Is 'AI' a game-changer for small businesses – or should we approach with caution?

LOCAL NEWS 11 Sep 2023

FSB Development Manager for Dorset, Nicky Kildunne, asks if AI is a 'friend or foe'?

Over the last few months, I've noticed that during the 'breakout room' conversations in our regular virtual FSB networking sessions, Artificial Intelligence (AI) has become a regular topic of conversation amongst small business owners.

It seems that AI is no longer just the domain of computer scientists and high-tech manufacturing environments but crops up in the daily realm for all of us. In this article, I thought I'd explore why it's such a hot topic of conversation....

AI has emerged as a game-changer for businesses of all sizes. Small businesses often operate with limited resources. AI offers the promise of automating routine tasks, from data entry to customer support, allowing small business owners to allocate their precious time and resources more efficiently.

FSB member and AI expert Dr John Flackett, the head of AiLab an organisation that helps businesses large and small navigate the AI landscape, said: "AI-powered applications such as email spam filters and online shopping product recommendations have been part of everyday life for many years. However, the huge increase in interest about AI has been driven by recent advancements in accessible AI-based tools such as ChatGPT and Midjourney - which have allowed small businesses to make use of Artificial Intelligence to drive new opportunities and improve productivity."

Data is the lifeblood of modern businesses, and AI excels at processing and analysing vast amounts of data swiftly. Small businesses can leverage AI analytics to gain valuable insights into customer preferences, market trends, and operational performance, empowering them to make informed decisions. AI algorithms can analyse customer data to deliver highly personalised product recommendations and marketing campaigns and enhance marketing efforts by optimising ad campaigns, analysing social media trends, and segmenting audiences effectively.

AI-driven solutions can significantly cut costs by eliminating the need for full-time employees to perform repetitive tasks. Small businesses can reallocate these funds to strategic growth initiatives or hiring specialised talent. For businesses in sectors like manufacturing, AI can help reduce downtime and maintenance costs by identifying machinery issues before they lead to major breakdowns.

By embracing AI early, small businesses can gain a competitive edge. AI-driven tools can help them respond swiftly to market changes, outmanoeuvre larger competitors, and adapt to evolving customer needs.

The AI landscape has evolved to offer a plethora of user-friendly, affordable AI tools and platforms designed specifically for small businesses. These tools make AI accessible to those without extensive technical expertise.

However, Matt Desmier, from Bournemouth University's Faculty of Media & Communications, urged some caution. He said: "'There is no denying that the efficiencies AI is currently offering, represent a godsend to many businesses. So approach it with curiosity. Lean into it and embrace it. But don't be fooled into thinking it's the panacea many are saying it is. It is still just a tool, a tool that is currently only able to do what you ask of it. It doesn't assume - it will guess however - and it absolutely will not think for itself.
"And if we hand over too many tasks to our robot overlords, we might wonder one day in the not-too-distant future, why the next generation are unable to think for themselves..."

*This article first appeared in the Western Daily Press newspaper.

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