The AI Opportunity for Small Business
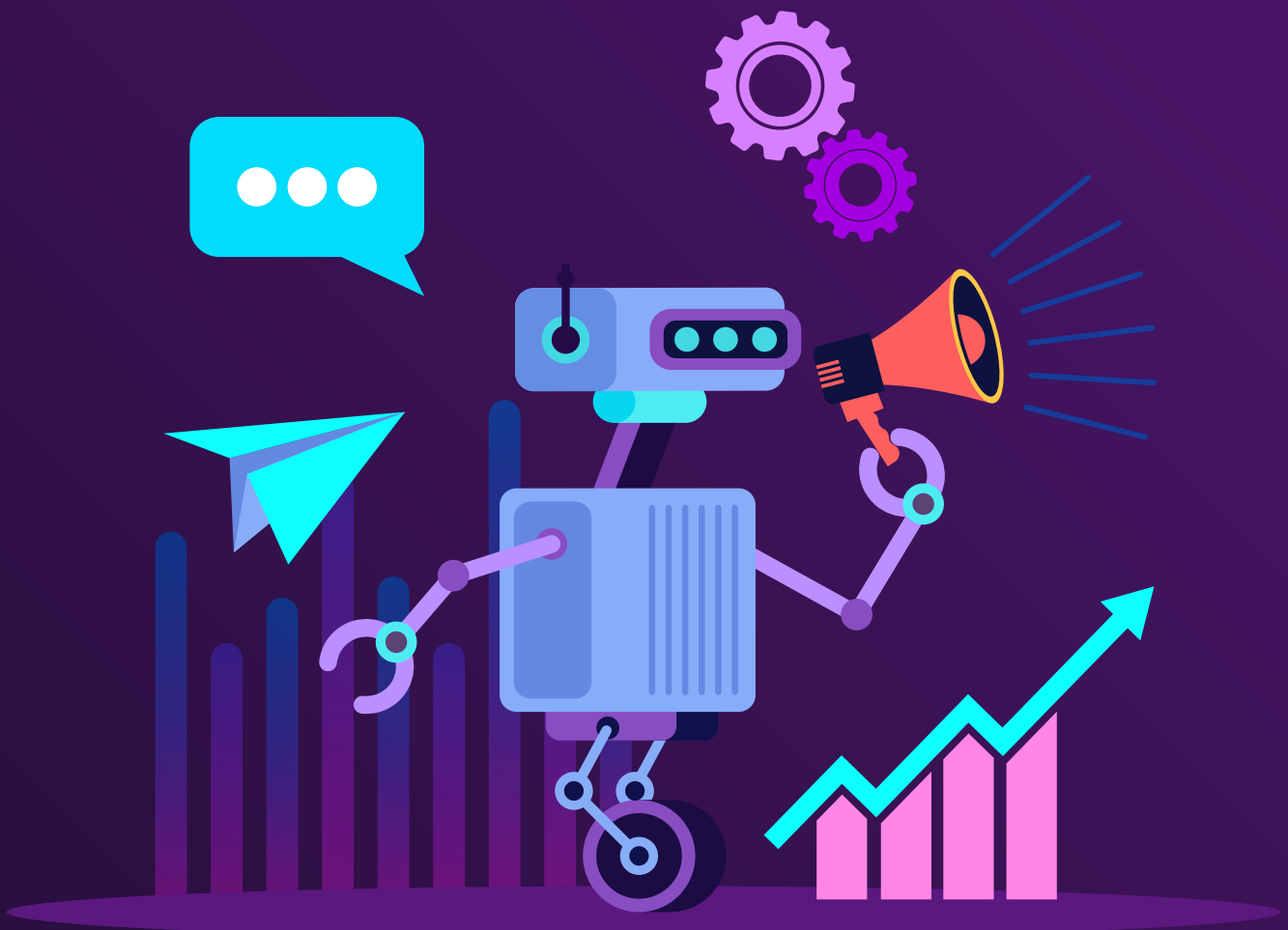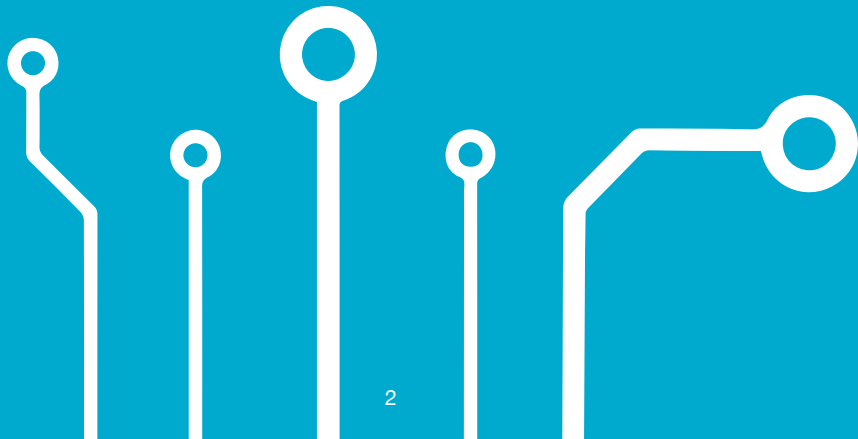
May 2025

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Foreword

Dr Chris Sims
Chief Commercial Officer, BT Business

Small businesses are the beating heart of the UK economy. They are the innovators, the job creators, and the driving force behind local communities and national growth. As we stand on the cusp of a new digital era, Artificial Intelligence (AI) represents a game-changing opportunity for these businesses; not in the distant future, but right now.

