ACCELERATING AI IMPACT FOR SMALL AND MEDIUM ENTERPRISES

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employment hero

deputy

Google

Tech Council of Australia

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FOREWORD

Dr Kate Cornick
Chief Executive Officer
Tech Council of Australia

Small and medium-sized businesses (SMEs) are at the heart of Australia's economy. They employ almost two-thirds of Australia's private sector workforce, and their ability to become more productive is central to the country's future prosperity.

AI offers a significant opportunity to help these businesses succeed, with benefits for business owners, employees and the wider economy.

Many SMEs are already operating under pressure. Finding staff is difficult, while rising costs reduce their capacity to invest in new ways of working. AI can ease some of that pressure by reducing the time spent on routine administration, giving business owners and employees more time to focus on their customers.

This report estimates that greater AI adoption among Australian SMEs over the next five years could generate up to $93 billion in additional annual economic value. For an average SME moving from no AI use to broad adoption, the potential annual productivity gain is worth $136,000.

Yet much of that opportunity remains unrealised. Only around one in four Australian SMEs currently uses AI, and very few have adopted it broadly across their business. Regional businesses remain behind their metropolitan counterparts. Adoption also varies across industries, with smaller businesses in construction, hospitality and retail lagging behind larger firms.

The practical challenge is that many small businesses do not know where to begin. They need advice about the applications relevant to their business, and support to put them into practice safely. For businesses without dedicated technology teams, that assistance can make a material difference.

There is already a base to build on. Government and industry can extend the reach of existing training and advisory services, particularly in regional Australia and industries where uptake remains low. This report identifies how that support can be made more practical and accessible.

The Tech Council of Australia has been pleased to work with Employment Hero, Google and Deputy on this research, undertaken by Delwood Advisory. The report also draws on data contributed by Deputy, Xero and LinkedIn. The willingness of technology companies, including commercial competitors, to contribute to a common research effort demonstrates the value of industry collaboration.

I thank everyone involved for their contribution.

Kate Cornick
CEO, Tech Council

ACKNOWLEDGEMENTS

Steering Committee

Lisa Dewar and Lisa Cowie — employment hero

Matt Beeche and Ciaran Hale — deputy

Bec Turner — Google

Research by Delwood Advisory

Data from Xero

Deputy

LinkedIn

EXECUTIVE SUMMARY

Scaling AI adoption can help drive significant economic growth and unlock SME productivity and workforce benefits

AI CONTEXT	PRODUCTIVITY & WORKFORCE OPPORTUNITY	ADDRESSING ADOPTION ROADBLOCKS

- AI can drive a significant uplift in the Australian economy, helping businesses unlock productivity gains, strengthen resilience, and refocus their time and energy on customers and people
- Where AI is adopted broadly across the organisation and moving beyond foundational technologies, SMEs are seeing significant benefits; 94% report increased productivity and 54% of employees have reported improved job satisfaction
- As SMEs employ 65% of the workforce, scaled AI adoption across smaller businesses is critical to realise the productivity benefits and improve the lives of working Australians

EXECUTIVE SUMMARY

AI CONTEXT | **PRODUCTIVITY & WORKFORCE OPPORTUNITY** | **ADDRESSING ADOPTION ROADBLOCKS**

- However, only 1 in 4 SMEs are using AI today and just 5% have broad use across their organisation
- Limited adoption is contributing to SME productivity challenges; average SME productivity is 20% lower than that of Enterprises
- The AI adoption gap is sharpest where it can be least afforded; regional adoption is half that of metro, and older workers are adopting and benefiting less
- Australia trails competitor economies in adoption and falling behind means less upside as well as risks
- Accelerating AI adoption growth across SMEs could help unlock $93b in economic value; an average SME migrating from no AI use to broad adoption across the business could benefit from a productivity uplift worth $136k p.a.

EXECUTIVE SUMMARY

AI CONTEXT | **PRODUCTIVITY & WORKFORCE OPPORTUNITY** | **ADDRESSING ADOPTION ROADBLOCKS**

- Addressing a range of SME adoption roadblocks will support scaled AI adoption; priority existing pain-points include:
    - Awareness and Understanding: Improving SME understanding of what AI is and can do beyond foundational technologies
    - Workforce Skills: Improving AI literacy, capability and training across the SME workforce
    - Technical Readiness: Lack of required data and systems to fully adopt and enable AI across value chains
- Targeted joint action by government and industry can help address the current productivity gap and ensure the benefits reach the businesses and workers who need them most

KEY INSIGHTS

SMEs face a significant AI adoption gap despite clear productivity benefits

AI can drive a significant uplift in the Australian economy

AI benefits observed by early SME adopters

94% *report increased productivity[1]*

54% *report improved job satisfaction[2]*

Impact of scaled SME adoption

$93b *potential GDP uplift[3]*

Scaled diffusion across SMEs is critical to realise the benefits

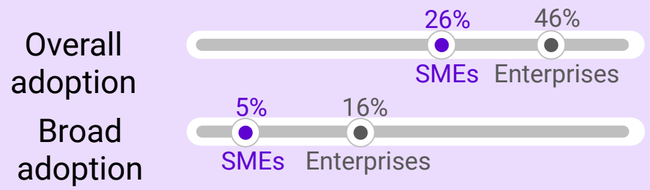
Contribution to economy[4]

SME productivity challenges

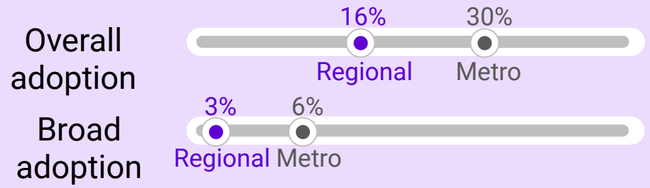
20% *lower average productivity compared to Enterprises[4]*

SME AI adoption remains low and limited to basic use cases

AI adoption by size[5]



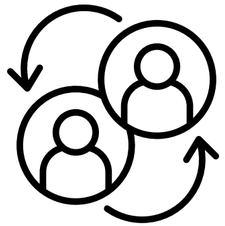
SME AI adoption by geography[5]



Sources: 1. Salesforce - Small & Medium Business Trends, 6th Edition (2024); 2. Deputy - Better Together (2025); 3. Delwood analysis; 4. Australian Bureau of Statistics & ASBFEO (2025); 5. NAIC - AI Adoption Data (2025)

KEY INSIGHTS

SME Adoption Roadblocks



UNDERSTANDING

54%

of non-AI users lack an adequate understanding of AI and its use cases[1]

CONFIDENCE

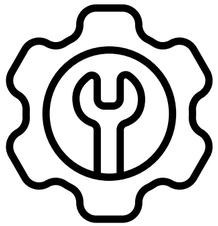
89%

are not convinced that AI investments will pay off[2]

WORKFORCE SKILLS

53%

have workforces with a basic or novice AI skill level[3]



TECHNICAL READINESS

25%

have fully AI-enabled systems and data[3]

TRUST AND RISK

~45%

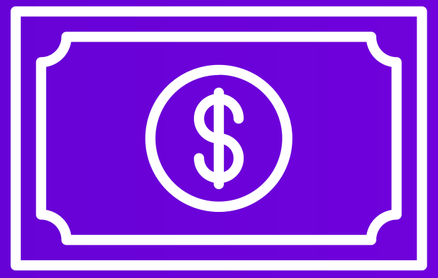
cite business appetite as a barrier to AI adoption[4]

Sources: 1. Deputy - Better Together (2025); 2. NAIC - AI Business Outcome Data (1 Jul to 31 Dec 2025); 3. Deloitte - The AI Edge for SMEs (2025); 4. Governance Institute of Australia (2025) AI Deployment and Governance Survey Report

AUSTRALIA’S AI OPPORTUNITY

AI has the potential to deliver significant national economic and productivity benefits

Potential Australian growth driven by AI Adoption by 2035



$116 billion*

GDP growth[1]

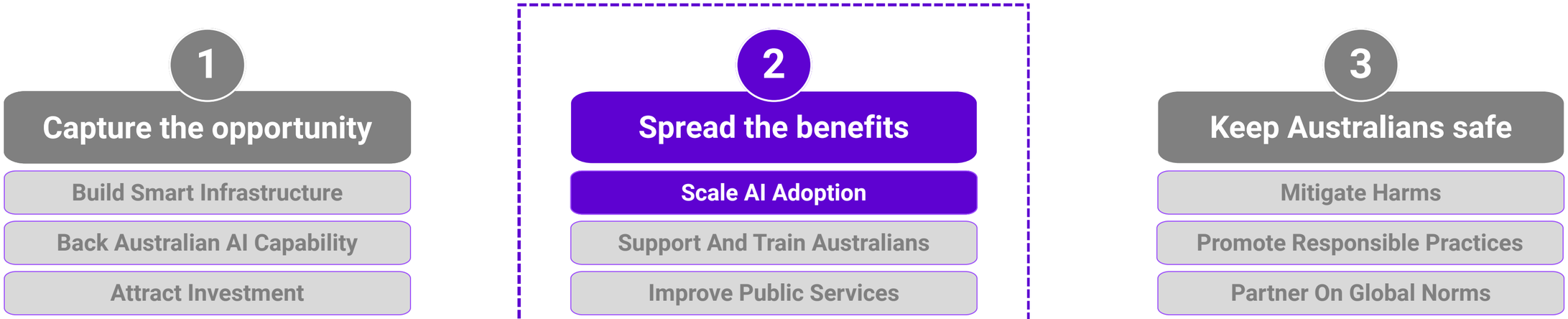
4.3% growth

labour productivity growth[1]

* APS public sector growth objectives used for visualisation purposes Source: 1. National AI Plan, digital.gov.au; 2. ABS (2025)

NATIONAL AI PLAN

In December 2025, the National AI Plan was announced, with scaled AI diffusion identified as a key focus area



FOCUS OF THIS REPORT

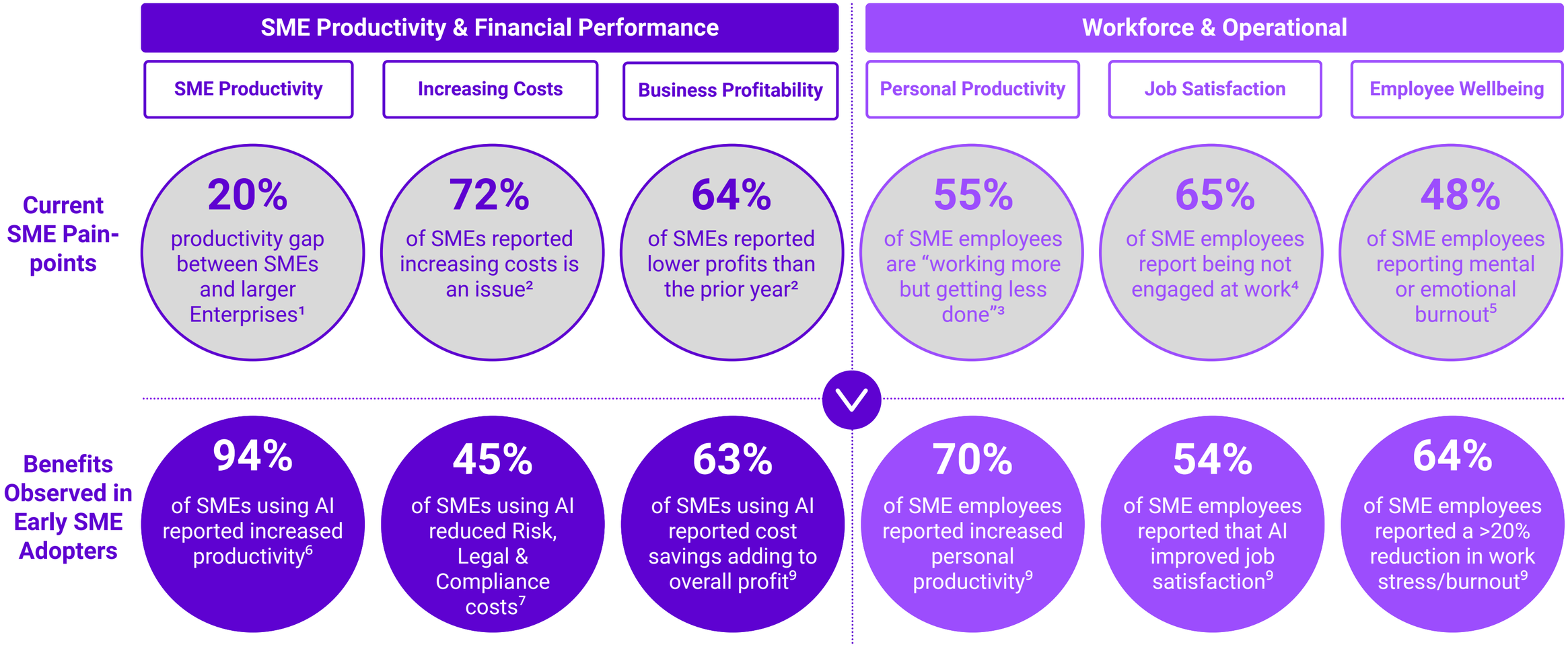
Quantifying Productivity and Workforce Opportunity
Assessing the productivity and workforce uplift opportunities that could be unlocked through scaled AI diffusion across SMEs

Identifying Adoption Roadblocks
Identifying the biggest challenges to maturing AI adoption amongst SMEs

Unlocking the Opportunity for SMEs
Identifying actions that can help address current SME adoption roadblocks and unlock the potential AI opportunity

AI Benefits

AI is helping businesses address key challenges; early adopters are reporting significant productivity and workforce benefits



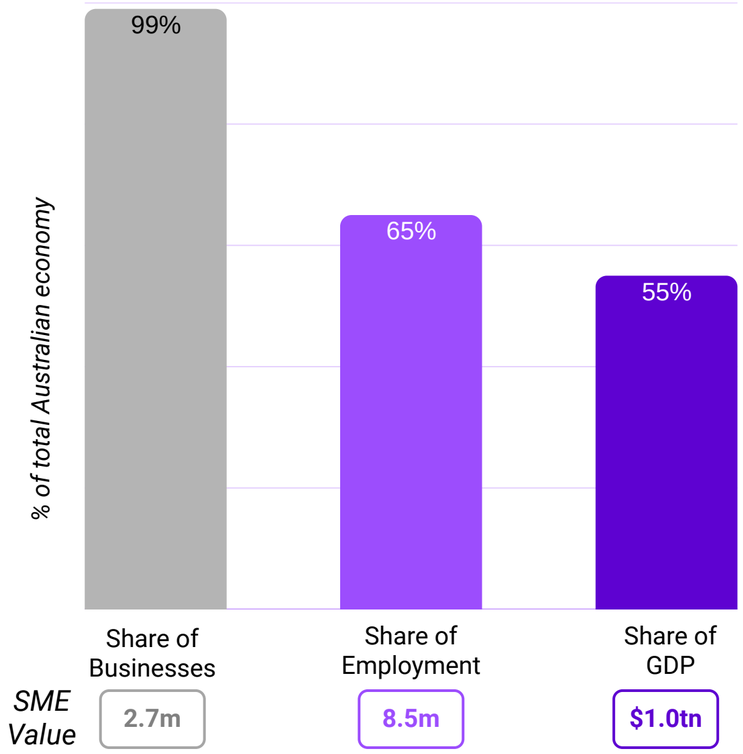
Sources: 1. Australian Bureau of Statistics & ASBFEO (2025); 2. COSBOA - Small Business Perspectives (2025); 3. Miro - 2025 Momentum at Work Report (2025); 4. ACTU - Workplace Truth Survey (2025); 5. Employment Hero - Employment Uncovered (2025); 6. Salesforce - Small & Medium Business Trends, 6th Edition (2024); 7. McKinsey - The State of AI in 2025 (2025); 8. Thryv - AI and Small Business Adoption (2025); 9. Deputy - Better Together (2025)

SME Importance

SMEs are the backbone of the economy; scaled SME AI adoption is critical and can address productivity challenges

