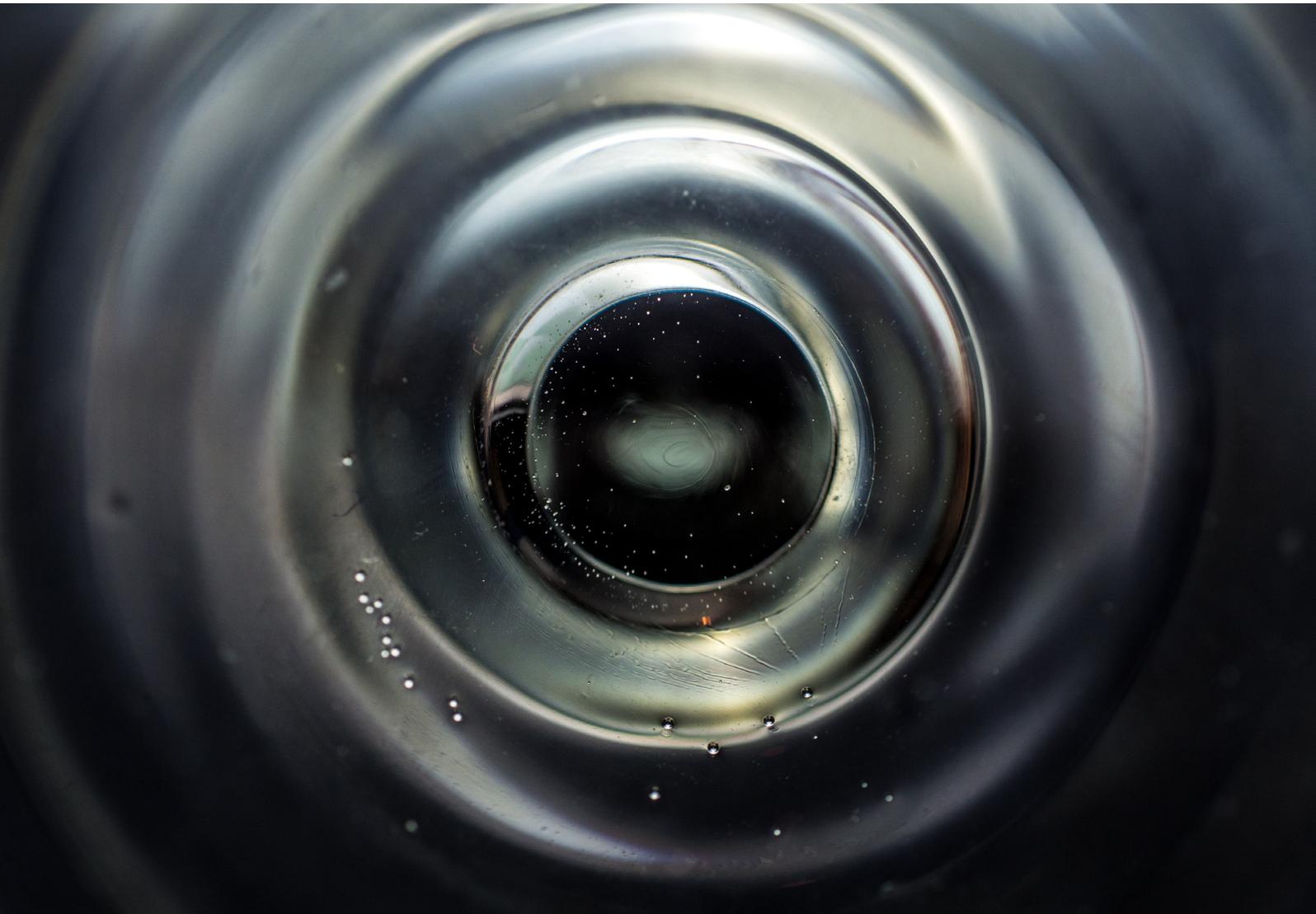


WHITEPAPER

Artificial Intelligence:

The changing landscape for small and medium businesses



At a glance

- We are witnessing, probably, one of the most dramatic digital disruptions in the form of Artificial Intelligence (AI). It is increasingly becoming a part of how businesses stay competitive.
- AI is no longer monopolized by just big organizations; it is the small and medium businesses (SMBs) that are showing exceptional enthusiasm to leverage AI to their benefit.
- However, there are many concerns and barriers that SMBs are yet to overcome to fully adopt and optimize AI.

Brief

AI has unleashed a wave of digital disruption and presented prodigious opportunities to businesses, across sectors to accelerate their digital transformation. Companies are now leveraging AI to improve their go-to-market strategy, predict and analyze customer behavior, personalize the customer experience, manage the supply chain, and much more. While large-scale businesses were quicker to adapt and optimize the multi-faceted technology, the advent of AI in SMBs is proving to be a game-changer in how we see commerce.

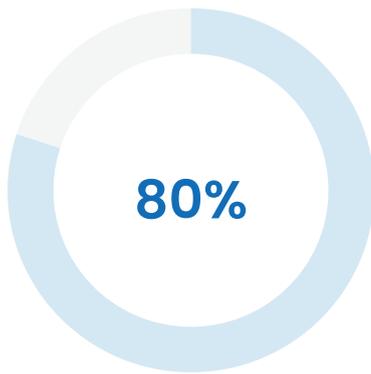
However, the transformation, which was easier for businesses with elaborate budgets and skilled manpower, hasn't been exactly a walk in the park for SMBs, but it's become more urgent than ever.

