

# The AI Revolution: Accelerating SME Adoption

Artificial Intelligence (AI) is no longer a futuristic concept. For small and medium-sized enterprises (SMEs), which represent 90% of businesses globally and contribute around 50% of worldwide GDP, it is now an important part of daily operations, driving growth, efficiency, and innovation. Sage is committed to helping more SMEs benefit from the transformative impact of AI.

## The AI Revolution is Now

AI is reshaping the way SMEs operate globally. It has become essential for small businesses striving not only to stay competitive in today's fast-evolving digital economy, but also opening up new opportunities that were previously reserved for large companies.

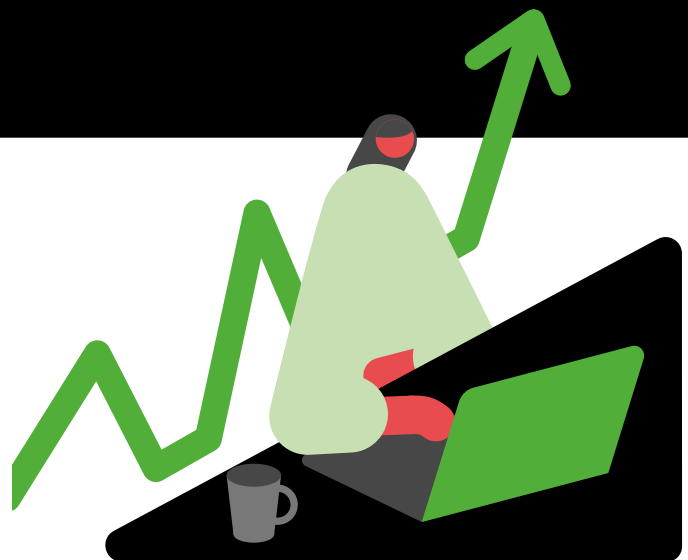
Key findings from our survey include:

- **There has been a rapid acceleration in adoption:** there has been an 85% growth rate from January 2023 in the proportion of European SMEs that have adopted AI into their business operations.
- **AI is already improving productivity amongst SMEs:** 90% of European AI adopters report productivity improvements, and 75% say AI has changed customer interactions.
- **There are significant regional variations:** Almost 2 in 3 of SMEs have adopted AI tools, with the UK (60%) and US (64%) leading the way, while France lags at 35%.
- **AI fosters competitiveness and a level playing field:** 59% of SMEs in France believe AI levels the playing field with larger corporations, democratising access to advanced tools and driving competitiveness.

## AI is a Reality That Companies Need to Embrace

While many SMEs have started their AI journey, most have yet to fully integrate these technologies. We found that:

- **Adoption is often shallow:** 70% of SMEs in France have not deeply integrated AI into multiple areas of their business.



- **65% of French SMEs have not adopted AI**, highlighting a critical need for digital adoption strategies.
- **Only 20% of French SMEs leverage AI across multiple business areas**, limiting their ability to maximise productivity and efficiency.
- **54% of French adopters see AI as a potential driver of innovation, yet only 42% feel it's currently working well for them**, indicating room for improvement in implementation and outcomes.

**To close this gap, the government should swiftly introduce policies that drive productivity and innovation through broader digital adoption, such as accelerating the uptake of e-invoicing. For instance, our previous research has shown that 90% of adopters of e-invoicing go on to adopt other digital technologies such as AI and cloud computing. This will help SMEs access AI solutions, benefit from robust data protection, and build trust in the tools they use.**

## Trust is a Key Barrier to Adoption: Building Confidence in AI for the Public Good

Lack of trust in AI is a major obstacle to AI adoption for SMEs. Despite the clear benefits, many SMEs are hesitant to fully embrace AI due to concerns about data security, ethical use, and transparency.

Key concerns include:

- **59% of French SMEs do not fully trust AI**, with worries about data misuse and lack of transparency.
- For French SMEs, key concerns around AI use include **ethical issues** (47%) such as algorithmic bias and transparency in decision-making, **security risks** (45%), and **data privacy** (44%). They also prioritise strong human oversight of AI technologies.

Trust is a key driver of AI adoption among French SMEs. Those that trust AI are **1.8x more likely** to adopt it and **2.3x more likely** to integrate it deeply in their business, making trust essential for both uptake and widespread use.

**Building trust in AI requires the government to ensure businesses adopt transparent data practices, develop AI ethically, and maintain human oversight in decision-making to prevent bias.** Sharing real-world case studies and clearly communicating how AI works, along with its safeguards, will help SMEs understand its potential and boost their confidence in using it.

## Human-Centric AI is Critical to Building Trust

Placing humans at the centre of AI development is essential to fostering trust. SMEs expect AI to enhance and strengthen their performance at work, not replace human roles within their organisations.

Our research shows:

- **44% of French SMEs want clearer explanations of how AI works** from technology providers, reflecting a demand for greater transparency.
- **47% of French SMEs value human oversight of AI-driven decisions**, ensuring accountability and ethical governance.

Sage is committed to enhancing human capabilities with AI, allowing employees to concentrate on strategic tasks, promoting



*"Using AI in Sage to process supplier invoices is cutting down time by at least 50%. It's more streamlined."*

— Chris Williams, HW Printing Company

*"The AI automation in Sage saves us significant time on invoices, letting us focus on strategic decisions."*

— Simone Devereux, Solo Search Recruitment Solutions

*"With the time the team is saving they are able to add more value and intelligence to their work."*

— Sarah Janowicz, Cambio Communitie

engagement through AI training programs, and fostering a culture of continuous learning to help staff adapt to technological changes.

This human-centric approach reduces resistance to AI adoption, improves user confidence, and ensures that AI tools are used ethically and effectively.

## Standards Create Confidence: Strengthening Global AI Governance

Clear regulatory frameworks across borders are crucial for fostering trust and driving wider AI adoption among SMEs. Without consistent standards, businesses face uncertainty that can hinder technological progress.

Key insights include:

- **Two thirds (64%) of French SMEs believe governments should address AI-related risks**, such as data bias, cybersecurity, and ethical concerns.
- **42% of French SMEs cite regulatory uncertainty as a barrier to adoption.**

**Sage advocates for consistent global AI regulations to support cross-border operations, best practice guidelines and standards for responsible AI use, and collaboration between public and private sectors.**

## About Sage

Sage, the market leader in integrated accounting, management and electronic invoicing systems, is proud to have been serving French SMEs and ETIs for 40 years, with the help of our employees working across France at 8 sites and our unique network of 5,800 partners and chartered accountants. Sage is proud to directly and indirectly support nearly 700,000 SMEs across France, helping them with their paperless processes, making it easier for their staff to do their jobs and unlocking their productivity potential.

## Methodology

This report is based on primary research conducted by Strand Partners, a British Polling Council member, in January 2025. The online survey included 6,000 SMEs across France, Spain, Portugal, Germany, the UK, and the US, with approximately 1,000 respondents from each country. Respondents were business founders, owners, and senior managers in decision-making roles within companies employing fewer than 250 people.