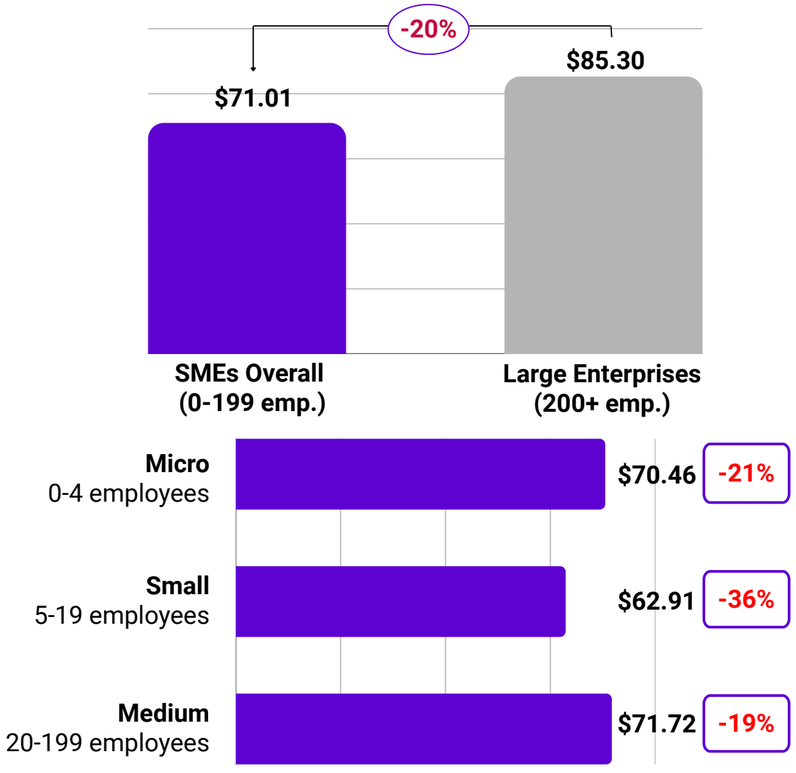
Australian SMEs are the backbone of the national economy…

% of SME share of business, employment and GDP in Australia FY24[1]



… yet they have consistently lagged Enterprises in productivity

Productivity per employee hour worked by business size ($)[1]



Commentary

- Small and Medium Enterprises (SMEs) are the backbone of Australia's economy, **accounting for 65% of employment and 55% of GDP**
- However, Australian SMEs are middling when it comes to productivity and lag larger Enterprises; **average SME productivity is 20% lower than that of Enterprises**
- Addressing this productivity gap can help deliver **substantial improvements in national prosperity** if scaled across the economy
- Scaled AI diffusion can help ensure SMEs remain **competitive, efficient, and well-positioned** to seize emerging market opportunities in an increasingly digital landscape

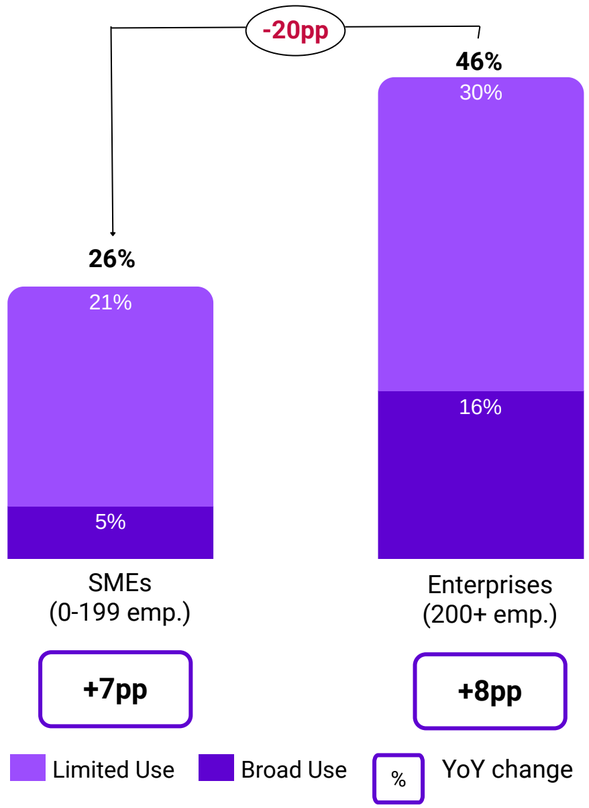
Sources: 1. Australian Bureau of Statistics & ASBFEO (2025)

Current AI Adoption

Current SME AI adoption lags Enterprises in both organisational reach and technological depth

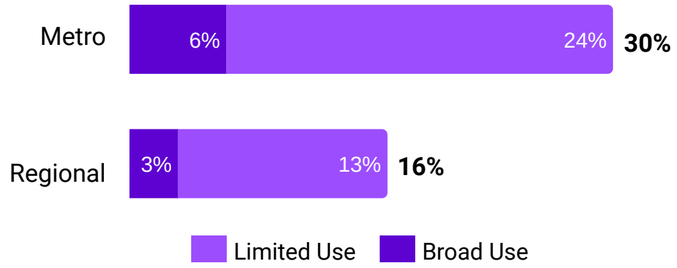
Current SME AI adoption lags Enterprises by 20pp

AI adoption* across SME vs Enterprise CY24-25** (%)[1]



Regional SME adoption significantly lags metro areas

SME AI adoption* by region, CY24-25** (%)[1]



Current SME adoption is limited to more basic AI technology

SME AI adoption by technology, CY24-25** (%)[1]

Note: excludes basic ad-hoc Enterprise AI adoption use cases

Generative AI	Traditional LLM	Predictive & Detection ML	Decision & Agentic AI
9%	5%	4%	3%

Commentary

- **Only 26% of SMEs are currently adopting AI,** with the majority **focusing on foundational technologies** such as Generative AI rather than more advanced ones
- Of the SMEs which are currently adopting AI, **just 5% have AI broadly adopted across the organisation** and are thus able to realise the full productivity benefits
- This contrasts with Enterprises, where **16% of organisations have broad AI use across the organisation**; should this gap persist it is likely that current productivity gap could widen in the coming years
- Current **adoption rates show a clear regional–metro divide**; just 16% of regional SMEs have adopted any form of AI, 14pp lower than Metro peers

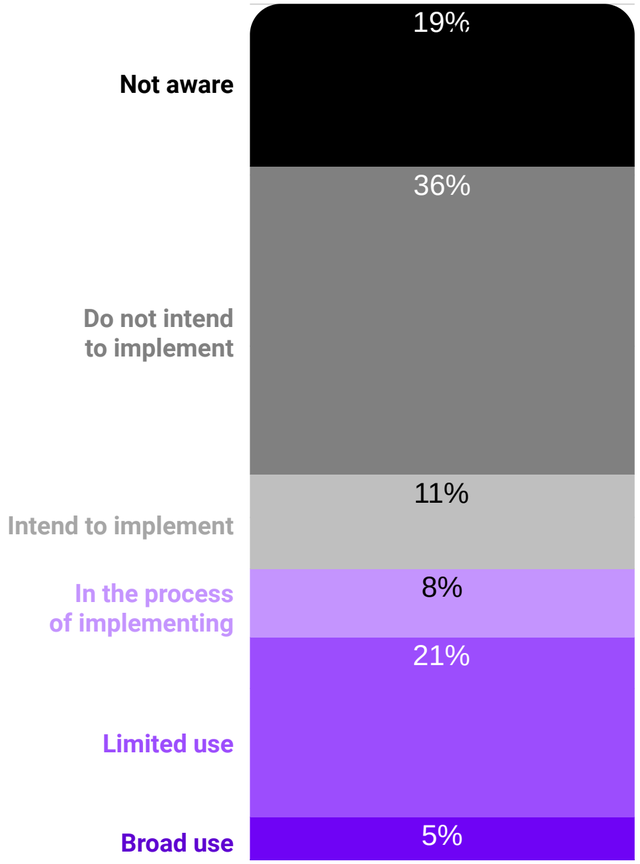
Notes: *Adoption includes companies responding as “Broad use”, “Limited use”; **Adoption rates are measured at end-H2 2024 and end-H2 2025 to maximise sample size
Sources: 1. NAIC - AI Adoption Data (2025)

Productivity Uplift Potential

Accelerating AI adoption growth across SMEs could help unlock $93b in economic value

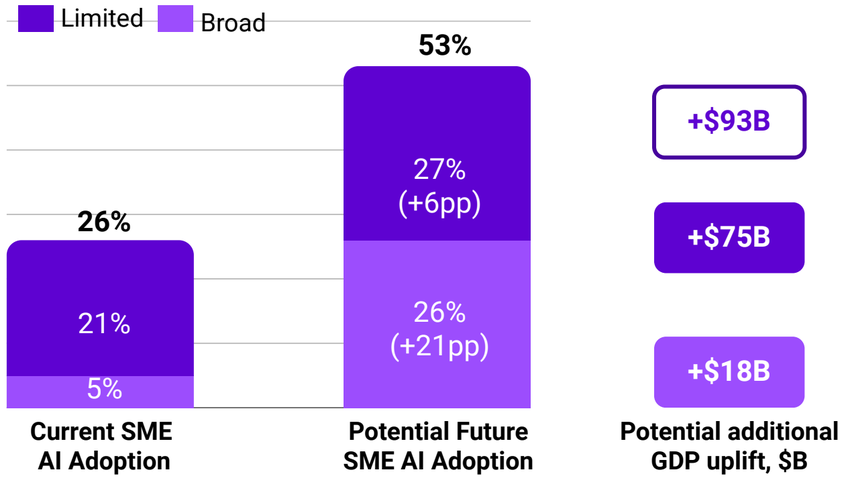
There is an opportunity to significantly increase AI diffusion across SMEs…

Current Australian SME AI Approach, H2 CY25, %[1]



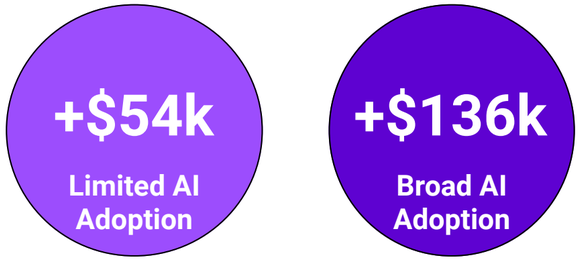
… with the potential to unlock $93B in productivity uplift if ~50% adoption can be reached

Potential growth and composition of SME AI Adoption, % of broad vs. limited[2]*



Industry value add annually per SME vs. non-adoption, $, average Australian SME[2]

Additional GDP Contribution per Adopting SME



Commentary

- There is an opportunity to significantly increase AI diffusion across SMEs; **11% of SMEs are intending to implement AI** while 55% are either unaware or not currently intending to implement
- If AI adoption were to reach 53%, with an expansion in those SMEs using AI broadly across the business this could **unlock $93b in additional SME productivity uplift,** a 9% increase compared to SMEs current GDP contribution of ~$1.0tn
- This will have a material impact for adopting SMEs; an average-sized SME migrating from no AI use to broad adoption across the business could benefit from a **36% productivity uplift, worth $136k p.a.**

Sources: 1. NAIC - AI adoption data (2025); 2. Delwood Analysis
Further Sources: Australian Bureau of Statistics (2025); LinkedIn & Mandala - Preparing Australia's Workforce for Generative AI (2024); OECD - A Sectoral Taxonomy of AI Intensity (2024); McKinsey - The Economic Potential of Generative AI (2023); Anthropic - Market Impacts of AI (2026)

AI Adoption Roadblocks

Five key roadblocks must be addressed to increase AI adoption amongst Australian SMEs

UNDERSTANDING

Limited understanding of what AI is and can do beyond Chatbots (e.g., ChatGPT)

- Limited awareness of what AI is beyond **basic tools and applications**
- Limited understanding of **relevant use cases** and how to translate them into practical use
- Lack of clarity and action plans of **how to execute adoption**

CONFIDENCE

Confidence in the reliability and accuracy of AI output

- AI technology is in its infancy, with many tools and resources not yet **consistent in output**
- SMEs reluctant to be early adopters of AI technology that is **perceived as immature**
- Uncertainty around **timing, and return on investment,** in real world SME setting

WORKFORCE SKILLS

Limited AI literacy, capability and training across the workforce

- Low **workforce readiness or AI literacy** across different roles and management levels
- **Inconsistent training resources** and employee / management upskilling across the SME sector
- Limited **internal SME training capacity** or knowledge

TECHNICAL READINESS

Lack of required data and systems to fully adopt and enable AI across value chains

- **Weak data structures and internal systems** necessary for AI enablement
- Limited in-house **technical expertise** or external solutions
- Low confidence in **capability to properly implement AI** or the systems required for it

TRUST AND RISK

Concerns around the security and ethical use and output of AI tools and models

- High perceived risk of **getting AI adoption and implementation wrong**
- Lack of guidance managing **new AI-related business risks** like security and privacy
- Concerns around **ethical and responsible AI use,** and bias free and transparent outputs

Sources: Delwood analysis

Accelerating AI Adoption

A range of initiatives have been identified to help address adoption roadblocks

AI is more challenging to adopt than prior digital technologies as it evolves at unprecedented speed, there is no standard, off-the-shelf AI stack to buy, and its adoption fundamentally reshapes knowledge work, decision-making, and team roles

UNDERSTANDING

Enabling SMEs to identify most appropriate AI use cases for their business

- ⏩ Develop industry-specific AI use-case playbooks, support peer-to-peer learning
- ⏩ Expand on government-funded advisory services
- ⏱ Expand NAIC into a comprehensive AI adoption entry point for SMEs

CONFIDENCE

Providing SMEs confidence in AI outcomes across key use cases

- ⏩ Promote SME use-cases with measurable outcomes
- ⏱ Establish a solutions benchmark / evaluation program

WORKFORCE SKILLS

Supporting the upskilling of the SME workforce to ensure solutions can be operationalised

- ⏩ Scale up availability and improve formal recognition of AI micro-credential courses
- ⏩ Provide targeted support for AI skills uplift in underserved segments
- ⏱ Invest in upskilling educators with AI-relevant skills

TECHNICAL READINESS

Increasing SMEs technical readiness to enable repeatable and complex deployment of AI use-cases

- ⏩ Provide practical support models (e.g., adoption centers and subsidised services)
- ⏩ Provide access to national data sets
- ⏱ Provide access to compute capacity (addressing barrier for internal data requirements)

TRUST AND RISK

Supporting SMEs in establishing adequate governance and business guidelines for AI use

- ⏩ Pilot AI assurance framework
- ⏩ Provide practical guidance for cyber and privacy controls
- ⏱ Provide pre-vetted AI solutions catalogue and procurement checklists

Timeline to Impact ⏩ Short-term (within next 12 months) ⏱ Mid/Long-term (1-3 years)

Sources: Delwood analysis

SECTION 1
SME Context

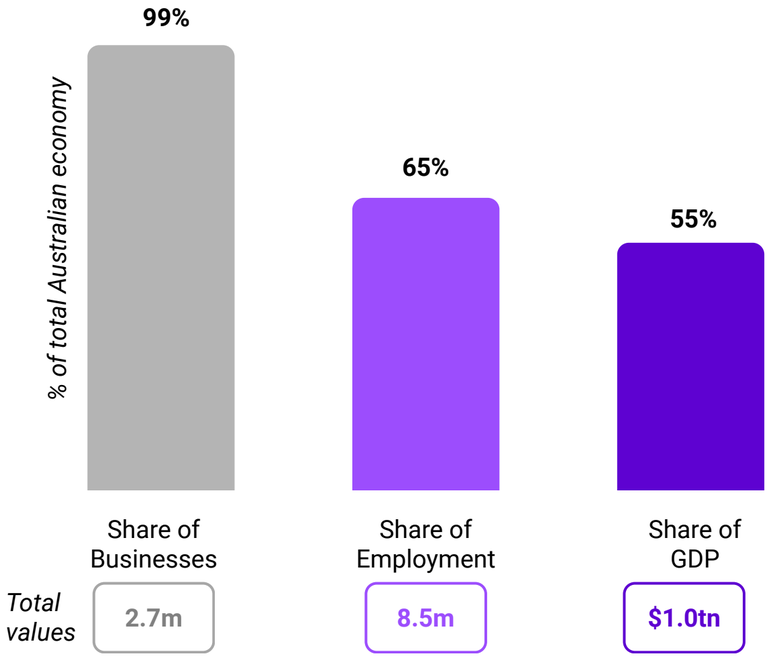
How productive are SMEs relative to Enterprises and what are the key challenges SMEs face?