At BT Business, we have seen first-hand how AI can empower businesses of every size to do more with less: to streamline operations, personalise customer service, and unlock new ideas. But we also know that for many small businesses, the leap into AI can feel daunting.

That's why we're proud to have partnered with Small Business Britain on this groundbreaking research to truly understand what small businesses need, what they fear, and what can be done to make AI work for everyone.

This report lays bare both the promise and the challenge. It highlights an urgent need for accessible training, affordable tools, and clear, inclusive pathways to adoption. It also shines a light on the voices of underrepresented entrepreneurs, whose experience and expertise must help shape the AI tools of tomorrow.

Our mission is to help businesses grow with confidence in a digital world. With the right support, AI can be a powerful force for levelling the playing field, boosting productivity, and fuelling long-term growth. I hope the insights in this report inspire action, investment, and most importantly, inclusion.

Foreword

Michelle Ovens CBE
Founder, Small Business Britain

In 2025, almost every conversation about small businesses now includes a reference to AI. A topic that was barely touched on two years ago, it is now the hottest ticket in town.

Although AI (Artificial Intelligence) as a technology has been around for a long time, the launch of consumer accessible, low price point, large language model services has democratised AI in such a way that barely any topic is immune to its influence.

This means that small businesses, of course, are increasingly aware that there might be a game changer coming round the mountain. And a game changer it really is. But like all big evolutions, or revolutions, there are profound changes and opportunities coming that are not yet widely understood by most people.

For small businesses, there is a strong sense that something of a game changer is here, but they are grappling with what it means for their business. There is particular excitement from marginalised communities, and especially Disabled founders, who are seeing the early signs of exciting ways that AI can bring down barriers for their business needs too.

However, to really realise these clear benefits, there will need to be some level of intervention from experts, trainers and business support to take small businesses on the AI journey. Small businesses are by their very nature short on time and resources - with very few staff and the need to balance managing a lot of information and the need to upskill.

Interestingly, better and more targeted use of AI in a business could transform time and resource capability. In its best uses for business, AI amplifies what the firm can do, and it frees up time to do more. It can focus attention on the right things, bring new ideas into the business, and automate tasks that are either arduous, time consuming, or both.

A shining light of opportunity

To get businesses over the mental and informational hurdle of engaging with these new technologies, intervention from organisations like Small Business Britain, and acknowledged experts in this arena – including those at BT - is absolutely necessary. Trusted partners are needed to go on the journey with small businesses – and it really will be a journey as the pace of development accelerates – to enable firms to really make the most of the opportunity.

With a tightening of the economy in recent years, and relentless energy crisis, cost of living crisis, high interest rates and more, small businesses sorely need a shining light of opportunity for growth. I strongly believe that AI is bringing this and stands out all the more where businesses have been struggling for some time. The opportunities in productivity, cost savings, customer service, customer engagement and targeting, and much more are going to elevate prospects for small businesses in a way we have not seen since the advent of the internet.

If businesses can harness this potential, we will see greater growth, innovation and resilience in businesses and a levelling of opportunity for under-represented entrepreneurial groups, including women, Disabled founders, and critically for those from economically deprived backgrounds, that may otherwise not have access to such vast sources of data and support.

We look forward to working with BT and the whole small business community across the UK to open up this potential. The future really is bright....
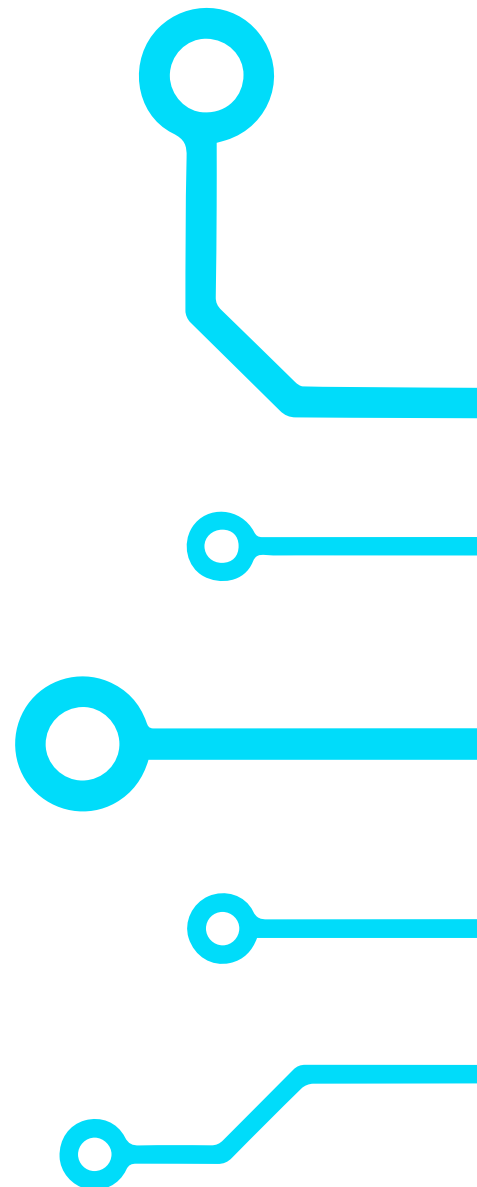
Executive Summary

AI is transforming industries across the UK, yet small businesses remain at vastly different stages of understanding and adoption. While some have fully integrated AI into their operations, others are still grappling with what AI is and how it can help.

