



April 25, 2019

SMEs Can Benefit from Artificial Intelligence Now

I'm concerned that small to mid-sized enterprises (SMEs) are too focused on their near-term goals to capitalize on the tremendous shift occurring throughout the economy-at-large with the adoption of advanced technologies and specifically artificial intelligence (AI). While large corporations with hundreds or thousands of employees continue to make strides across the spectrum of tech adoption, SMEs are facing an impending reckoning like their counterparts of 15-20 years ago who did not embrace the changes occurring with the proliferation of the internet. This deficit of strategic action towards AI evaluation and adoption will of course only widen the gap between companies who can adapt to and capitalize on the new realities and those that will live in the past which will lead to many not surviving the technological shift. But there is still time for SMEs to embrace AI and to do so in meaningful ways, right now.

Although AI is a broad term encompassing numerous more specific technologies and concepts at its core AI is the leveraging of data and inputs by a machine that can in turn respond with an outcome of value. In general, the more data available, and the more detailed the analysis done along with the refinement of the process of interpretation and training, the more complex or accurate an AI system can be developed to perform. Thus, an increasing, and perhaps boundless, set of business functions are being performed by AI which we will look at in a later post.

Although there are costs associated with the evaluation, implementation, training and onboarding of new technologies it is dangerous to ignore the technological evolution. Do not proceed with the mentality of 'we've always done it this way' or 'AI is a fad' or 'we don't have time to change'. Even if you don't see them, there is another company that is innovating, recognizing your weakness, and encroaching on your space. They will be more than happy to take advantage of your shortcomings after you choose not to adopt new advanced technologies. Many small

advantages amount over time to a big, and hence more sustainable, competitive advantage. Therefore, to remain competitive every SME should incorporate AI into their strategic planning and at a minimum allocate some resources to take the first steps of evaluation and experimentation.

Chris Gallagher is an Associate Principal at Prisma Group, a business development and investment firm that works with private company business leaders to accelerate Value Creation. Prisma's core focus is commercial growth and revenue expansion within domestic and international markets. <https://www.linkedin.com/in/chrisgallagher/>