SME Context

SMEs are integral to the Australian economy, accounting for ~65% of the workforce and ~55% of Australia's GDP

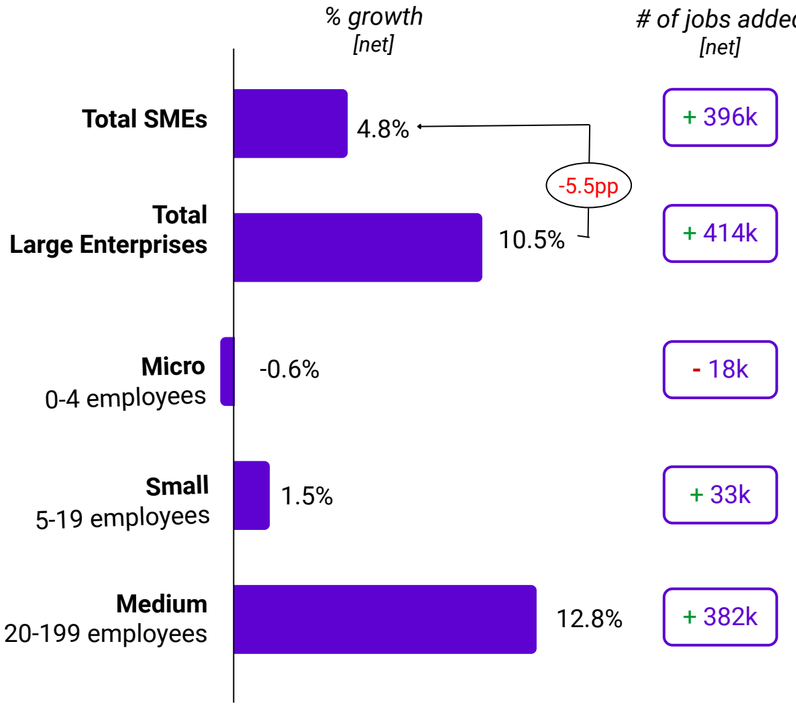
Australian SMEs are the backbone of the national economy

% of SME share of business, employment and GDP in Australia FY24[1]



SMEs will remain the majority of the economy, despite headcount growth lagging larger companies

Net headcount growth by business size in Australia FY22 to FY24[1]



Commentary

- Australian SMEs are the **backbone of the national economy** — accounting for 99% of businesses, 65% of the workforce and 55% of GDP
- Overall **SME headcount has grown by ~5% over the past 2 years**; half that of larger Enterprises
- Despite this, SMEs will remain integral to the economy for the foreseeable future
- As such, **SME AI adoption is critical** to ensuring the overall Australian opportunity can be captured

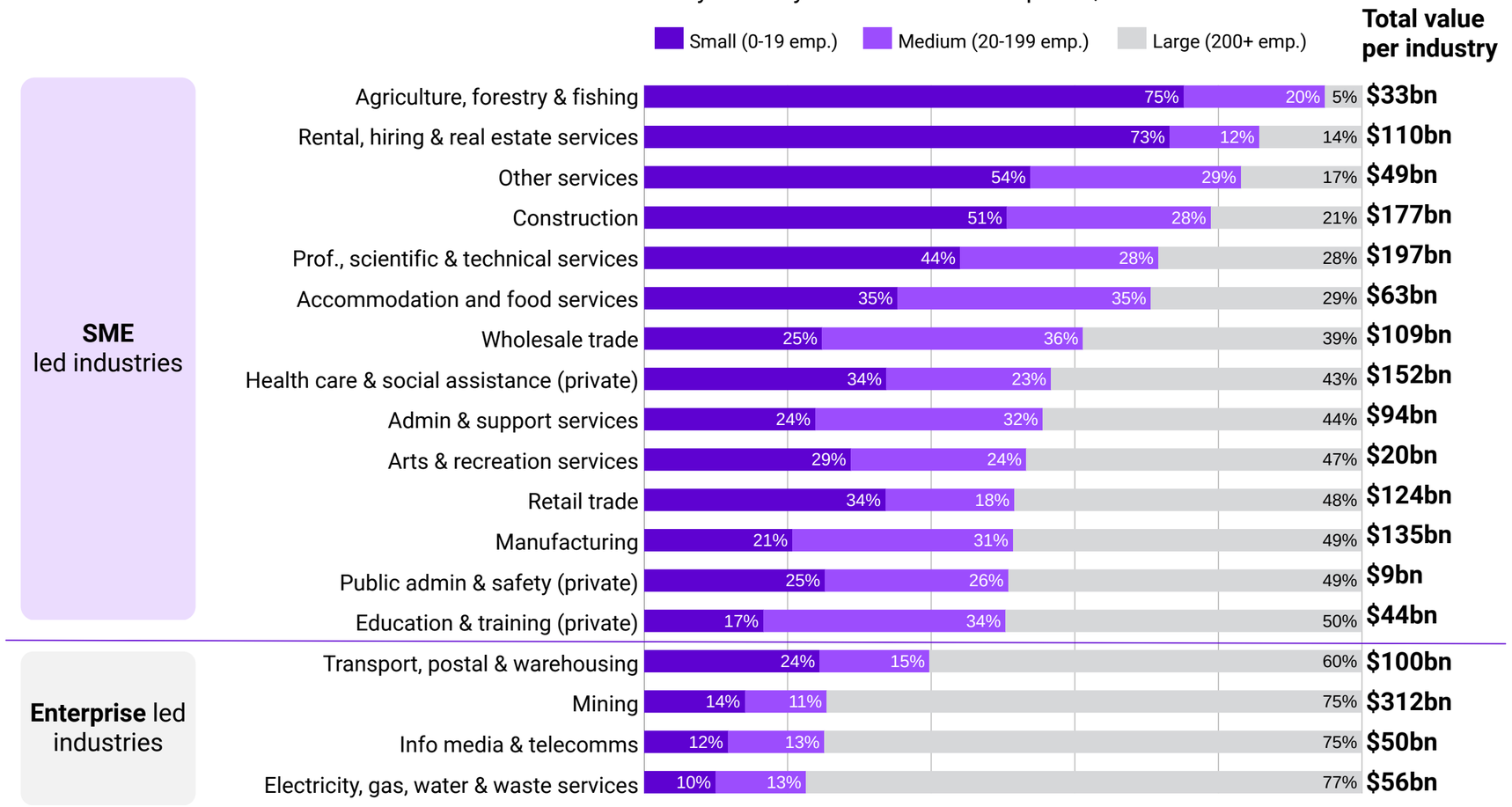
Sources: 1. Australian Bureau of Statistics & ASBFEO (2025) - Number of small businesses in Australia

SME Composition

SMEs account for >50% of industry value-add across 14 of 18 industry groupings, highlighting their importance to the economy

SME contributions vary significantly across industries

% share of the total value added by industry for SMEs and Enterprises, FY23-24[1]



Commentary

- 14 of the 18 industry groupings see **SMEs contribute more than 50%** of the total industry value-add, 4 industries contribute more than 75%
- 5 industries see the most value added by **micro and small SME** (<19 employees)
- Accelerating SME AI adoption is not a targeted industry measure, it has economy-wide impact with **reach across more than $1 trillion in annual private sector output**

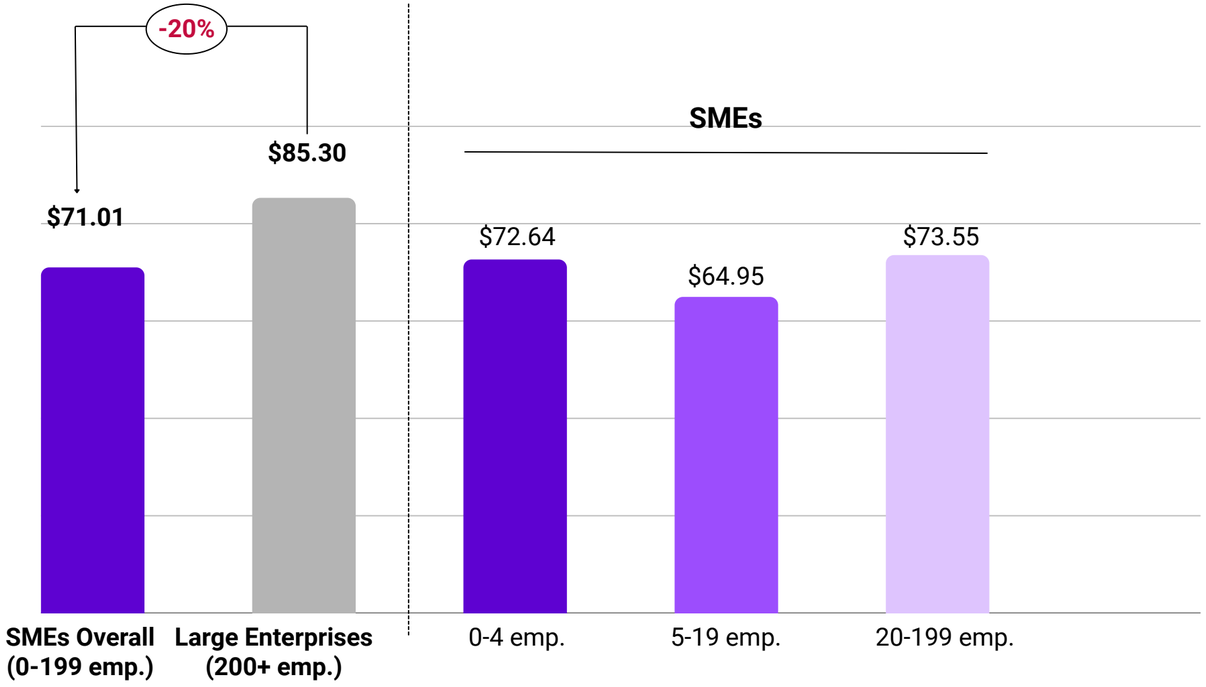
Sources: 1. Australian Bureau of Statistics & ASBFEO (2025) - Contribution to Australian Gross Domestic Product, private sector industry

SME Productivity

Australian SMEs are 20% less productive than larger Enterprises, with the gap varying by SME size

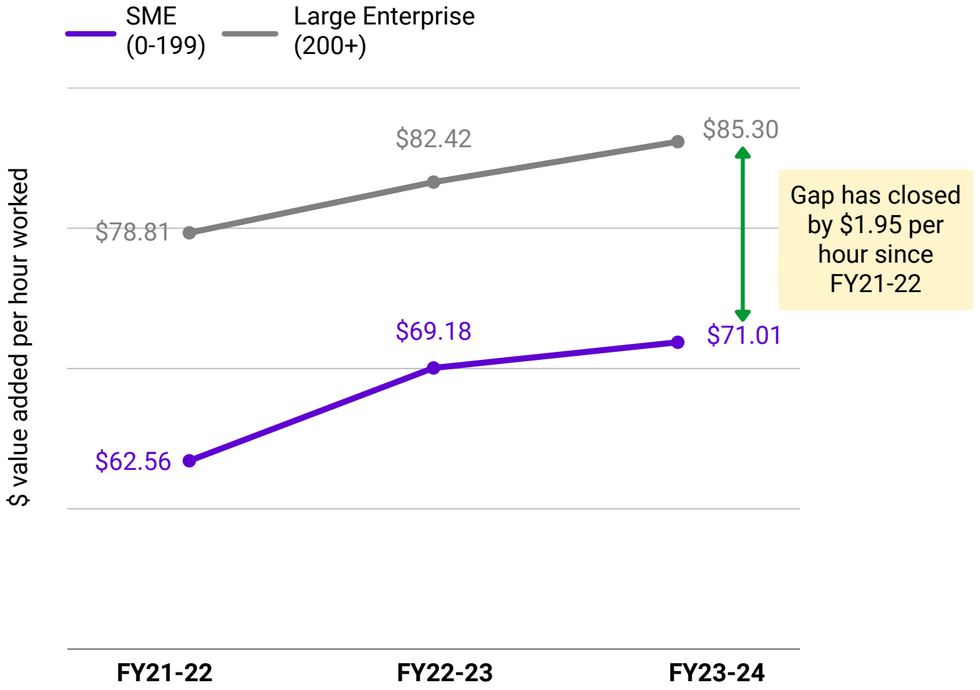
SMEs generate 20% less value per hour worked than Enterprises ($71 vs $85), with productivity varying by SME size

Productivity per employee hours worked by business size ($)[1], *



SME value added per hour has accelerated since FY21–22, but not enough to close the productivity gap

Productivity per employee hours worked over time ($)[1],*



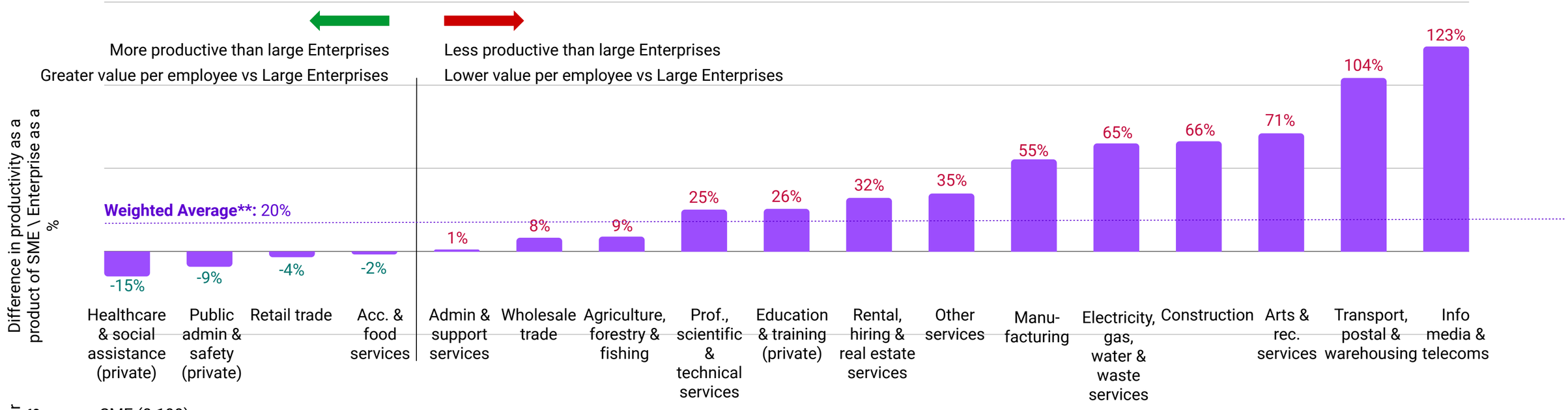
Notes: *Productivity measured as 'industry value added per employee' / '# annual hours worked per employee', Mining & Fin. Services excluded due to significant deviation in productivity vs other sectors
Sources: 1. Australian Bureau of Statistics & ASBFEO (2025) - Contribution to Australian Gross Domestic Product, private sector industry

SME Productivity by Industry

In one third of sectors, SMEs perform at <50% lower productivity rates compared to Enterprises

High dispersion in SME productivity across sectors with >50% productivity gap in 1-in-3 sectors

Difference in value added per employee between SMEs and Enterprises by industry[1],*



Productivity per hour worked, $

	Healthcare & social assistance (private)	Public admin & safety (private)	Retail trade	Acc. & food services	Admin & support services	Wholesale trade	Agriculture, forestry & fishing	Prof., scientific & technical services	Education & training (private)	Rental, hiring & real estate services	Other services	Manu-facturing	Electricity, gas, water & waste services	Construction	Arts & rec. services	Transport, postal & warehousing	Info media & telecoms
SME (0-199)	$67.56	$56.96	$65.44	$47.59	$76.80	$98.61	$43.55	$85.34	$54.84	$147.62	$51.99	$72.18	$150.28	$70.07	$49.47	$60.21	$96.89
Enterprise (200+)	$57.39	$51.68	$63.15	$46.71	$77.69	$106.70	$47.42	$106.78	$68.86	$195.12	$70.09	$112.15	$247.90	$116.48	$84.60	$123.02	$216.31

Notes: * Productivity measured as 'Industry Value added' / '# employees' / 'average hours worked'; Mining & Fin. Services excluded due to significant deviation in value added per employee vs other sectors;
** Weighted by no. of employees per sector
Sources: 1. Australian Bureau of Statistics & ASBFEO (2025) - Contribution to Australian Gross Domestic Product, private sector industry

SECTION 2
Current AI Maturity

How are SMEs using AI today and where are the biggest adoption gaps?