This report, based on data from the 2025 Small Business Britain and BT "AI Big Survey," presents a comprehensive view of how small businesses perceive AI, their current usage, the opportunities it offers, and the challenges that continue to hold many back.

AI is already delivering meaningful impact across the small business community. Businesses are using AI tools to automate time-consuming tasks, improve customer service, and streamline operations. For many, AI has been a "silent team member", freeing up valuable time and enabling founders to focus on innovation and growth. Almost two-thirds **(62%) of small businesses currently use AI**, with the most common applications in **marketing (47%)**, **operations (17%)**, and **customer service (8%)**.

However, the potential of AI is being held back by barriers that disproportionately affect smaller firms. More than half (**59%) cite lack of understanding** as a key issue, and **only 20%** believe AI is very accessible. Many founders reported not knowing where to start or how to choose the right tools. Affordability is also a major concern, with **68% wanting access to more affordable AI solutions**. A further **51% say they need hands-on support to implement AI effectively.**

Marginalised founders face an even steeper uphill climb. Disabled entrepreneurs, for example, are **400 times less likely to receive investment** and often encounter inaccessible tools and training[1]. While **64% of Disabled entrepreneurs are already using AI**, only **14% say they understand its benefits very well**, and many report needing more tailored support, inclusive design, and lived-experience-led learning. For these founders, AI holds exceptional promise—but only if inclusion is baked in from the start.

There is a growing recognition among small businesses that AI is not optional - **60% believe AI will be essential within five years**. But there is also a clear message: support must be proactive, personalised, and inclusive.

The Future of AI for Small Business

AI is no longer a distant innovation; it is fast becoming a foundational part of running a business. As small businesses navigate economic uncertainty and rising expectations from customers, AI offers a path to greater resilience, efficiency, and growth.

But this future must be inclusive. The benefits of AI must be accessible to every small business owner, regardless of size, location, or background. With the right interventions, AI can empower all entrepreneurs, not just to survive, but to thrive.
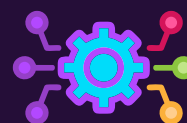
1   Access2Funding campaign (2023)

Key Findings

62%

of small businesses use AI, primarily for marketing, operations, and customer service.

47%

see automation as a key AI benefit; 41% cite cost savings.
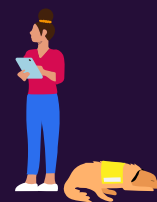

74%

believe AI could help their business grow, yet only 20% say it is very accessible.

59%

cite a lack of understanding as a barrier; 51% say they require support to implement it.

Disabled entrepreneurs are enthusiastic adopters of AI but **need greater accessibility, representation, and support.**

Recommendations

1   Expand AI education initiatives

Offer practical, sector-specific training and upskilling to close the knowledge gap.

2   Facilitate peer learning

Share small business case studies and success stories that inspire confidence.

3   Provide easy-to-use AI tools

Promote platforms that are intuitive, low-cost, and designed with small businesses in mind.

4   Develop sector-specific AI solutions

Tailor support and tools to industry-specific use cases.

5   Help businesses measure ROI

Introduce clear benchmarks and frameworks to evaluate success.

6   Encourage early adoption incentives

Create funding streams, grants, and tax breaks for AI adoption.

7   Simplify AI education

Cut the jargon and focus on storytelling and real-life application.

8   Make AI cost-effective

Support more affordable solutions through public-private collaboration.

9   Increase regulatory clarity

Publish easy-to-understand guides on compliance and ethics.

10   Create AI mentorship programmes

Match small business owners with digital mentors and AI experts.

11   Launch a national AI resource hub

Centralise guidance, tool reviews, training, and FAQs.

12   Host industry-specific AI workshops

Offer hands-on learning across regions and sectors.

13   Break down barriers for marginalised groups

Ensure inclusive co-design of training, tools, and support for Disabled and underrepresented entrepreneurs.

The State of AI in Small Business

01

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The State of AI in Small Business

Artificial Intelligence (AI) is no longer a futuristic concept confined to large corporations or tech giants. It has become an increasingly present force in the world of small business, reshaping operations, redefining efficiency, and opening up new opportunities. But while AI adoption is clearly on the rise among small firms, the pace and depth of uptake varies significantly

According to the 2025 Small Business Britain and BT "AI Big Survey", 62% of small businesses are already using AI in some form. The most common applications include marketing (47%), operations (17%), and customer service (8%). From automating social media content and customer queries to streamlining order processing and sales pipelines, AI is helping time-poor founders focus on the work that really matters.

62%

of small businesses use AI, of which **47%** are using for marketing, **17%** for operations and **8%** for customer service.