In this paper, we surveyed 650+ SMBs globally to understand the adoption and barriers, implementation challenges, and use cases of AI within SMBs.

AI: Are SMBs Ready?

A myriad of assertions has been made about the promises and perils of AI. However, the fact remains that SMBs are the new adopters of AI but they may not be using it as pervasively as bigger firms. From our survey

results, we have learned that over 80% of SMBs see the need to implement the power of AI into fraud detection and cybersecurity, sales optimization, marketing, and document analysis.



In our survey of 650+ SMBs, globally, we found that 80% of small and medium businesses see the need to implement the power of AI into fraud detection, sales optimization, marketing, and document analysis.

Small businesses are resolving a slew of problems that until very recently needed managerial interventions. Over 47% of the responses confirmed that the most popular AI aspect they are applying to their business on a day-to-day basis is creating content for marketing e-mails and advertising.

Another AI tool that has become very popular with small and medium enterprises is how they interact with the

outside world – focusing on customers. Over 40% of respondents cited chat-box and automated help desk as one of their primary AI applications. These chat-bots and automated help desks help in improving customer interactions and mapping customer journeys and experiences.

The advent of AI within SMBs
Small businesses leverage AI to boost productivity

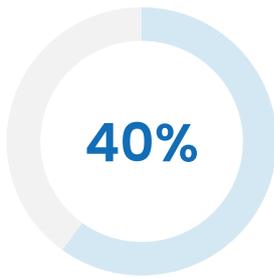
47% use AI for **Marketing & Advertising**

40% use AI for **Customer Engagement**

What Needs to be Overcome?

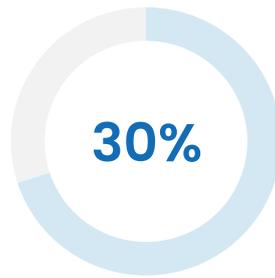
AI is projected to contribute \$15 trillion to the world economy by 2030. (PwC 2019 report). The pertinent question that arises here is why there seems to be no urgency among SMBs to fully integrate AI even though it is known to only boost productivity? We have observed apprehensions in 3 main areas based on our research findings:

- **A clear understanding of the technology:** SMBs are focused on return on investment and driving profit. A concrete amount of SMB leaders believe in an efficient and seamless process of work for their business. There seems to be a huge apprehension to fully exploit the potential of AI since it requires adoption, adaption, and experimentation. There also seems to be a worry about how heavily the business will be impacted in case of AI failure.
- **Skilled Manpower:** Integrating AI holistically requires qualified and skilled staff expertise. As many as 30% of the respondents believed that unsupervised or undertrained staff will only have a very negative effect on business as the implementation will not prove to be successful.
- **Financial barrier:** As mentioned at the beginning of the report, many big organizations seamlessly integrated AI to boost productivity. This was possible because of the privilege of exceptional financial capabilities that big firms hold and small and medium enterprises lack. This makes risk mitigation difficult for SMBs. As many as 40% of the SMBs have stated that heavy pricing of the cloud-based AI SaaS solutions is the number 1 barrier.



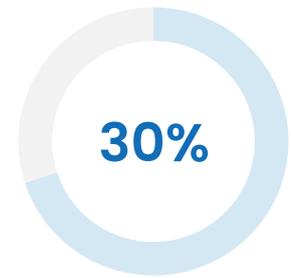
Lack of Elaborate Budget

40% of the SMBs have stated heavy pricing as #1 barrier



Lack of Technical Expertise

As many as 30% of the respondents believed that unsupervised or undertrained staff will only have a very negative effect on business



Unwilling to take risk

There seems to be a huge apprehension to fully exploit the potential of AI since it requires adoption, adaption, and experimentation.

The Advent of No-Code AI

AI has been cited as one of the most significant advancements in recent times. It has only proved to be a tool that helps in growing businesses; yet, there are barriers that inhibit business adoptions. As mentioned in the section above, 40% of our respondents state that AI technologies and cost expertise are too expensive for small and medium enterprises. This is where no-code AI has been touted as a game-changer. No code solutions democratize AI by making it accessible at a low cost.

- **What is no-code AI?**

No-code AI, in a simple term, means a platform without code development and a remarkably easier user interface. No-code AI is swiftly removing programming languages, making it increasingly easier for companies

and non-technical users to easily classify and analyze data, and create accurate models to make predictions.

It is important to observe that the demand for AI talent has significantly increased in the last two years and the progression of no-code AI also doubled in pace, despite a raging pandemic. Since no-code AI reduces the time to build AI models to minutes, it has enabled companies to easily adopt machine learning models in their process. With the pandemic, no-code AI solutions have seen a surge in the trial ratio. Over 30% of the SMBs we surveyed were aware of such solutions and as much as 40% of these had already implemented AI solutions in the past 1 year.

What's Next?

The conclusion from this extensive survey and our findings indicates that one-day businesses, across all sectors and enterprises, will have AI fully integrated into the systems once the initial obstacles are overcome. The advent of no-code AI only democratizes the entire process and we can easily conclude that the process of full AI disruption within SMBs has already begun and is already snowballing. In no time, no-code AI platforms will be omnipresent once the initial apprehensions and resistance to adoption fade away.

About the Author



HAZEL SHIRISH • VP, Corporate Research

Ex Nielsen, Hazel has over 14 years of experience in analytics deployment and consulting premier clients on research-based insights visualisation. She has worked extensively with clients in the CPG, telecom and e-commerce space on customer analytics, marketing effectiveness, GTM sales strategies, digital ad campaign effectiveness, survey analytics, etc. When not working, she likes to write poetry and short stories.

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