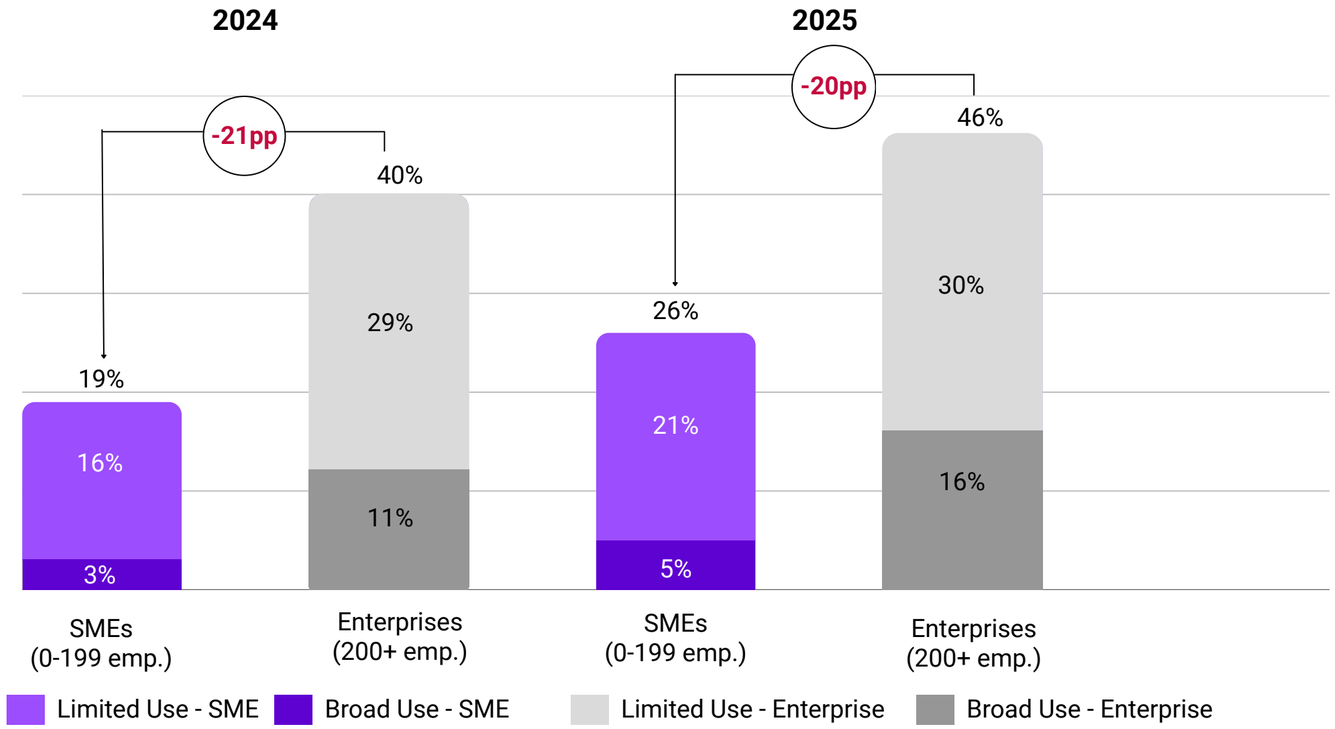
Australian AI Adoption

Australian SMEs lag Enterprises in AI adoption by 20pp, with lower AI adoption rates correlated to smaller business sizes

Australian SMEs lag overall Enterprise AI adoption by 20pp and those who adopt are more likely to have limited adoption

AI adoption* across businesses of different sizes, CY24-25** (%)[1]

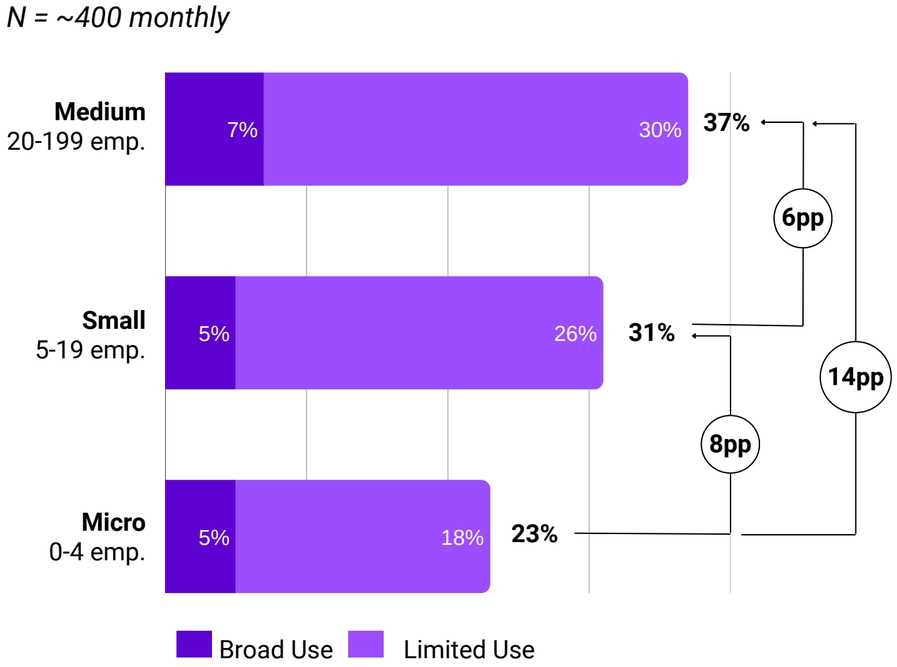
N = ~400 monthly



Smaller SMEs adopt AI at lower rates, with just 23% adoption across micro businesses

AI adoption* across businesses of different sizes, CY2025 H2 (%)[1]

N = ~400 monthly



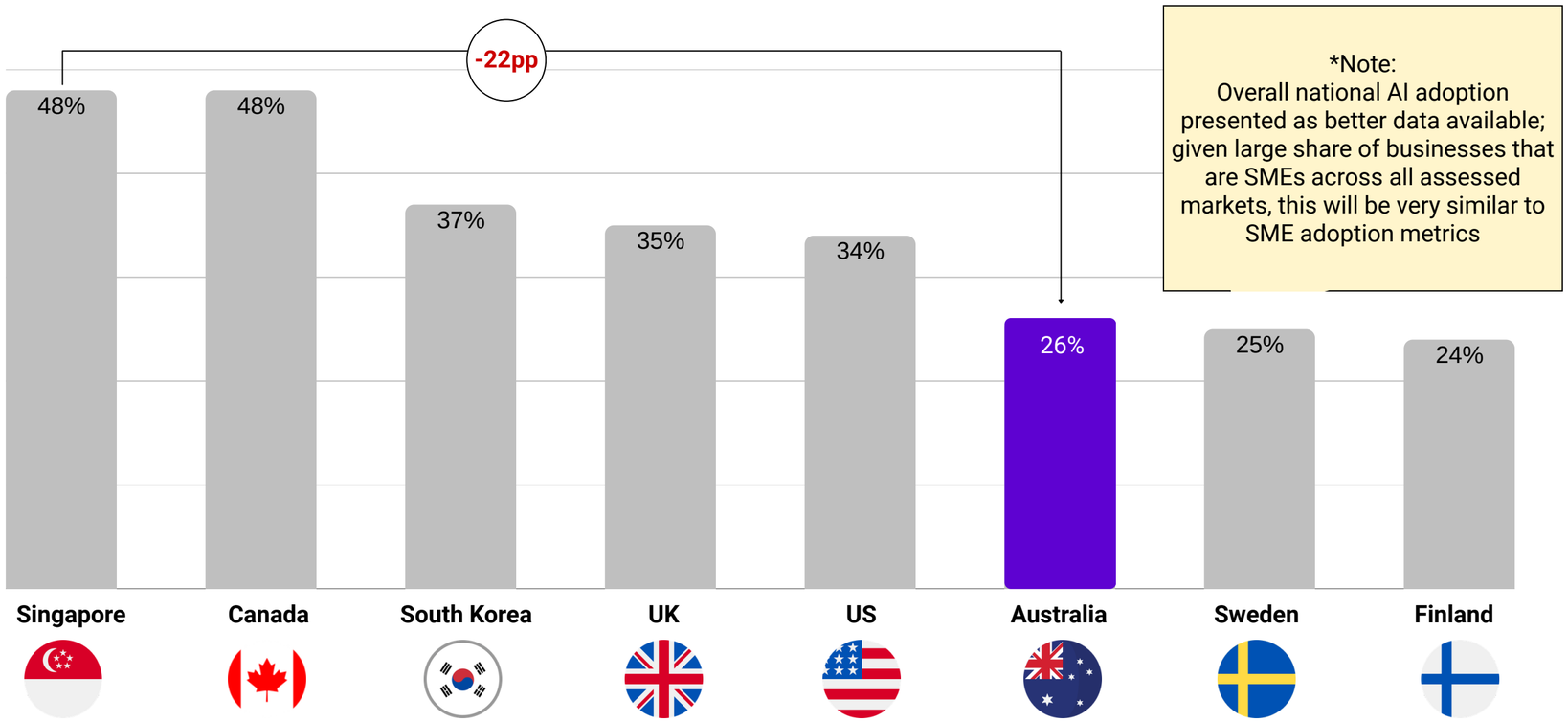
Notes: *Adoption includes companies responding as “Broad use”, “Limited use”; **Adoption rates are measured at end-H2 2024 and end-H2 2025 to maximise sample size
Sources: 1. NAIC - AI Adoption Data (2025)

Global AI Adoption

Australia lags leading international peers in overall AI adoption, which are approaching 50% adoption

26% of Australian businesses have adopted AI, which lags leading global peers who are approaching 50% adoption

Share of all SMEs using or adopting AI[1],*, by country (%)



Commentary

- **Australia sits 22pp below the peer leaders** - trailing not just innovation leaders Singapore and Canada, but comparable economies including the UK and US
- **Australia needs to avoid locking in a late-adopter position** in a race where early movers build data, capability and competitive advantage that are difficult to close
- Given the absence of a consistent international methodology, this analysis draws on a triangulated review of country-level surveys and government data; **figures are indicative of relative positioning only**

Note: Figures are indicative only
Consistent definition of 'AI adoption' not available for each country; a best estimate approach has been undertaken with a selection of countries (not a ranking)

Note: * SME's definitions of size and number of employees varies by country, chart is best match and serves to give directional view (see further sources for further details)
Sources: 1. Singapore = AWS Research Survey - Unlocking Singapore's AI Potential; Canada = AWS Research Survey - Unlocking Canada's AI Potential; South Korea = Ministry of Trade, Industry and Energy - Survey on Industrial Infrastructure and AI Utilization; UK = British Chambers of Commerce - The Turning Point for SMEs: Unlocking the Next Level of AI; US = Moneypenny - The State of AI Adoption in U.S. Businesses; Australia = NAIC - AI adoption data (2025); Sweden & Finland = Eurostat - Digitalisation in Europe (2025 edition)

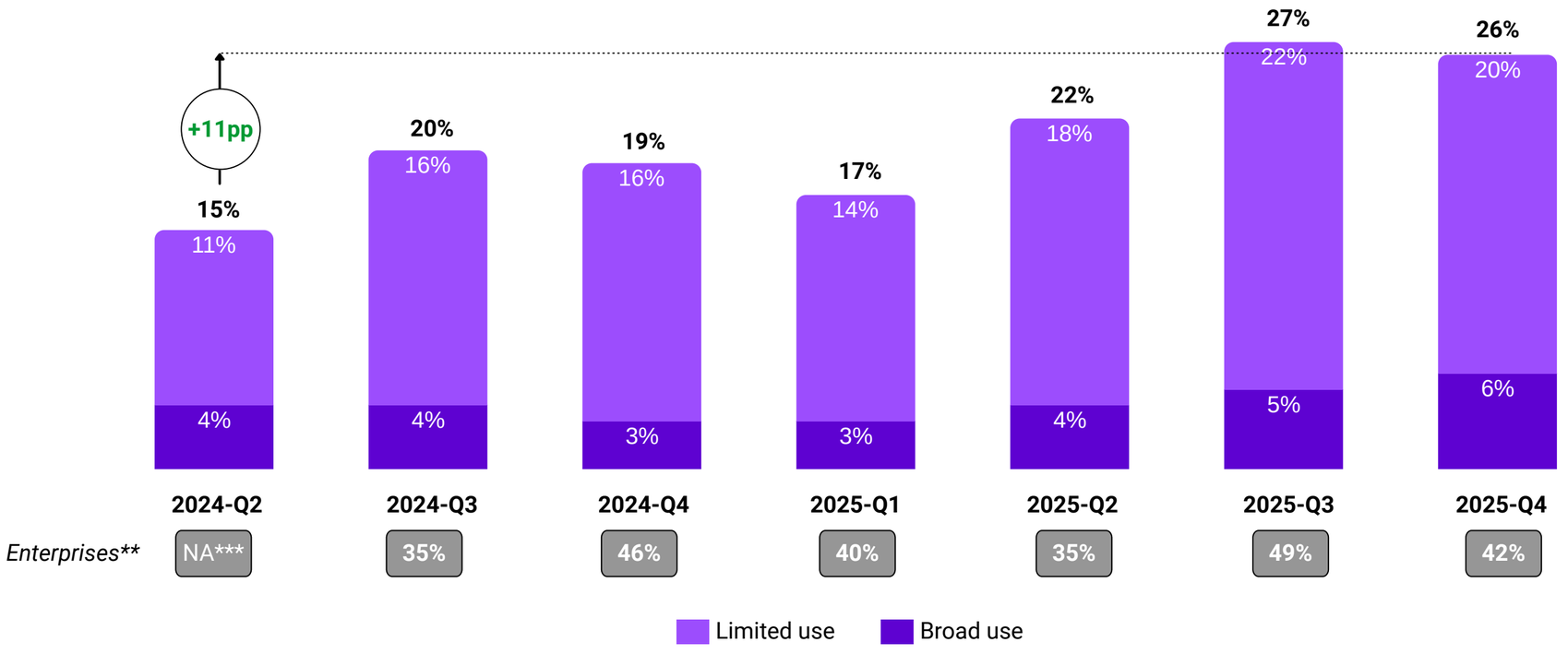
AI Adoption Trend

AI adoption is increasing across Australian SMEs, with an 11pp growth in companies adopting AI since Q2 2024

AI adoption is growing in Australian SMEs with 26% of SMEs now using AI, representing an 11pp increase in companies adopting AI since Q2 2024

N = ~400 monthly

Share of SMEs reporting 'Broad' and 'Limited' use of AI in their business (%, 2024-Q2 to 2025-Q4)[1]*



Commentary

- While overall adoption has grown 11pp, broad use has increased by only 2pp, meaning **most of the increased adoption is shallow experimentation**
- Enterprise broad use sits at 16% versus 6% for SMEs - **Enterprises are not just adopting more, they are embedding AI more deeply into their operations**
- Growth in AI awareness among SMEs is encouraging, but without deliberate action, Australia risks locking in a two-tier economy where **Enterprises deepen their AI capability while SMEs remain at the surface**

Notes: *Adoption includes "Broad use" and "Limited use" and business sizes from 0-199 employees, variance in growth quarter-to-quarter may be a reflect of a difference in survey respondents over time; **200-500 employees; ***2024-Q2 data varies substantially from other quarters for Enterprises, not included on chart
Sources: 1. NAIC - AI Adoption Data (2025)