> " *I think the biggest opportunity is the ability to scale a business while keeping costs low. This can be done by using AI to do a lot of the heavy lifting which traditionally might have cost a lot of time and money.*"
>
> **— Thomas Akintan**
> *Avalon Insights*

However, despite these promising signs, many small businesses remain uncertain or cautious about AI. **Only 14% of businesses feel they understand AI very well**, and more than a third (34%) of those not currently using AI say they plan to adopt it within the next 6 to 12 months. This shows a clear appetite for adoption, but also a pressing need for better support and education.

This is consistent with findings from the OECD and other international studies that show small businesses often lack the internal capacity or skills to implement emerging technologies at the same rate as larger firms. A 2023 McKinsey report (The State of AI in 2023, McKinsey) noted that while large enterprises are investing heavily in AI, smaller businesses often struggle to find affordable and tailored solutions, leading to a growing "AI readiness gap."

Without adequate support, this uneven pace of adoption creates a potential divide: those businesses which are able to access and implement AI effectively are gaining a competitive edge, while others risk being left behind.
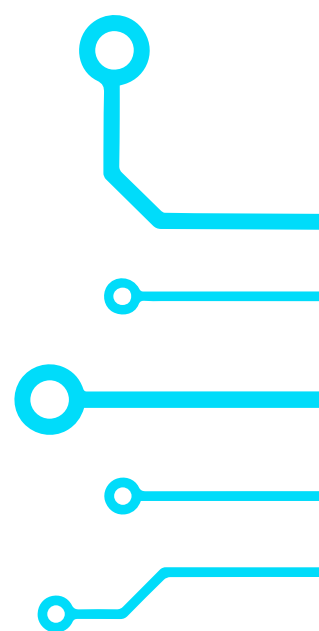
> *With 25 years of experience in business, I've seen many changes. AI is possibly one of the most powerful. If used realistically, with a pinch of salt, it has the potential to significantly transform how small businesses operate worldwide. Embracing new tech, in particular AI, means staying ahead, working smarter, and creating more opportunities than ever before."*
>
> **— Halina Jaroszewska**
> Leadership Coach

As we look ahead, the opportunity for AI in the small business sector is vast. With the right tools and support, small businesses can increase productivity, enhance customer experience, and open new markets. But unlocking that opportunity will require coordinated action from government, technology providers, educators, and business networks.

Recommendations

Expand education initiatives

Deliver practical AI training programmes tailored for small business owners, particularly those with limited technical experience. Include real-life scenarios and tools suited to solo and microbusiness use.

Facilitate peer learning

Highlight real-world AI success stories through webinars, case studies, and mentorship programmes to demystify AI and encourage uptake.

Provide easy-to-use AI tools

Encourage the development of AI platforms with simple interfaces, accessible pricing, and minimal setup—designed with small business constraints and workflows in mind.

This is a critical moment for AI and entrepreneurship. With the right investment and inclusive approach, AI can be pivotal for small businesses to succeed in a rapidly evolving digital economy.

The Potential Business Impact of AI

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The Potential Business Impact of AI

AI has long been hailed as a transformative force for industry, but what does that transformation look like for small businesses? While many may assume AI is reserved for large corporations with deep pockets and technical teams, the reality is that AI has the power to make small businesses more efficient, competitive, and scalable than ever before. The key is understanding where and how it can drive impact.

According to the **2025 Small Business Britain and BT "AI Big Survey", 47% of small businesses see automation as the greatest benefit of AI**, followed by **41% who believe it can lead to cost savings**.

These figures align with growing international findings. The World Economic Forum has identified AI (in The World Economic Forum's Future of Jobs Report 2025) as one of the top three drivers of productivity in businesses under 250 employees, noting particular gains in time efficiency, customer service quality, and operational streamlining.

One of the clearest applications of AI for small businesses is time-saving. From automating customer service through chatbots and virtual assistants to managing inventory and scheduling, AI can take on repetitive, manual tasks that previously drained founder time and energy.
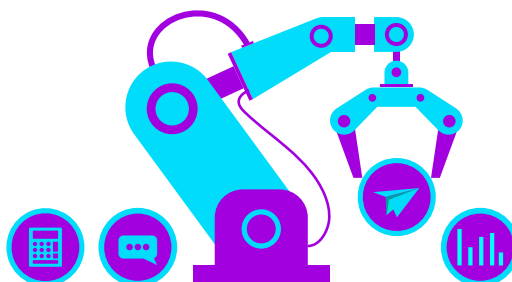
47%

of small businesses see automation as the greatest benefit of AI

41%

of small businesses believe AI can save on costs

> " *AI today presents unforetold opportunities for small businesses to innovate and improve productivity, but I believe the key is to get beyond the hype and focus on practical value cases which responsibly integrate AI into existing human and technological workflows. Studies are consistently showing AI has maximum impact when focused on aiding human creativity, alleviating drudgery, or both. Finding where those advantages work in your business is the first practical step. Next comes careful experimentation (which is fortunately easier with AI than other tech). Finally, practical, responsible, human-centric AI integration is the final step to realising safe, long-term AI value."*
>
> **— Robert Elliott Smith PhD FRSA**
> Director of AI and Data Science, Digital Catapult

For a founder juggling operations, marketing, customer service, and finance, recovering hours each week can mean more time spent on strategy, innovation, and revenue-driving activities.

