

Small Businesses Can and Should Consider Investing in AI Technology – With a Cautious Approach

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As they navigate unpredictable economic waters, small businesses are facing the complicated task of balancing a willingness to take risks – to not miss that proverbial boat – with ensuring their companies are avoiding the lure of the “trending” factor, i.e. investing too quickly or extravagantly into a new resource or technology.

One would be hard-pressed to find a more timely example of this fine line than artificial intelligence. In a relatively short time, AI technology has become a force of nature that businesses of all sizes must consider; from small and midsize companies to large-scale enterprises, all entities are searching for the right approach.

If you hesitate to dive into the deep end of an industry ideally situated to integrate AI technology, you could find yourself lagging progressively further and further behind your peers. Conversely, some companies can quickly identify small-scale ways to incorporate cutting-edge tech without over-investing; these organizations are able to recognize their industries are, at present, only moderately impacted by the technology. Every situation is unique.

There's no denying that AI has and will continue to evolve and advance at a breakneck pace. It's vitally important for any

business – regardless of size, service or industry – to assess and regularly reassess how it can maximize the potential benefits of AI capabilities.

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AI technology isn't just for large-scale companies – SMBs are taking notice

For small business owners, their instinct might be to disregard AI technology, thinking it must apply to bigger companies with larger operations. In truth, small-to-midsize businesses are positioned to benefit from AI integration, with the opportunity to decrease costs, boost operational efficiency and positively impact their bottom line.

And the most exciting part? The entry into this promised land isn't surrounded by gates of technical knowledge requirements and guarded by tests designed to ferret out business leaders posing as software engineers. While it may not be a simple task, the pathway to experiencing the positive impact of AI integration has arguably never been more surmountable.

The starting point is to understand the core principles of current AI technology and the numerous ways industries are beginning to utilize it. Pinpointing your small business's specific needs and researching potential AI solutions is the next stage in the process. The exponential rate at which the technology continues to evolve and expand creates a natural byproduct: easier access to resources that can aid small business owners as they work to accomplish these steps.

Related: Small Businesses Have Fewer Resources Than Big Companies. Here's How AI Can Fill the Gaps.

AI technology development and the expansion of available capabilities for companies

It's remarkable how quickly artificial technology has developed in just the past few years.

In 2019, James Turner, the managing director of Turner Little Limited, said that "the business world is currently on the cusp of widespread adoption of AI applications, technology and automated products. There will undoubtedly come a time, in the not too distant future, when small businesses will use AI every day." He added. "It is likely that AI will become as user-friendly, widely accepted and easily installed as any other software."

Fast forward just a few short years later, and the comparison to 2019 is startling. Revolutionary new resources – ChatGPT, Google Bard and Microsoft's new Bing – are just the tip of the iceberg. The world of the workforce is dynamically changing and it's not looking back anytime soon.

The amazing aspect of this development is the vast array of industries now able to implement AI technology, including marketing, sales, accounting, production, retail, logistics, automotive, transport, manufacturing and so much more. As AI capabilities and applications expand, the sectors integrating cutting-edge practices will continue to increase.

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Modern artificial intelligence and understanding the role of machine

Learning in AI

It's important to remember that the term artificial intelligence encompasses a lot of technologies. Small-to-midsize businesses may have different needs than larger enterprises regarding size, scope and complexity, but ultimately, they are all elements of the same, broader categorization.

When sifted down to its core definition, artificial intelligence refers to computer programs (software) and machines designed to accomplish tasks that once required human intelligence.

It's crucial to recognize two of the primary aspects of AI technology (as we know it today): its complexity and inherent capabilities. What we are experiencing as artificial intelligence is far beyond simple, repetitive tasks and other similar functions.

Rather, these systems and machines are vastly more complex and dynamic thanks to something known as machine learning. This concept centers on the device's ability to learn and evolve, develop reasoning and act independently.

Critically, these systems and the machines that run that software can face new, unknown situations and react independently. This ability to learn and adapt independently powers the immensely-capable artificial intelligence technology revolutionizing business in amazing ways.

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The distinction between reasons for

caution, not skepticism, for SMBs

When considering the incredible growth and development artificial technology has undergone, the excitement is palpable, and rightly so. The myriad ways this cutting-edge technology can streamline workflows is compelling, whether by sharpening current capabilities or integrating new ones.

With operational metrics seemingly destined to improve as new or optimized processes are integrated, it's easy to see how the lure of AI technology can turn into a siren song for the reckless.

It's important for business leaders, particularly small-to-midsize businesses, to take a cautious approach. SMB companies are defined by more limited resources. The delicate tightrope act of balancing revenue vs. expenditures is a reality built into their bedrock.

Despite the incredible gains that AI technology has experienced recently, there are still challenges inherent to potential integration.

1. Initial costs of the technology (system or machine).
2. Training requirements (financial expense and employee person-hours).
3. Operational integration challenges (new vs. current processes, company-wide awareness and understanding, impact on customers when applicable).
4. Potential need for complementary technologies.
5. Unpredictable timeline of the overall process.

As with most big decisions, it takes time and research to determine if a specific business can benefit from AI technology. The costs and requirements need to be weighed for the near future and the long term. Can the company navigate the early challenges without seeing immediate results, or is the risk of sunk costs too great?

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