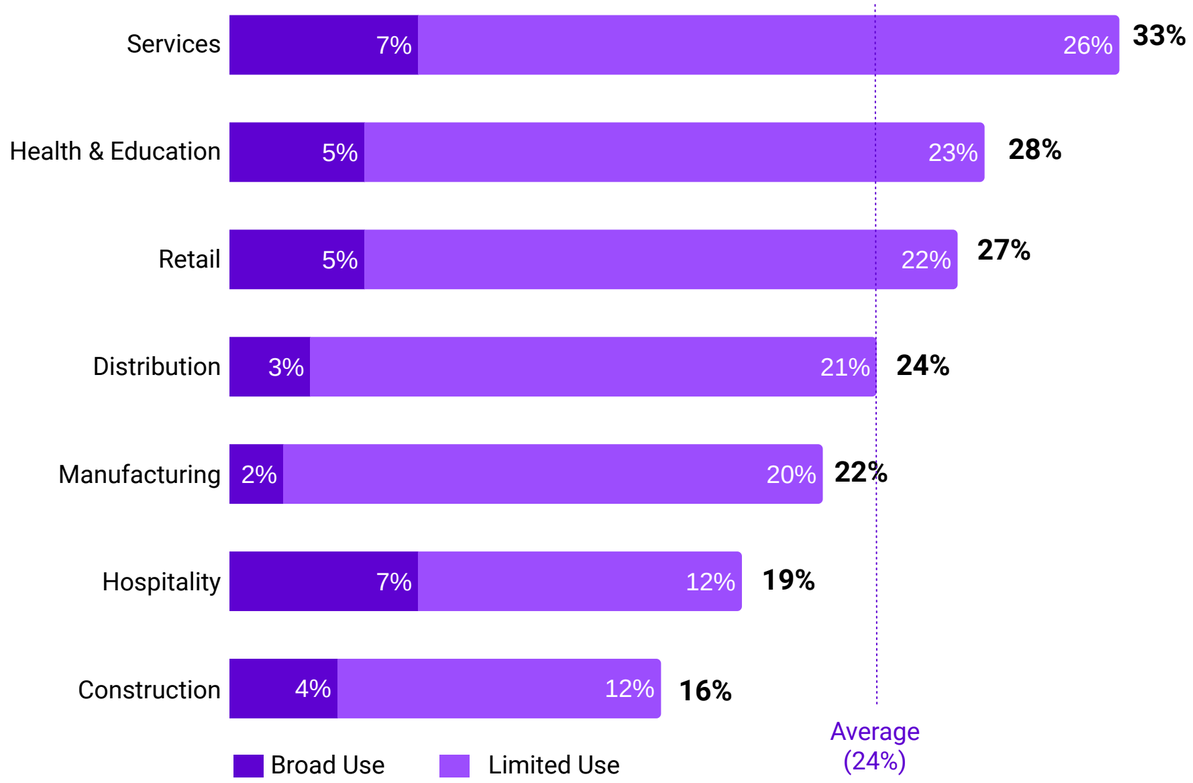
AI Adoption by Industry

SME AI adoption varies significantly across sectors; in most sectors adoption lags Enterprises

While Services is the sector where SMEs have the greatest adoption, other than Health & Education, SMEs lag Enterprise AI adoption rates in all sectors

N = ~400 monthly

SMEs use of AI by sector by 'Broad' and 'Limited' use (%, 2025 H2)[1]



	Enterprise	Delta
Services	51%	18pp
Health & Education	25%	3pp
Retail	52%	25pp
Distribution	31%	7pp
Manufacturing	24%	2pp
Hospitality	42%	23pp
Construction	79%	63pp

Commentary

- SME AI adoption has **large variance across industries;** Services has close to 2x the adoption rate of Construction
- **Limited use dominates SME adoption** across categories, with broad use within 2-7%
- Across most industries, **SME adoption rate lags Enterprises**, with Construction, Hospitality and Retail showcasing the largest gaps
- The exception where SME adoption is higher is Health & Education, however, SMEs are largely on par with Enterprises in **broad use of AI** within the sector (5% vs. 7%)

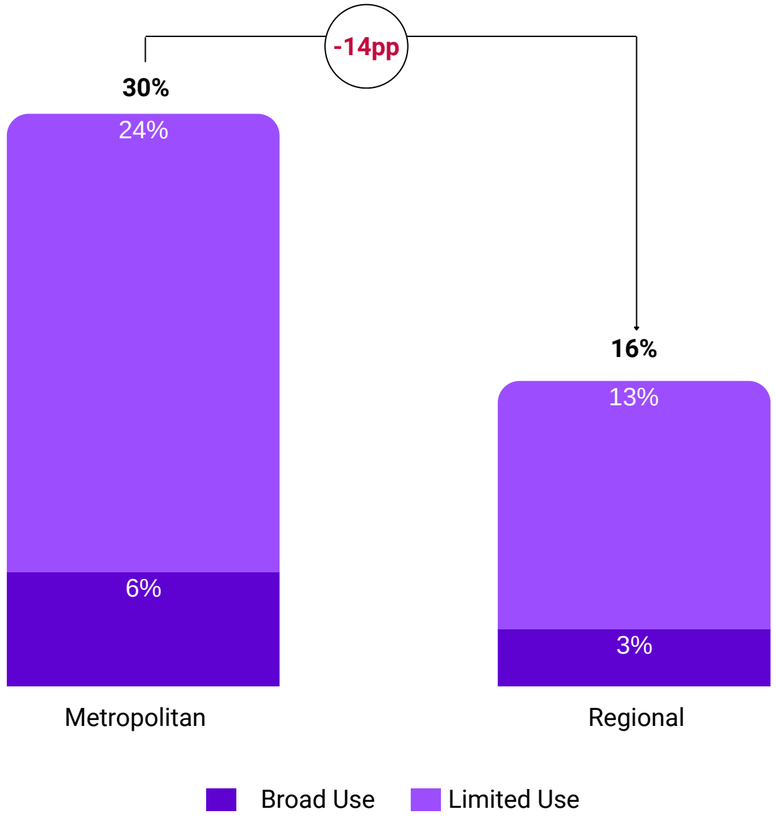
Sources: 1. NAIC - AI Adoption Data (2025)

AI Adoption by Region

There is a clear regional-metro divide in AI adoption rates; regional area adoption is ~50% of metro areas

Clear regional-metro divide with only 16% adopting in Regional vs. 30% in Metropolitan locations

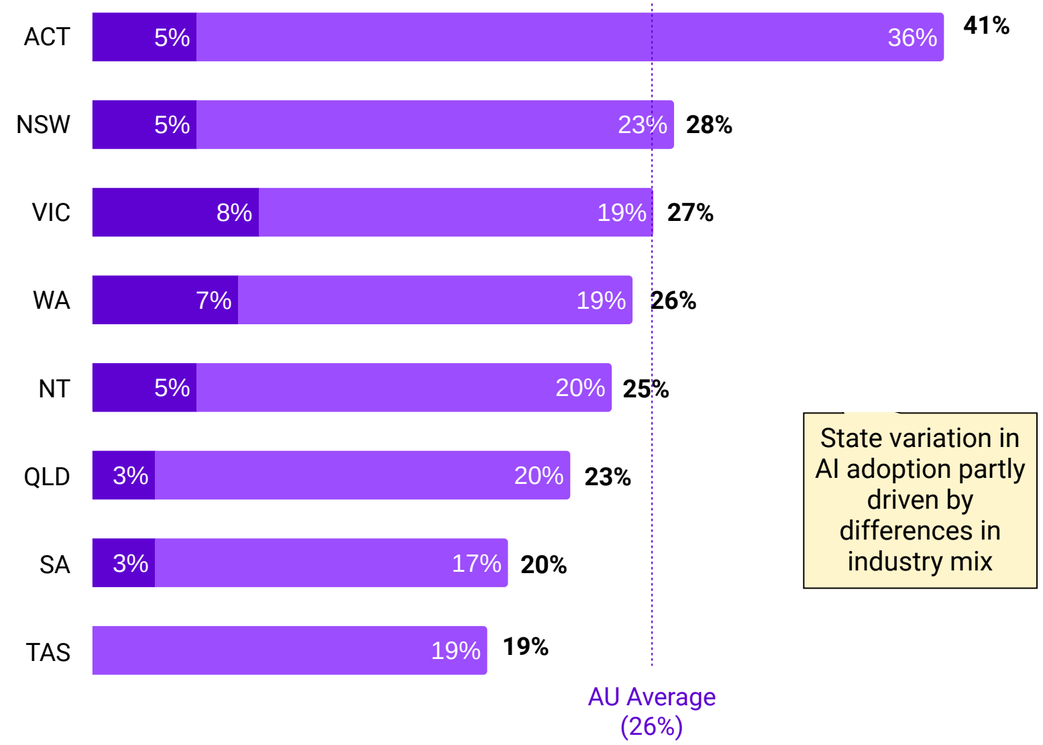
SMEs use of AI by regional by 'Broad' and 'Limited' use (%, 2025 H2)[1]



Adoption varies significantly across states

N = ~400 monthly

SMEs use of AI by state by 'Broad' and 'Limited' use (%, 2025 H2)[1]



State variation in AI adoption partly driven by differences in industry mix

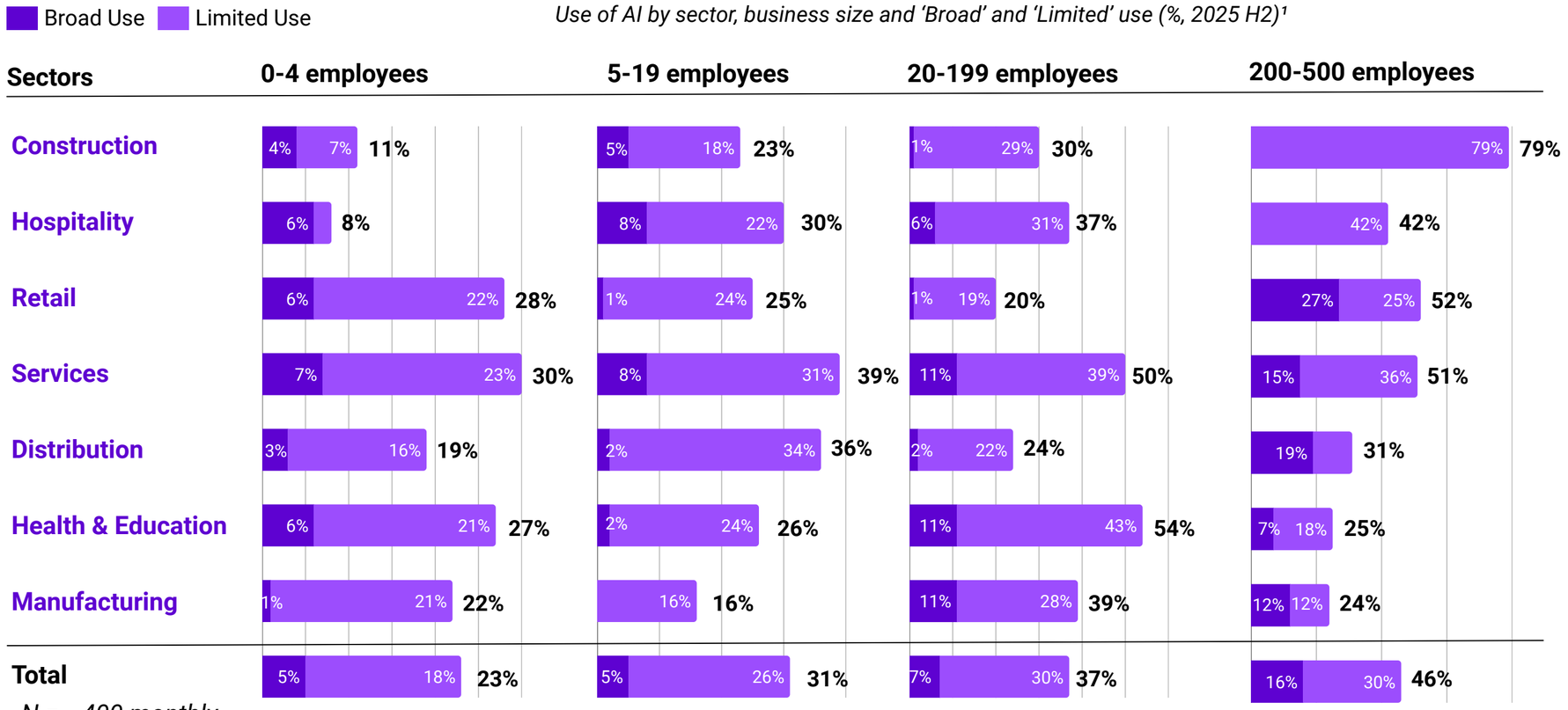
Sources: 1. NAIC - AI Adoption Data (2025)

AI Adoption by Industry and Size

Most sectors see AI adoption scale with size; Broad use of AI typically increases with business size

AI adoption is generally correlated with business size across sectors, however, some sectors show innovation at lower sizes

Use of AI by sector, business size and 'Broad' and 'Limited' use (%, 2025 H2)[1]



N = ~400 monthly

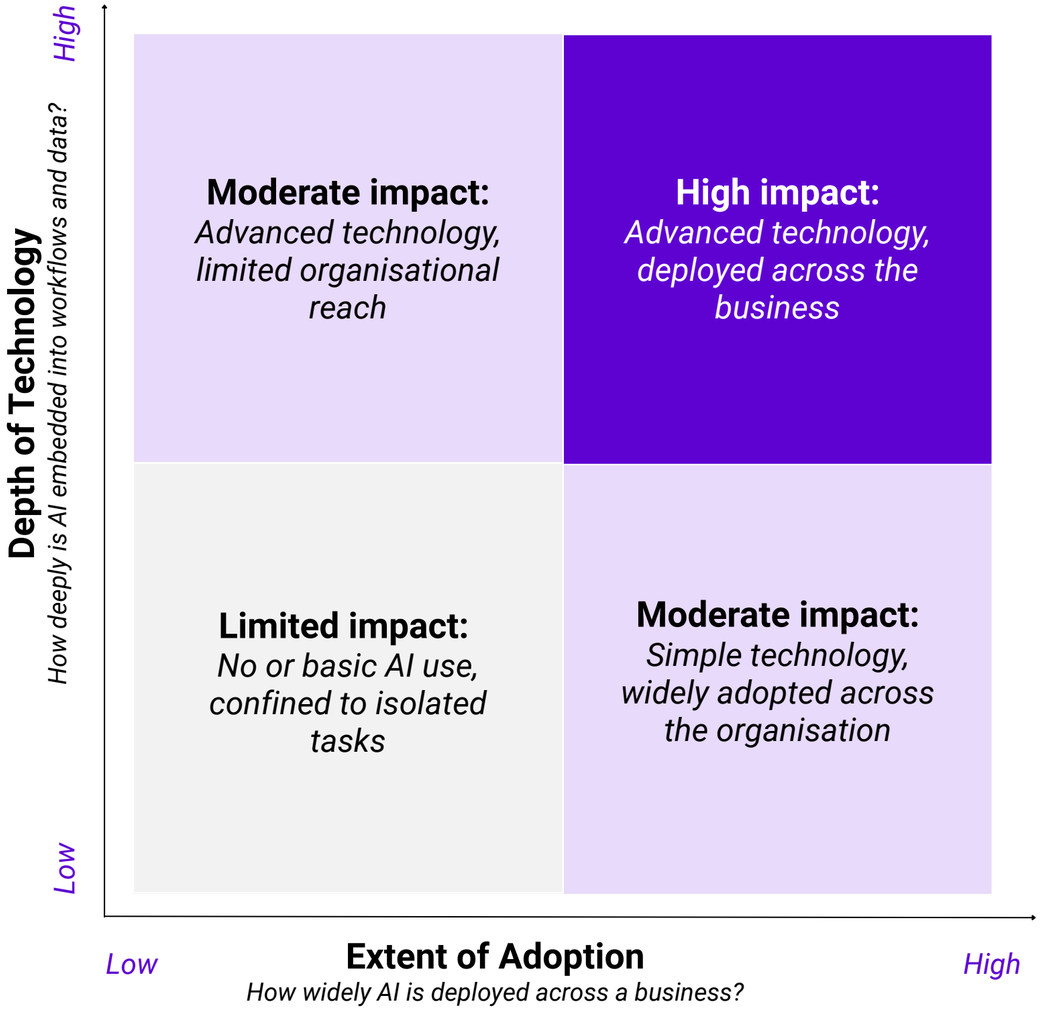
Commentary

- Within SMEs, there are certain industries where AI adoption scales with size, and others where smaller businesses adopt AI at greater levels
- **Construction, Hospitality, Retail, and Services** see most linear growth of adoption vs size of business
- **Distribution, Health & Education, and Manufacturing** see uneven adoption across business sizes
- **Broad use of AI is strongly correlated with business size**, total SME with 5-7% adoption, Enterprises with 16%

Sources: 1. NAIC – AI Adoption Tracker (July 25 - December 25)

AI Adoption by Technology and Adoption

SMEs that deploy AI broadly and match it to their business needs realise productivity gains



Extent of Adoption

The wider AI is deployed across the organisation, the greater the potential productivity impact. Even simple technologies can drive significant gains when adopted broadly

Depth of Technology

Moving beyond foundational technologies unlocks compounding productivity gains. AI embedded in workflows and business data can automate decisions, predict outcomes and continuously improve operations

Use Case Fit

AI impact depends on whether the technology matches the business need. The right tool for the right use case drives more value than advanced technology poorly applied

AI Adoption by Technology

Moving from basic to advanced AI technologies unlocks compounding productivity gains

Task-based AI → **Workflow integrated AI**

Generative AI

AI that creates content, answers questions and automates communication tasks

Use Cases:
Marketing, customer support automation

Implementation:
Low effort.
Most tools require no technical setup and can be adopted by individuals immediately

Traditional LLM

Language models used to process, extract and organise structured business information

Use Cases:
Data Entry & Document Processing, HR Analytics

Implementation:
Moderate effort.
Requires integration with existing document systems and some staff training

Predictive & Detection ML

ML models that analyse patterns in business data to forecast and detect anomalies

Use Cases:
Sales Forecasting, Predictive Analytics,

Implementation:
Higher effort.
Requires clean, structured business data and technical configuration.