> " *We have been using ChatGPT for writing emails, planning out campaigns and even coming up with new ideas, and AI is already a huge time saver for us. It's like having that extra team member to hand whenever you need it, some of the software we already use like our website chat function has AI built in to help streamline customer interactions. I'm excited to see how AI can evolve to support small businesses even further, be it through automating admin tasks, diary management, or even prioritising workload. Any time at all that is freed up for me to concentrate on growing the business, being more creative, that's a win in my book.*
>
> *To other small businesses planning on implementing AI, I would suggest starting with the basics – try out services like ChatGPT or automation tools within the software you already employ. You don't have to replace all of the tools at once, but even a few small adjustments can make a huge difference."*
>
> **— Sanjay Aggarwal**
> *Chief Spice Officer & Cofounder at Spice Kitchen*

Yet despite these benefits, the research also reveals some hesitation - **48% of respondents believe AI could help their business grow**, but **21% remain unsure**. This uncertainty largely stems from a lack of clarity around the return on investment (ROI) of AI tools, particularly for businesses in early stages or with limited financial flexibility.

Importantly, **60% of businesses in the research for this report now believe AI will be essential for small business survival and growth within five years**. This sense of inevitability is reinforced by global trends. A report by Accenture ("Reinventing Enterprise Operations with Gen AI," published in October 2024) found that small businesses that adopted AI saw a **35% increase in operational efficiency** on average within the first year, and that AI-integrated businesses were nearly **twice as likely to outperform their competitors** in customer responsiveness and innovation.

From AI-powered marketing platforms that personalise content and target audiences more effectively, to bookkeeping apps that track spending and predict cash flow, the possibilities are broadening fast and becoming more affordable.

Yet to fully realise the potential of AI, small businesses need tailored solutions that fit their sector, scale, and pace. For example:

A **retail business** may use AI to forecast demand, optimise stock, and personalise product recommendations.

A **health and wellness provider** might use AI to manage appointments and automate follow-ups.
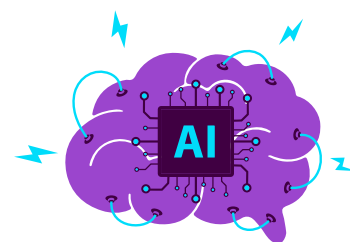
A **creative agency** could harness AI for design generation, video editing, or trend analysis.

This sector-specific approach is a helpful expansion on a general small business approach. Platforms that adapt to different industry challenges, without requiring deep technical skills, will be key to unlocking AI's full business impact.
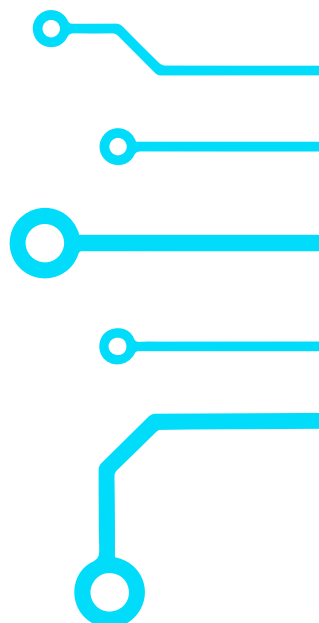
Another essential factor is demystifying ROI. Small businesses often ask: Is this investment worth it? Clear frameworks for measuring time saved, revenue increased, or customers retained will help businesses feel confident in taking the leap.

Governments and larger corporations have a role to play here too. By offering **early adoption incentives**, like grants, tax credits, or subsidised training, they can help reduce the risk for small firms and encourage broader experimentation with AI tools.

60%

of small businesses believe AI will be essential for small business growth and survival

Recommendations:

Develop sector-specific AI solutions

Support the creation of AI applications designed for distinct industries, especially those with high volumes of manual processes or customer interaction. This ensures relevance and easier implementation for small firms.

Help businesses measure ROI

Provide simple, accessible frameworks for small businesses to assess the impact of AI across time saved, costs reduced, customer retention, and revenue growth. Include case studies and calculators.
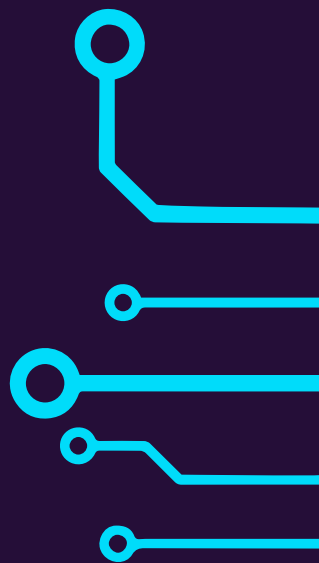
Encourage early adoption incentives

Launch government-backed grants, tax relief schemes, or partnerships with corporate sponsors to reduce the financial burden of trialling AI tools. Make adoption more accessible for businesses at all stages.

Highlight success stories

Continue showcasing how AI is transforming real businesses, especially from underrepresented or marginalised communities. Peer-led storytelling is one of the most powerful tools to drive change.

