	Visual Studio 2022, Version 17.10 (LTSC)	End of Support	Upgrade to a supported Current Channel or newer LTSC release.
Mar 15, 2026	Azure AD B2C P2	Retirement	The P2 feature set will be discontinued for all customers.
Apr 30, 2026	**Exchange Online Basic Auth for SMTP**	**Retirement**	**Critical:** Reconfigure all apps/devices using SMTP AUTH to use modern OAuth.
Jul 14, 2026	SQL Server 2016	End of Support	Migrate to a supported SQL Server version or to an Azure SQL service.
Jul 14, 2026	SharePoint Server 2016 & 2019	End of Support	Migrate to SharePoint Online or SharePoint

Date	Product/Service	Event Type	Significance / Required Action
			Server SE.
Oct 13, 2026	**Office 2021 & Office LTSC 2021 Suites**	**End of Support**	**Critical:** Migrate to Microsoft 365 Apps or a newer supported version.
Oct 13, 2026	Windows Server 2012 / R2	End of ESU Year 3	**Final Deadline:** All support ends. Systems must be migrated or isolated.
Oct 13, 2026	Windows Server 2022	End of Mainstream Support	Transitions to Extended Support (security updates only) until Oct 2031.

Section 8: Strategic Recommendations and Conclusion

The changes across the Microsoft ecosystem in 2025 are not isolated events but components of a cohesive, long-term strategy. Navigating this new landscape requires a proactive and strategic approach from IT leadership, moving from reactive problem-solving to continuous modernisation.

8.1 Immediate Action Plan (Next 90 Days: Sept - Nov 2025)

The deadlines within this period are firm and carry significant operational risk.

- **Dynamics 365 F&O Licence Audit:** Organisations must immediately initiate a comprehensive audit of all D365 Finance & Operations user roles and licence assignments. The primary goal is to identify and remediate any compliance gaps before the November 1 hard block. This requires close collaboration between IT, finance, and business unit leaders.
- **Azure AD Graph API Migration:** All development and application teams must confirm that custom and third-party applications have been fully migrated from the legacy Azure AD Graph API to the modern Microsoft Graph API. The early September retirement deadline leaves no room for delay.
- **Windows 10 Migration Final Push:** IT operations must identify all remaining Windows 10 devices. Finalise migration plans for upgradable machines and procure ESU licences for critical systems that cannot be upgraded by the October 14 deadline to avoid running unsupported and insecure endpoints.

8.2 Mid-Term Strategy (6-12 Months: Dec 2025 - Aug 2026)

This period requires planning for the next wave of critical deprecations and beginning the adoption of new technologies.

- **Plan for Basic Auth Deprecation:** Initiate projects to identify and reconfigure all applications, scripts, and multifunction devices that use SMTP AUTH with Basic Authentication. These must be updated to use modern, OAuth-based methods before the March/April 2026 deadline to prevent disruption of email-sending capabilities.
- **Office Suite Modernisation:** With support for Office 2016/2019 ending and Office 2021's deadline approaching, organisations should develop a clear strategy to migrate users to Microsoft 365 Apps. This is necessary not only for supportability but also to unlock the full potential of new AI features integrated into the suite.
- **Pilot AI Agents:** Form cross-functional teams to begin pilot programmes for new AI capabilities, such as the Employee Self-Service Agent or the Skills Agent. The objective is to understand their real-world impact on business processes, assess their value, and build the internal expertise required for broader deployment.

8.3 Long-Term Vision (12+ Months)

Looking beyond the immediate deadlines, organisations must align their IT strategy with Microsoft's long-term vision.

- **Budget for the "AI Tax":** Recognise that advanced AI capabilities—including premium agents, specialised Copilot features, and consumption-based services billed in Azure Agent Units (AAUs)—represent a new, ongoing operational expense. This "AI tax" must be factored into future IT budgets.
- **Align IT Skills with the "Frontier Firm" Model:** The future described by Microsoft is one where employees collaborate with AI agents. This requires a shift in skills. Invest in training for both IT staff and business users, moving beyond simple prompt engineering to focus on workflow design, process orchestration, and AI governance.
- **Embrace Continuous Modernisation:** The accelerating pace of product changes, API deprecations, and policy updates demonstrates that the era of large, infrequent "big bang" upgrade projects is over. Organisations must shift to a posture of continuous modernisation, embedding lifecycle management and proactive adaptation into their core IT operations.

8.4 Conclusion

August 2025 marks an inflection point where Microsoft's long-articulated AI strategy transitions from a future promise to an operational and financial reality for its customers. The company is aggressively pruning its portfolio, hardening its security posture, and closing revenue gaps to focus its resources squarely on building an AI-first, agent-driven ecosystem. Success in this new era will not be determined by simply adopting new features, but by fundamentally rethinking processes, reskilling the workforce, and committing to a proactive, strategic approach to security, governance, and continuous technological modernisation.