Agentic AI

Autonomous AI embedded in workflows optimises operations and supports complex decision-making

Use Cases:
Product Development, Supply Chain Optimisation

Implementation:
High effort.
Requires significant workflow redesign, data infrastructure and ongoing monitoring.

Productivity improvement →

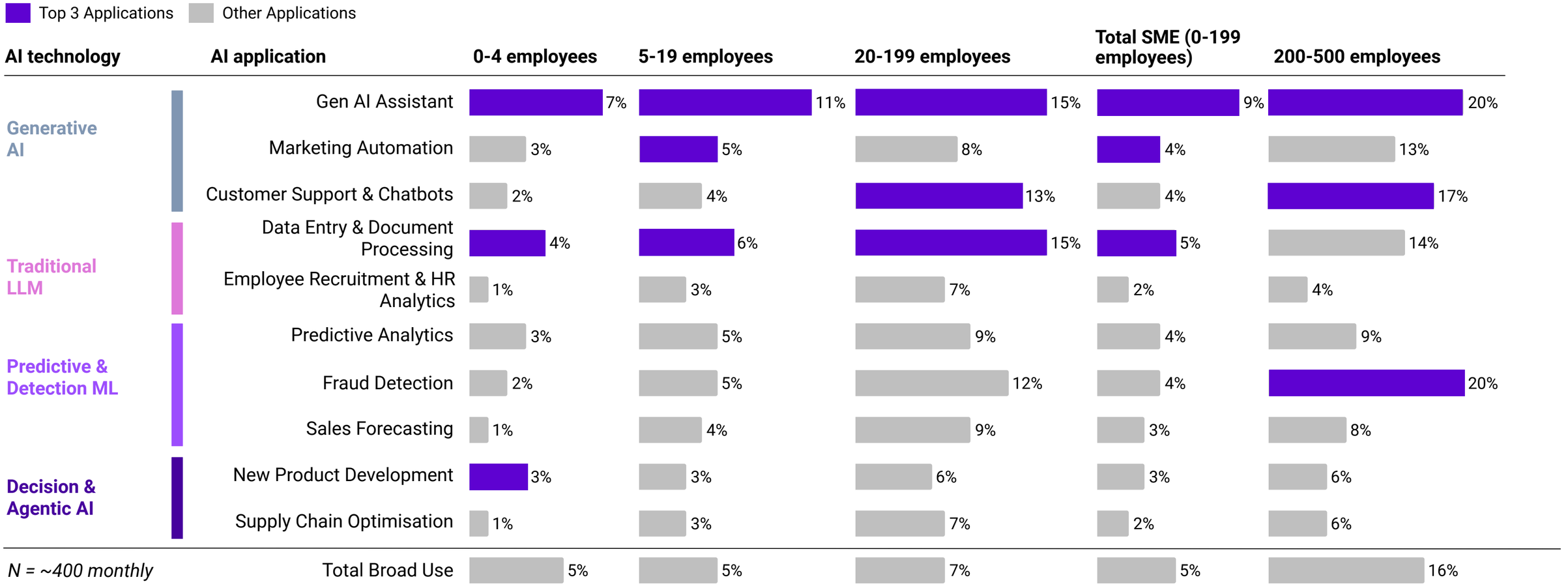
Commentary

- Most SMEs operate within Generative AI and Traditional LLM **enhancing individual productivity**. When deployed broadly, these can deliver meaningful efficiency gains
- Predictive and Agentic AI unlock greater value by **embedding AI directly into business data and workflows**, enabling autonomous decision-making and continuous improvement
- Higher technology depth requires **greater investment** but delivers compounding productivity gains. The **right entry point depends on the business need**

AI Adoption by Technology

Smaller SMEs adopt foundational AI technologies; larger businesses are moving towards more advanced ones

AI adoption by technology type and business size, % of companies reporting 'Currently using'* per AI application[1]



Sources: 1. NAIC – AI Adoption Tracker (July 25 - December 25)

AI Adoption by Technology

While there is some variation across industries, the majority of SMEs adopt foundational AI technologies

N = ~400 monthly

AI adoption* by function & technology[1] (%, 2025 H2 for SMEs)

AI technology	Sectors							
	Construct-ion	Distribut-ion	Health & Education	Hospital-ity	Manufact-uring	Retail	Services	Total SMEs
Generative AI	6%	7%	8%	6%	5%	9%	11%	**9%**
Traditional LLM	4%	4%	5%	3%	3%	5%	7%	**5%**
Predictive & Detection ML	5%	6%	2%	3%	2%	6%	5%	**4%**
Decision & Agentic AI	2%	4%	3%	3%	3%	4%	4%	**3%**
Overall Adoption (broad use)**	**4%**	**3%**	**5%**	**7%**	**2%**	**5%**	**7%**	**5%**

Total Enterprise 200-500 employees
20%
14%
20%
6%
16%

Very low (<=2%) Low (3-4%) Medium (5-6%) High (7-8%) Very high (>8%)

Commentary

SMEs are **mainly adopting simpler foundational AI technologies**, while more complex, data-intensive machine learning remains relatively underused

Generative AI:
- GenAI Assistants
- Marketing Automation
- Customer Support / Chatbots

Traditional LLM:
- Data Entry & Document Processing
- Employee Recruitment & HR Analytics

Predictive & Detection ML:
- Fraud Detection
- Predictive Analytics
- Sales Forecasting

Decision & Agentic AI:
- Supply Chain Optimisation
- New Product Development

Note: *Companies responding “currently using”; **Companies reporting “broad use” AI adoption
Source: 1. NAIC – AI Adoption Tracker (July 25 - December 25), AI function adoption represent the max adoption among AI application within the group

SECTION 3
Productivity & Workforce Opportunity

What uplift opportunities could AI unlock?

SME Uplift Opportunity

The uplift from AI adoption increase has been considered in terms of productivity, workforce and economic impact

	Productivity opportunity	Workforce opportunity	Economic opportunity
Description	• SMEs are facing a wide range of productivity pain-points, including increasing costs, stagnating revenue and difficulty finding and retaining staff • However, SMEs using AI report significant benefits to revenue, productivity and cost savings with clear use cases such as recruitment and automated payroll/rostering	• The SME workforce struggles with pain points such as burnout, lack of training and repetitive tasks • SME employees using AI report benefits to productivity, wellbeing & satisfaction • Global research shows overall improved employee sentiment for AI users vs. non-AI users	• Increased SME AI adoption has the potential to substantially impact their GDP contribution, and by extension, the broader Australian economy • The greatest value will be driven by SMEs migrating to broad AI use, with a greater transformation of business processes and efficiency as a result of AI adoption
Example SME Uplift	**94%** Report increased productivity[1] **91%** Report revenue growth[1]	**98%** Consider AI to make their job easier[2] **64%** Report feeling of work stress/burnout reduced by >20%[2]	**$93b** Estimated SME GDP contribution uplift[3]

Sources: 1. Salesforce - Small & Medium Business Trends, 6th Edition (2024); 2. Deputy - Better Together (2025); 3. Delwood Analysis

Productivity Pain Points

Increasing costs, stagnating revenue and difficulty finding and retaining staff are the biggest pain points for SMEs

Leading pain points experienced by Australian SMEs

Revenue / Profitability Pain Points

Increasing Costs
72% of SMEs report increasing costs is an issue[4], with taxes, labour costs, insurance, compliance costs and energy / utilities reported as the most significant items[3]

Stagnating Revenue
39% of SMEs report problems in increasing revenue[1], with **32%** of SMEs reporting that they don't know how to grow[1] and **45%** reporting marketing as overwhelming[1] (struggle to maintain a consistent strategy)

Falling Profits
64% of SMEs reported lower profits than the previous year, with many SMEs unable to fully pass on rising input costs due to limited pricing power[3]

Increasing Compliance costs
45% of SMEs report regulatory compliance costs as a burden[3], with many businesses spending >6 hours per week on associated obligations[3]

Staff / Operations Pain Points

Finding & Retaining Staff
38% of SMEs report that finding right team members is an issue[1], with many owners citing wage expectations and a lack of skilled candidates as key barriers[3]

Cash Flow Issues
34% of SMEs report cash flow issues as a key pain point[1], driven by decreasing profits and knowledge gap on sound cash flow management principles

Increasing Cybersecurity Risks
Increasing cybersecurity concerns as **62%** of SMEs report experiencing a cyber attack[4]. SMEs lack resources for prevention, response and compliance as it competes for time and resources with other activities

High Workload & Burnout
57% of SME owners reported burnout in the last year from juggling priorities[3], with 33% of owners reporting limited time to work on the business as a key pain point[3]

Sources: 1. The BIG Small Business Survey (2024), SME 0 – 199 employees; 2. MYOB - Business Monitor Report (2025), 0-199 employees; 3. COSBOA: Small business Organisations Australia (2025); 4. Australian Cyber Security Centre (ACSC) - Cyber Security and Australian Small Businesses; 5. Australian Chamber of Commerce and Industry – Small Business Conditions Report (2025)

AI Productivity Benefits

SMEs that adopt AI report outsized returns, with 94% seeing productivity gains and 91% seeing revenue growth

SMEs using AI report significant benefits to revenue, productivity and cost savings, and expect AI to improve fraud detection and employee experiences

Commentary

- **SMEs that have adopted AI report significant benefits** across all major pain points:
- Between **86-91%** of AI adopters report increases to **Revenue & Profitability** attributed to AI use
- Whilst **86-92%** of AI adopters reporting AI has helped improve their **Customer Experience & Competitiveness**
- **94%** of AI adopters report **Increased Productivity** from using AI in their businesses
- And 50% of AI adopters anticipate AI will create a better **Employee Experience** in their business

Sources: 1. Salesforce - Small & Medium Business Trends, 6th Edition (2024), SMEs that use AI; 2. McKinsey - The State of AI in 2025 (2025), for organisations that use AI in that function; 3. Thryv - AI and Small Business Adoption (2025); 4. NAIC - AI Business Outcome Data

Productivity Benefit Use Cases

SME productivity benefits have been observed across a range of AI use cases

Illustrative Use Case	AI enablement across the activity chain				Observed benefits	Quantified Impacts
Staff Recruitment *(Retail)* employmenthero	Input key job requirements	Conducts autonomous phone interviews	Scores candidates based on their application and interview	Consolidated information and evidence sent to hiring manager for review	Shorter hiring cycle	45% faster hiring and onboarding
					Lower administrative overhead and cost	~$0.5M annual recruitment saving
Payroll Automation *(Hospitality)* employmenthero	AI pulls and compiles the right data	Conducts calculations on earnings and deductions	Automated award interpretation	Up-to-date regulation checks built into the system	Lower administration time	36 hours/week reduced admin time
					Reduced administrative cost	~$36K in annual savings
Rostering *(Hospitality)* deputy	Create shifts & find replacements	Approve timesheets & adjust entries	Manage time-off & availability	Update records	Lower administration time	75% less time spent on administration
					Improved productivity	30% increase in productivity and performance
Wildfire Detection *(Forestry)* Google	Collect satellite imagery	Compare on any 5x5 metre spot on Earth with previous imagery	Contextual analysis, evaluate infrastructure and local weather impact	Provide emergency alert	Increased accuracy	1/400th of previous detectable area
					Faster response time	20 minute detection time

Sources: Multiple secondary sources (detailed in back-up pages); Delwood analysis

SME Workforce Pain Points

Burnout (48%), lack of training (51%) and repetitive tasks (55%) reported as biggest pain points for SME employees

Leading pain points experienced by employees in Australian SMEs

Personal Productivity

Role Juggling & Skill Limitations
Employees in SMEs often juggle multiple roles without proper training and experience slow learning in these roles and hit limitations in their skillset

Limited Predictability
Planning, forecasting and rostering are often done manually in SMEs. Leaving employees with limited view on upcoming work, deadlines and rosters

Wellbeing

High Workload & Burnout
High workloads and long hours are causing significant burnout, with 48% of employees reporting mental or emotional burnout as they struggle with work expectations[1]

Lack of Support & Resources
SMEs often have limited support services and often rely on owner input leading to lack of support for employees regarding completing work, decisions and processes

Satisfaction

Limited Professional & Career Growth
Limited professional development and structured career pathways lead to employee stagnation, with 51% of workers stating the need for more training[2]

Mundane and Repetitive Tasks
Processes within SMEs are often manual, with 55% of employees stating that they are working more but getting less done[3] with time spent on manual, low value-add tasks

Low Job Satisfaction
Employees at SMEs often experience low satisfaction with 65% of Australian workers reporting being “not engaged” at work[2] given high workloads and unstimulating work

Stagnating Compensation
Due to high inflation and overall reduced SME profits, employees are experiencing reduction in benefits, fewer wage increases and wage stagnation against inflation