AI is not just a future consideration for small business, it is an immediate opportunity. The businesses that embrace it early, and with the right support, will be better positioned to grow sustainably, compete confidently, and accelerate in the digital economy.

Barriers to AI Adoption

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Barriers to AI Adoption

While the potential of AI for small businesses is vast, the reality of adoption is more complex. For many small businesses, AI remains something they know they should be engaging with but are unsure how to begin. The 2025 Small Business Britain and BT "AI Big Survey" reveals a clear enthusiasm for the possibilities of AI, but also a significant set of obstacles that are preventing widespread adoption.

Chief among these barriers is **a lack of understanding - 60% of small businesses** say they struggle with understanding how AI works or how it could apply to their business. This lack of knowledge is compounded by **36% who cite a lack of information about specific AI tools**, and **35% who are unsure about return on investment (ROI)**.

This is not an issue of resistance, more it is one of access, clarity, and confidence. AI is still often discussed in highly technical language, marketed with enterprise-level solutions, or framed through complex use cases that do not feel relevant to a sole trader, micro business, or early-stage start-up.

Only **20% of small businesses see AI as very accessible**. That statistic highlights a significant perception gap. When platforms and providers talk about "democratising AI", small businesses are often the group most left out of that equation.

According to a 2024 OECD report ("SME Digitalisation to Manage Shocks and Transitions: An OECD D4SME Survey", 2024), small businesses across Europe report similar challenges: limited internal expertise, cost constraints, and uncertainty over data compliance rules. UK businesses are not alone in facing these hurdles, but addressing them locally is critical if we are to bridge the adoption gap.

60%

of small businesses struggle with understanding how AI can be applied to their business

Key Barriers Identified

Knowledge Gap

Many business owners do not know what AI can do for them, what tools exist, or how to assess their value.

Cost Concerns

There is a perception that AI tools are expensive, and unclear ROI makes this a high-risk investment.

Complexity and Jargon

Technical language and poor user experience design create a steep learning curve.

Regulatory Uncertainty

Data privacy, AI ethics, and compliance concerns make business owners cautious about integrating AI into their operations.

Lack of Human Support

Few platforms offer accessible onboarding, training, or human guidance tailored to small businesses.

What Businesses Need

Small businesses are calling out not for more AI, but for **clearer, simpler, more affordable ways to engage with it**. They need guidance in everyday language, tools designed for small teams, and pathways that start small and scale gradually.

They also need to feel like AI is "for them", not a distant technology designed for someone else. That means showcasing relatable use cases, celebrating small business success stories, and building a community of support around AI adoption.

Business support organisations, tech providers, and policymakers have a collective role to play. Together, they can lower the barriers and build a bridge to accessible innovation.

Recommendations:

Simplify AI education

Develop jargon-free, beginner-friendly guides, video walkthroughs, and step-by-step pathways that show small business owners where and how to get started. Include content specific to different industries and business sizes.

Make AI cost-effective

Promote or develop affordable tools, freemium models, and subscription tiers that reflect the realities of small business budgets. Offer small-scale trial opportunities to de-risk early experimentation.

Increase regulatory clarity

Provide clear, actionable guidance on how AI use aligns with data privacy, ethics, and compliance regulations in the UK. Include tailored information for different sectors and business types.

Invest in onboarding and support

Platforms should offer onboarding programmes and live support specifically tailored to small businesses, possibly through partnerships with business networks or enterprise hubs.

Create inclusive awareness campaigns

Launch national and regional campaigns that speak directly to small businesses about AI in their language, using peer-led storytelling and expert explainers.

The barriers to AI adoption are not insurmountable. But they are real, and unless addressed, they risk excluding thousands of small businesses from the benefits of digital transformation. With intelligent, inclusive, and targeted interventions, we can ensure that AI becomes a tool for everyone, not just the few. Which leads to the next chapter...

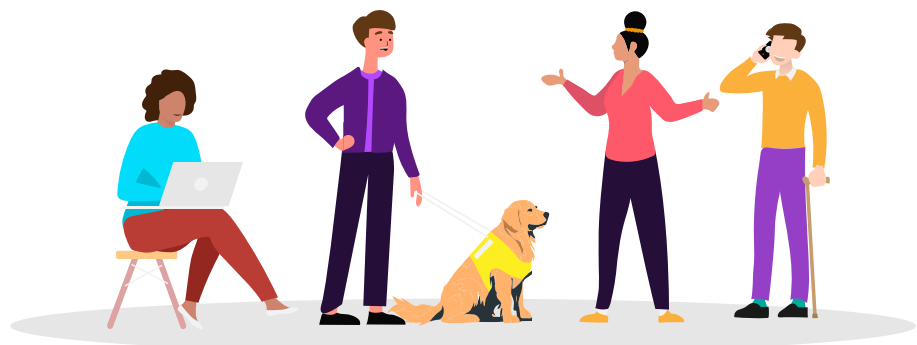# AI for Inclusion: Empowering Marginalised Entrepreneurs

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AI for Inclusion: Empowering Marginalised Entrepreneurs

Artificial Intelligence offers a powerful opportunity to remove barriers, improve access, and support inclusion in business. For marginalised groups, especially Disabled entrepreneurs, AI can be more than just a productivity tool: it can be a gateway to independence, flexibility, and growth.