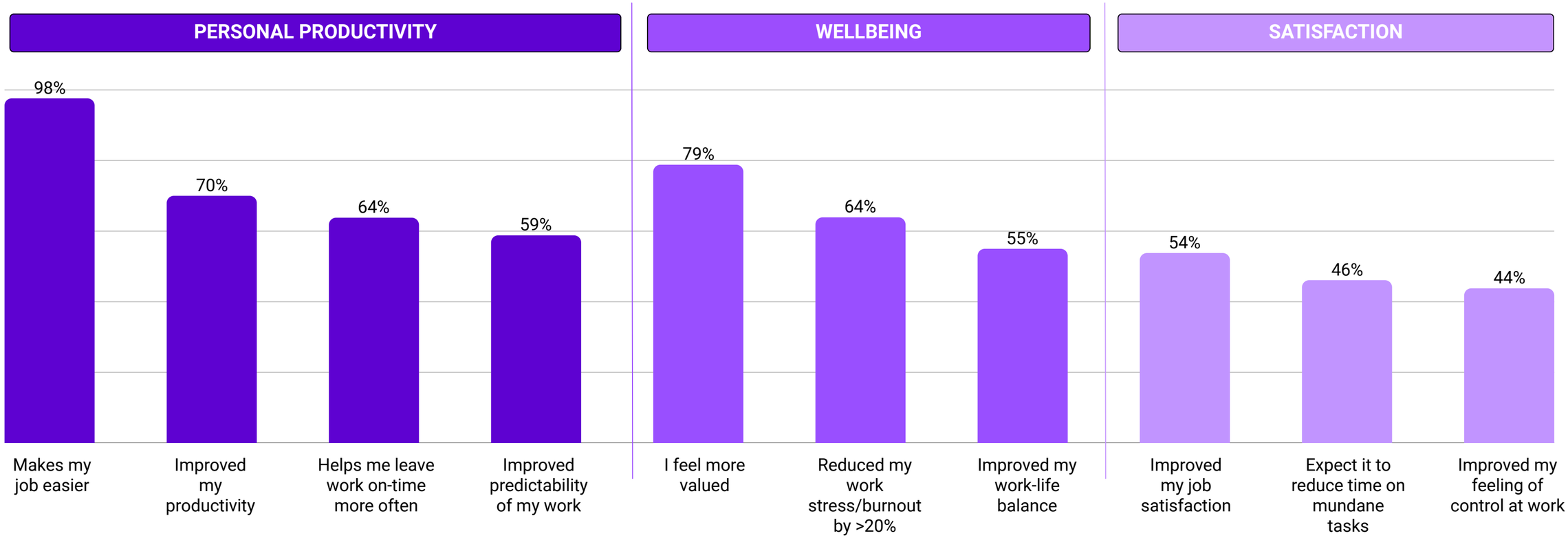
Sources: 1. Employment Hero - Employment Uncovered (2025); 2. ACTU - Workplace Truth Survey (2025); 3. Miro - 2025 Momentum at Work Report (2025)

Employee AI Benefits

Australian SME employees are seeing AI benefits across 3 areas

SME employees using AI report benefits to productivity, wellbeing & satisfaction

% respondents that agree with the statement* (SMEs include businesses with <100 employees)[1]

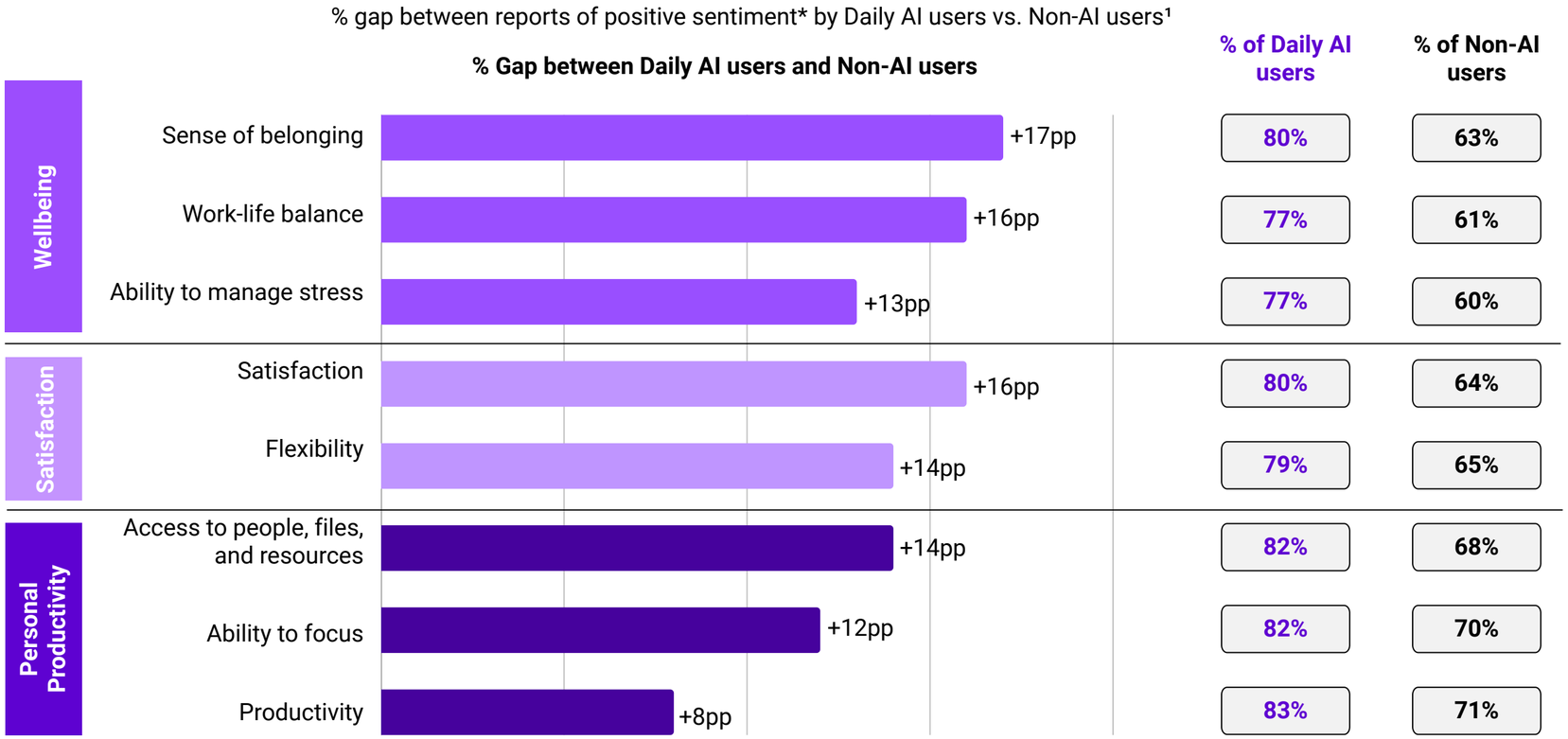


Notes: *For some questions this includes a combination of positive results (“Strongly Agree” & “Agree” or “Much more valued” & “Somewhat more valued” or “Much easier” & “Somewhat Easier”)
Sources: 1. Deputy - Better Together (2025)

Employee AI Benefits

Globally, employees who use AI report better work-life balance, productivity, and job satisfaction than non-users

Comparison of work experience of daily AI Users vs. Non-AI Users across key dimensions



Commentary

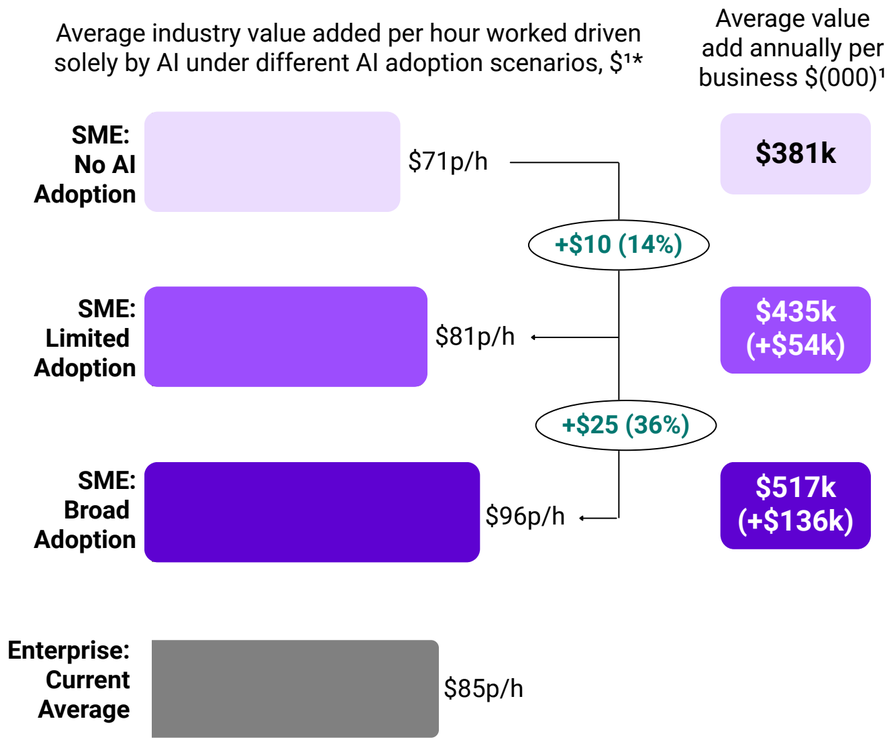
- **Global survey of Daily AI users of all company sizes reports benefits across the board** for all metrics assessed, highlighting the potential for Australian SMEs to address their employee pain points
- **Wellbeing** is the most reported benefit of daily AI use, with an increased Sense of Belonging, Work-life Balance and Ability to Manage Stress
- **Satisfaction** also sees strong increases from daily AI use, improving job Satisfaction and Flexibility
- **Personal Productivity**, whilst seeing a lower relative increase, sits at the highest level across all metrics for daily AI users

Notes: *Positive answers include a combination of “Very Good” & “Good”
Sources: 1. Slack - Workforce Index (2025), global survey of 10,000 participants

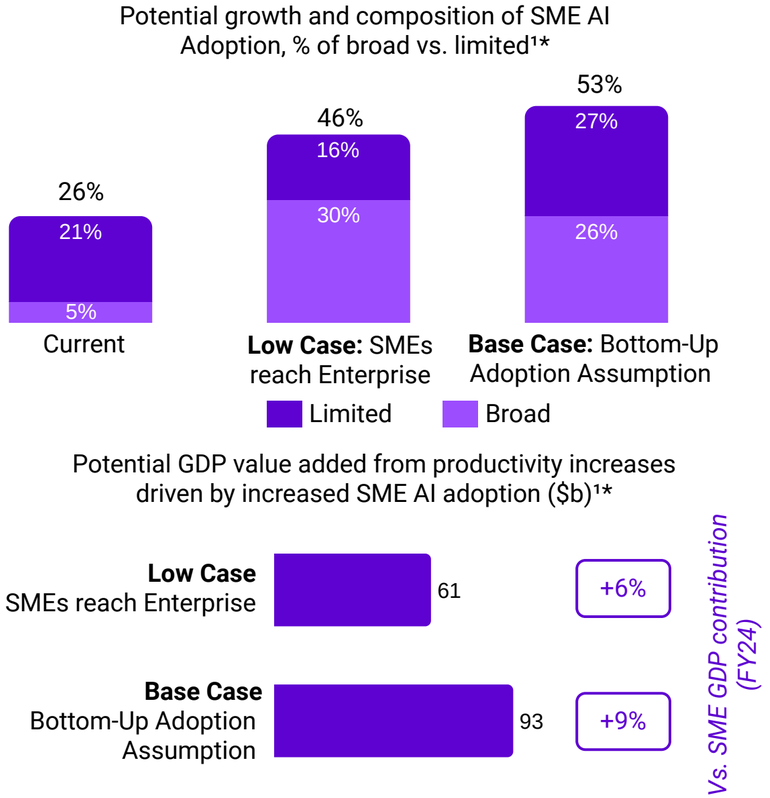
Economic Uplift

If SME AI adoption reached 53% it could unlock $93b in additional SME productivity uplift

AI adoption has the potential to significantly increase SME productivity



Increased SME AI adoption over the next 5-years could drive a $61-93b productivity uplift



Commentary

- If AI adoption were to reach 53%, with an expansion in those SMEs using broadly across the business, this could **unlock $93b in additional SME productivity uplift,** a 9% increase compared to SMEs current GDP contribution of ~$1.0tn
- For an **average SME migrating from no AI use to broad adoption** across the business, this could help drive a **36% productivity uplift worth $136k**
- Broad AI adoption has the **potential to significantly reduce the SME-to-Enterprise productivity gap**; those SME adopters are expected to become more productive than Enterprises are today

Note: Figures are indicative only
Hourly productivity ratios assume stable employment levels

Sources: 1. Delwood Analysis
Further Sources: Australian Bureau of Statistics (2025); NAIC - AI adoption data (2025); LinkedIn & Mandala - Preparing Australia's Workforce for Generative AI (2024); OECD - A Sectoral Taxonomy of AI Intensity (2024); McKinsey - The Economic Potential of Generative AI (2023); Anthropic - Market Impacts of AI (2026);

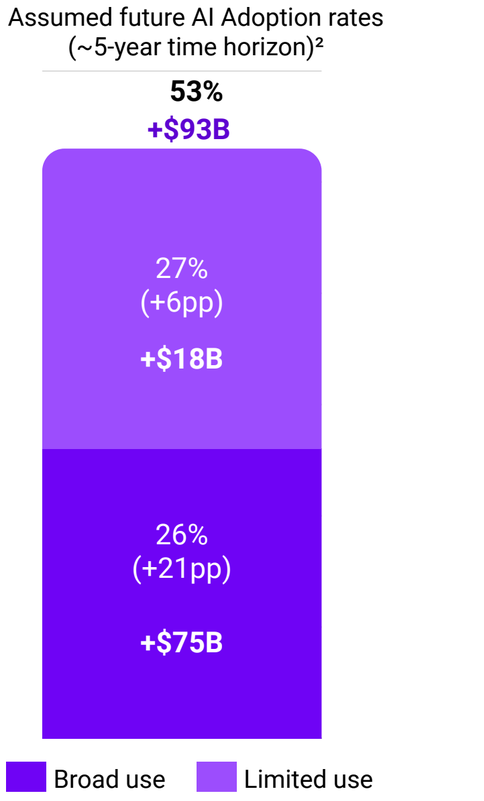
Assumed AI Adoption

An estimate of the potential economic impact has been derived based on an uplift in current SME AI adoption

Future adoption has been estimated by applying uplift assumption per segment of current adoption status…

Adoption status	Current adoption[1]	Change[2]	Future adoption[2]	Assumptions
Not aware	19%	+5pp		Assumes 25% of SMEs who are unaware of AI, begin limited use AI over the next 5-years
Do not intend to implement	36%	+4pp	Limited 27%	Assumes 10% of SMEs who are not intending to adopt AI, begin limited use AI over the next 5-years
Intend to implement	11%	+11pp		Assumes all SMEs that are intending to implement will have limited use AI over the next 5-years
In the process of implementing	8%	+8pp		Assumes all SMEs that are in the process of implementing will have limited use AI over the next 5-years
Limited use	21%	+21pp	Broad 26%	Assumes all SMEs that currently have limited AI use, will expand to broad AI use within 5 years
Broad Use	5%	+5pp		Assumes all SMEs with broad use will continue to do so

… leading to a potential adoption rate of 53% across all SMEs



Commentary

- Given the inherent uncertainty of future AI adoption, an estimate of the economic impact has been derived based on an assumed uplift in current SME adoption
- It has been assumed that SMEs will migrate from limited adoption to broader adoption over the next 5-years, while those planning to adopt and some of those which are unaware will become limited users
- The uplift in AI has been combined with McKinsey and OECD research of the productivity gains of SME AI adoption to determine the potential productivity uplift
- The **greatest value will be driven by those SMEs migrating to broad AI use**, who will experience a greater transformation of their business processes and efficiency as a result of AI adoption

Notes: *Adoption includes “Broad use” and “Limited use” and business sizes from 0-199 employees
Sources: 1. NAIC - AI Adoption Data (2025); 2. Delwood analysis

SECTION 4
Adoption Roadblocks

What are the biggest barriers to maturing AI adoption amongst SMEs?