The **Small Business Britain and BT "AI Big Survey" (Disabled Entrepreneurs Edition, sample size 600, 2025)** offers compelling insights into how AI is already making an impact on this community and where the gaps still remain.

Among respondents, **64% of Disabled entrepreneurs are already using AI**, with marketing, operations, and customer service the most common applications. However, **only 14% say they understand the benefits of AI very well**, highlighting a need for more targeted education and support.

How AI Can Empower Disabled Entrepreneurs

Accessibility

AI-powered tools such as speech-to-text, screen readers, and voice assistants support better digital access, removing barriers that traditional software can create.

Flexible Working

AI allows entrepreneurs to manage their businesses on their own terms, whether through automated scheduling, customer service chatbots, or AI-driven marketing platforms.

Reduced Admin Load

AI simplifies operations, accounting, and reporting, easing cognitive or administrative strain.

Energy and Time Management

For many with chronic health conditions or fluctuating energy, AI enables founders to automate repetitive tasks and focus on creative and strategic work.

These are not just theoretical benefits. AI is already helping Disabled entrepreneurs regain time, reduce stress, and compete in markets that might otherwise be less accessible.

"As a Disabled business owner, AI and assistive technologies have lightened my workload, saved me precious time, and alleviated both mental and physical strain. Through my venture, Adaptive Yoga LIVE, these technologies have not just been tools; they have been game-changers, reshaping my productivity, wellbeing, and ability to grow. These are not marginal improvements."

— Miranda McCarthy
Adaptive Yoga LIVE

The Reality of AI Accessibility

Despite these benefits, barriers persist. Only **20% of Disabled entrepreneurs see AI as "very accessible"**, and **50% say they only understand its benefits "somewhat well."**

The most requested forms of support include:

- Training and education — 75%
- Access to affordable AI tools — 72%
- Government grants or incentives — 68%
- Case studies of other small businesses — 44%
- Expert consultation — 38%

! Barriers to Adoption

56%
Lack of understanding

38%
Cost concerns

Limited workforce skills and access to **expert guidance**

Concerns around **data privacy** and **ethical bias**

Disabled entrepreneurs want to engage with AI, but they need clear pathways and tailored support that reflect their lived experiences.

Designing for Inclusion

AI is only truly inclusive if it's designed that way. This means:

Creating **training content with accessibility in mind** (e.g. captions, readable formats, plain English).

Developing **user interfaces that work for all types of users**, including those using assistive technologies.

Offering **community-led, lived-experience-driven support** that reflects the real challenges marginalised founders face.

When AI is built and implemented inclusively, it doesn't just accommodate diversity, it thrives on it.

Recommendations:

Embed Inclusion in AI Design

Tech providers must co-create AI tools with marginalised users to ensure accessible, ethical, and equitable functionality from the start.

Tailor AI Training and Support

Develop training specifically for Disabled entrepreneurs, including lived-experience-led tutorials, mentoring, and adaptive learning environments.

Fund Inclusive Adoption

Launch targeted funding schemes or grants to help Disabled-led businesses access and implement AI tools.

Champion Disabled Entrepreneur Stories

Use real-life success stories to showcase the impact of AI on marginalised communities, encouraging others to explore similar tools.

Support Ongoing Research

Invest in dedicated observatories and research centres (e.g. the Lilac Centre) to continue measuring, analysing, and advancing inclusive AI for business.

AI has the potential to revolutionise access and opportunity for marginalised groups in entrepreneurship. But this promise will only be realised if inclusion is built into every layer of the AI ecosystem. With the right support, AI can be a powerful equaliser, helping more people start, grow, and sustain successful businesses.

Next Steps for Small Business AI Adoption

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Next Steps for Small Business AI Adoption

As the promise of AI continues to grow, so too does the urgency to ensure that small businesses are not left behind. The technology is no longer out of reach, but the knowledge, confidence, and support systems required to fully embrace AI remain uneven. For small businesses, the next chapter is about turning possibility into practical, sustainable change.

According to the research for this report, small businesses are ready to adopt AI, but need help making that leap. **75% say they need training and education**, and **68% want access to affordable tools**. Over half (**51%**) report needing support to implement AI, and **just 13%** feel there is currently enough information available.

> " *AI has drastically improved the speed at which we produce content and also the volume of content we produce. At the moment, we are creating around 200+ pieces each month for us which drives a substantial amount of business for us both organically and through paid search and social. The advice I would give to other small businesses considering AI is get your head into it now; start with something small, but it will be essential. It is a question of when, not if, so get cracking now it will save you HOURS!"*
>
> **– Amelia Peckham**
> *Founder, Cool Crutches*

This gap between interest and implementation is echoed globally. The OECD and World Economic Forum both highlight AI skills shortages and digital confidence as critical barriers for SMEs worldwide. A 2024 Salesforce report found that small businesses with access to AI training were **3x more likely** to adopt AI tools effectively and **2.5x more likely** to see productivity gains.

It's clear: investing in education, community, and infrastructure for small business AI is essential.

Building the AI-Ready Business

What does AI readiness look like? For small businesses, it's not just about technology. It's about:

Having the **confidence** to explore what AI can do.

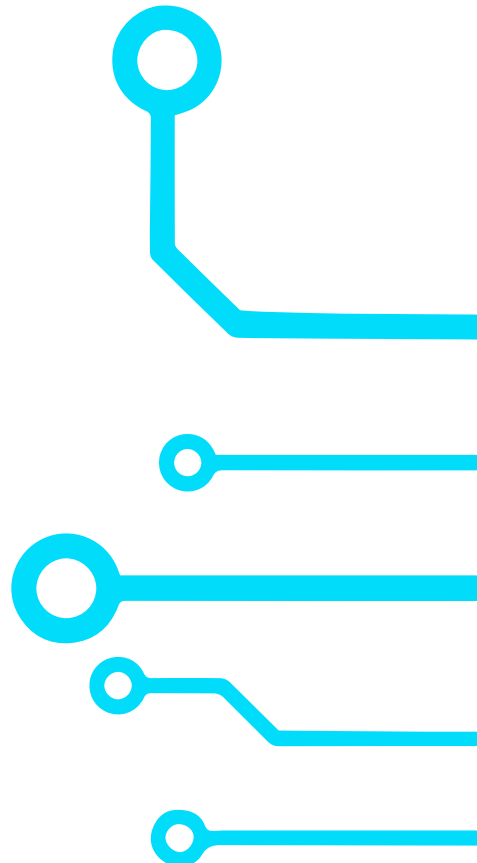Understanding **where to start** and what tools are best suited to their needs.

Feeling **supported** with practical advice, real-life examples, and expert input.

Having access to **affordable and accessible AI tools**.

To meet these needs, the future must be built on inclusive, easy-to-access support.

What Comes Next

To bridge the knowledge gap and foster widespread AI adoption in small business, we must prioritise action in three key areas:

Education and Mentorship

- Develop **AI mentorship programmes** to pair small business owners with industry experts and early adopters.

- Expand hands-on training through **local business networks, universities, and enterprise hubs**.

- Make education accessible by providing on-demand content in a variety of formats and levels of complexity.

Centralised Resources

- Launch a national **AI resource hub** for small businesses, offering practical guidance, case studies, and tool comparisons.

- Provide regularly updated content curated by sector and business size.

- Include templates, beginner guides, and "quick start" kits to lower the activation barrier.

Targeted, Sector-Specific Support

- Deliver **industry-specific AI workshops and webinars**, tailored to the tools, needs, and challenges of different sectors.

- Create demo environments where small businesses can trial AI tools without upfront cost or risk.

- Use trusted intermediaries (like banks, telecom providers, and business networks) to host and promote events.

Recommendations

Create AI mentorship programmes

Pair small businesses with AI practitioners, digital specialists, or tech-savvy peers to provide real-time advice and troubleshooting.

Launch an AI resource hub

A centralised, jargon-free platform with curated content, case studies, tool reviews, and practical guides to help small firms navigate AI adoption.

Host industry-specific AI workshops

Provide hands-on learning opportunities that show how AI can apply to different business models and sectors, from retail to manufacturing to creative services.

Offer government-backed incentives for training and adoption

Consider tax credits, innovation vouchers, or training grants to support businesses investing in AI.

Continue building evidence and confidence

Fund research, publish regular impact case studies, and provide clear ROI benchmarks to help businesses make informed decisions.

AI adoption is not about chasing hype. It is about helping small businesses work smarter, build resilience, and unlock new growth. With the right support in place, we can ensure that small businesses are not just part of the AI revolution, but are helping lead it.

Methodology

This report draws on extensive research conducted by Small Business Britain in partnership with BT Business to understand the current landscape of AI adoption among UK small businesses.

Survey Research

The primary source of data was the Small Business AI Big Survey, which ran in early 2025 and gathered responses from over 2,000 small business owners across the UK. Respondents represented a diverse range of sectors, regions, business sizes (with a focus on those with fewer than 50 employees), and stages of business development.

The survey explored:

- Current levels of AI use
- Perceived benefits and barriers
- Future intentions around AI adoption
- Specific use cases and tools in practice
- Differences between Disabled and non-Disabled entrepreneurs

Data was collected via an online survey and analysed to generate both quantitative insights (e.g., percentage of AI adoption) and qualitative feedback through open-text responses.

Segmentation

Where relevant, responses were segmented by:

- Business size
- Sector
- Geography (urban/rural split)
- Whether respondents identified as Disabled
- Stage of AI adoption

This allowed the research to highlight disparities in AI readiness and opportunity across different groups within the small business community.

Qualitative Insights

In addition to the survey, a series of interviews were conducted with small business owners, tech experts, and stakeholders in the support ecosystem. These were used to enrich the data with real-world stories and context. Select quotes are included throughout the report to illustrate lived experience and practical application.

External Data and Desk Research

To supplement the primary research, the report draws on publicly available data from sources including:

- The Office for National Statistics (ONS)
- OECD reports
- British Business Bank
- World Economic Forum
- Accenture and other private sector research

This contextualised the UK's small business AI journey within wider global trends and helped benchmark findings.

Inclusion and Accessibility

This research placed particular emphasis on inclusion, ensuring that the voices of Disabled entrepreneurs and underrepresented groups were actively sought and centred. Accessible survey formats and targeted outreach ensured diverse participation.