AI Adoption Roadblocks

Five key roadblocks must be addressed to increase AI adoption amongst Australian SMEs

UNDERSTANDING

Limited understanding of what AI is and can do beyond Chatbots (e.g., ChatGPT)

- Limited awareness of what AI is beyond **basic tools and applications**
- Limited understanding of **relevant use cases** and how to translate them into practical use
- Lack of clarity and action plans of **how to execute adoption**

CONFIDENCE

Confidence in the reliability and accuracy of AI output

- AI technology is in its infancy, with many tools and resources not yet **consistent in output**
- SMEs reluctant to be early adopters of AI technology that is **perceived as immature**
- Uncertainty around **timing, and return on investment,** in real world SME setting

WORKFORCE SKILLS

Limited AI literacy, capability and training across the workforce

- Low **workforce readiness or AI literacy** across different roles and management levels
- **Inconsistent training resources** and employee / management upskilling across the SME sector
- Limited **internal SME training capacity** or knowledge

TECHNICAL READINESS

Lack of required data and systems to fully adopt and enable AI across value chains

- **Weak data structures and internal systems** necessary for AI enablement
- Limited in-house **technical expertise** or external solutions
- Low confidence in **capability to properly implement AI** or the systems required for it

TRUST AND RISK

Concerns around the security and ethical use and output of AI tools and models

- High perceived risk of **getting AI adoption and implementation wrong**
- Lack of guidance managing **new AI-related business risks** like security and privacy
- Concerns around **ethical and responsible AI use,** and bias free and transparent outputs

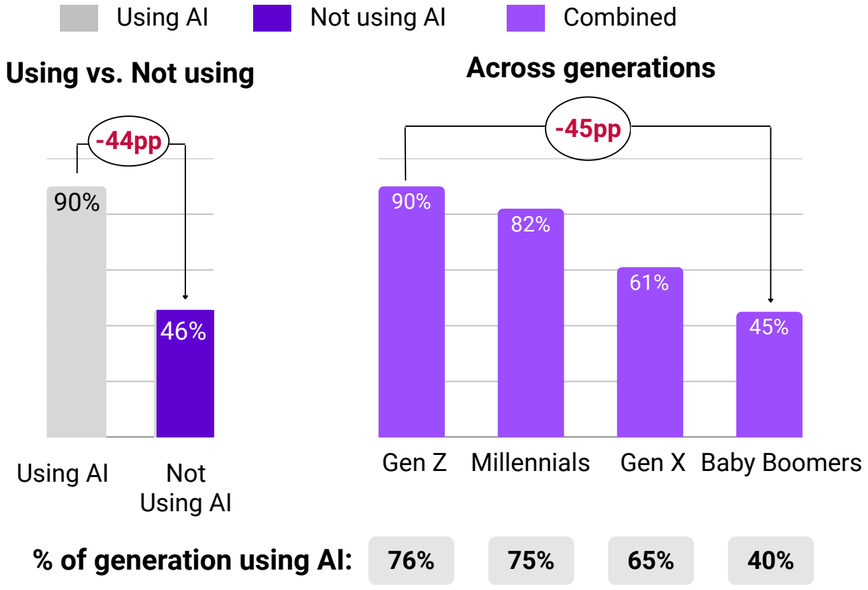
Sources: Delwood analysis

AI Understanding

Half of SMEs not using AI lack a basic understanding of the technology; just 10% believe it can provide a competitive edge

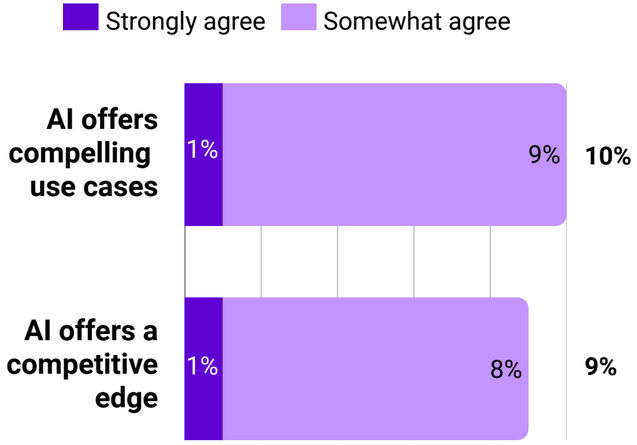
Non-adopters report significantly lower AI understanding, a challenge amplified across older generations…

% respondents reporting “Complete” or “Somewhat” level of understanding of AI and automation[1]



… and only 10% of SME’s not adopting AI believe AI can provide a competitive edge

% respondents that believe AI offers compelling use cases that can transform their business or will provide their business with a competitive edge[2]



Commentary

- There is a **general lack of understanding of AI** with only 46% of non-AI users reporting a somewhat or complete level of AI understanding
- **Understanding AI is a clear precursor to adoption**, with users and younger generations reporting a significantly higher understanding of AI (up to 2x)
- This extends to a **lack of understanding of the use cases of AI**, with only 10% of the non-users aware of compelling use cases for AI in their business (and only 9% of the non-users believing that AI can provide their business a competitive edge)

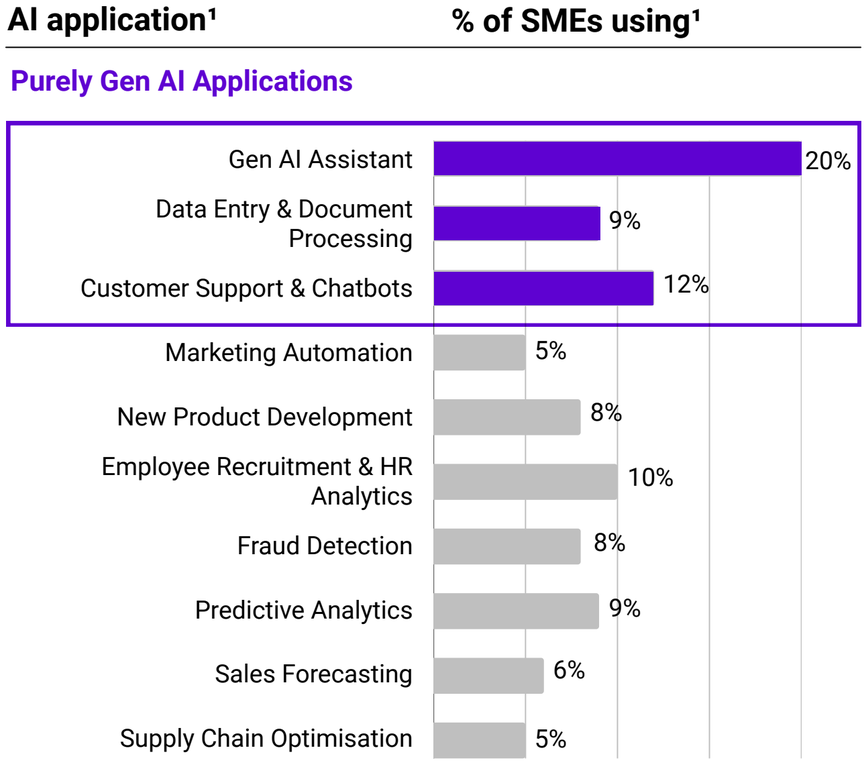
It is essential to **increase SME understanding of AI** including what it is, how it works and where it can be used in the business to unlock value

Sources: 1. Deputy - Better Together (2025), Q: “Overall, how well do you understand what AI and automation are?”, excludes “Little” and “No” understanding; 2. NAIC – AI Benefits and Challenges Data (1 Jul to 31 Dec 2025), 0-199 employees, excludes “don’t know”, “strongly disagree”, “somewhat disagree” and “neutral” answers

AI Understanding

Even SMEs using AI are predominantly limited to GenAI assistants, limiting the ability to capture full AI benefits

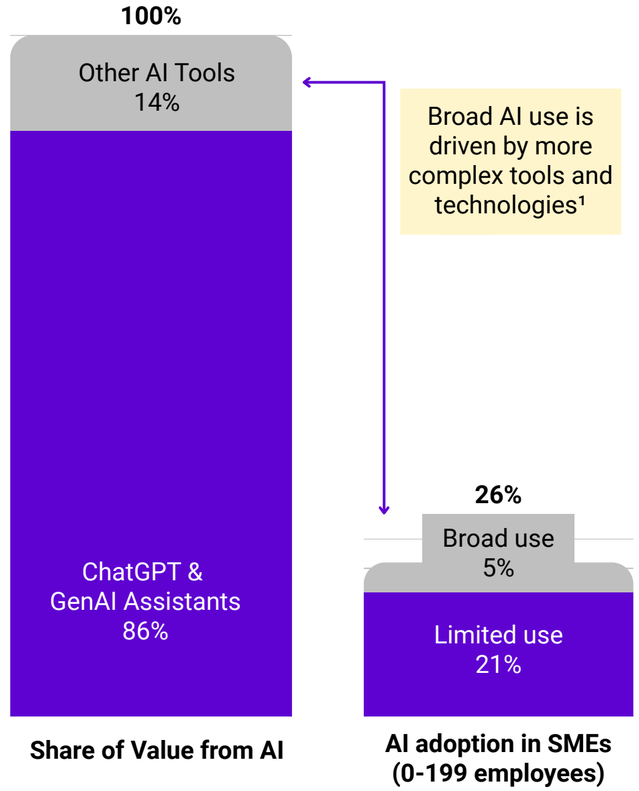
Of the SMEs that have adopted AI, the majority are limited to generative AI applications…



…resulting in ~86% of AI value coming from basic GenAI, limiting broader adoption

Respondents on "What % of the value AI delivers to your business is allocated to each AI tool?"²

Share of SMEs reporting 'Broad' and 'Limited' use of AI in their business¹



Commentary

- Even amongst SMEs that understand AI, this understanding is often limited to generative AI assistants and purely generative AI applications
- **Majority of SMEs** that have adopted AI tools **are still stuck in the shallow end using primarily generative AI** assistants – this contrasts significantly with larger firms who have more widespread adoption
- ChatGPT and other AI assistants contribute to **~86% of the current AI value added**, despite many higher value use cases sitting in more complex AI applications

It is critical to evolve **SME and employee understanding of AI applications and tools outside of generative AI** assistants to unlock the true value of AI

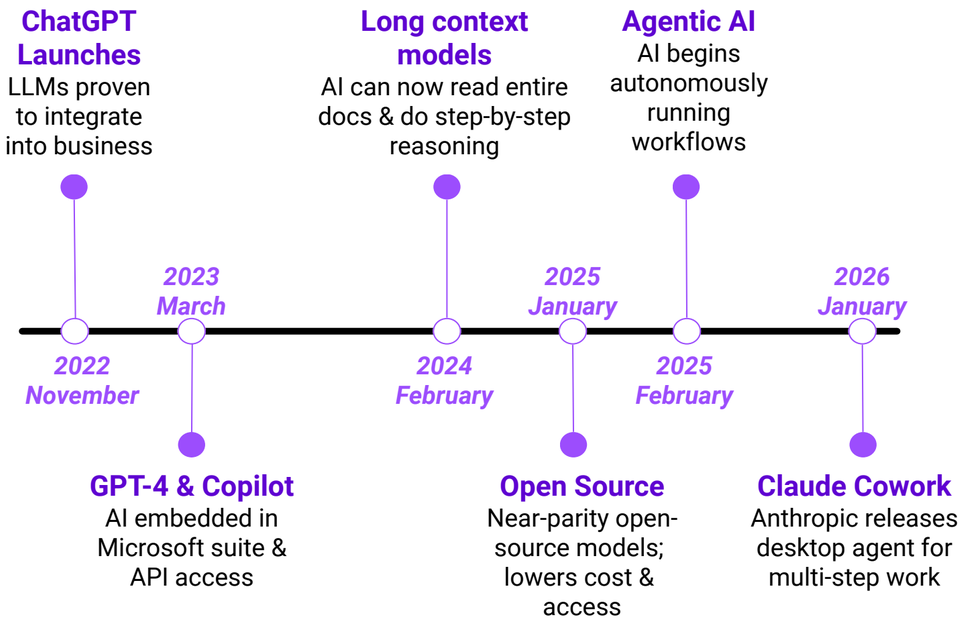
Sources: 1. NAIC - AI Adoption Data (1 Jul to 31 Dec 2025); 2. Decidr - National AI Readiness Index Report (2025); Delwood analysis

AI Confidence

AI technology is still in its infancy; Quality, reliability and early adopter reluctance hold SMEs back

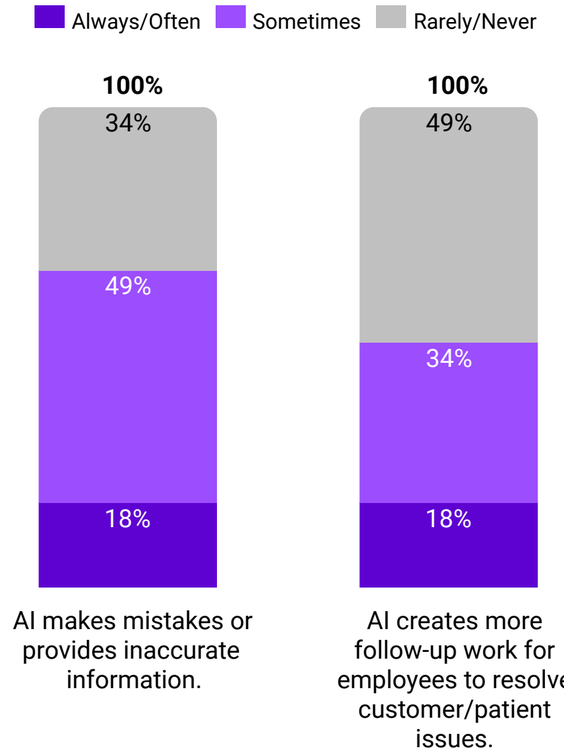
AI technology is still in its infancy, with ChatGPT launched less than 4 years ago

The AI rollout timeline: moments that defined business use



The tech immaturity is impacting the consistent delivery of benefits

% respondents on "How often does AI negatively affect the customer or patient experience in the following ways?"[1]



Commentary

- AI technology and the adoption of AI among Australian SMEs **is still in its infancy**
- **35% of SMEs believe concerns of accuracy and reliability** are a key driver of the AI readiness gap[2]
- For SMEs this is a meaningful barrier, as **65% believe AI brings a quality risk to their business[3]** and they need to spend substantial time addressing unreliable outputs
- Therefore, many **SMEs are hesitant to be early adopters** and prefer to postpone AI adoption and see how the technology evolves

SMEs need clearer proof that AI can deliver **dependable outcomes in real-world use cases**; demonstrating accuracy, consistency and quality

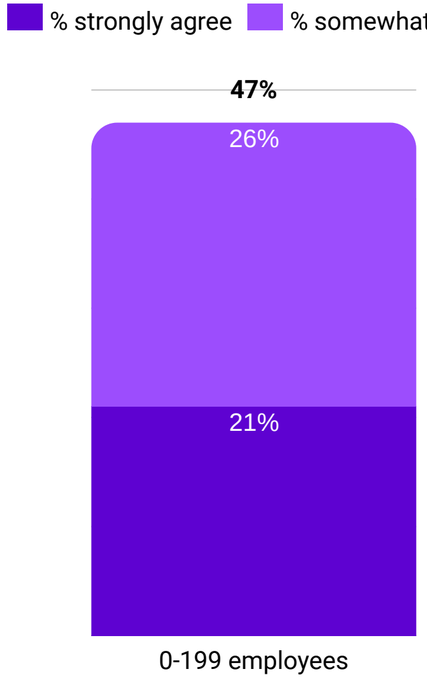
Sources: 1. Deputy - Better Together (2025), companies with 0-100 employees; 2. Xero - AI for Small Business (2025); 3. SAAM - In Their Words: Perspectives and Experiences of SMEs Using AI (2024), 0-199 employees; 4. BizCover - The Australian Small Business AI Report 2025

AI Confidence

Although AI adopters report clear benefits, non-adopters are uncertain of when to invest and are not yet convinced of the payoff

SMEs are uncertain of the right timing to invest in AI…

% respondents agreeing on "AI is moving too fast so it's difficult to know when to invest"[1]



…and lack confidence in the investment case for AI in terms of financial and productivity improvement

Only ~11%
Of SMEs are convinced that AI will lead to increased revenue / profit / cashflow[2]

But >85%
Of Global SMEs using AI are reporting improved margins and revenue[4]

~23%
Of SMEs consider lack of time to be a key internal barrier to execute on AI[3]

But >90%
Of Global SMEs using AI are reporting improved productivity more efficient operations[4]

Commentary

- **Resource constraints are a structural feature of the SME segment**, AI adoption competes with other immediate business priorities
- **SMEs perceive AI adoption to be an expensive process** and are concerned about the upfront cost and timing of investment, and at the same time remain hesitant towards **AI translating into financial and productivity improvements**
- This highlights a **clear disconnect between perception and reality,** as the vast majority of global SMEs already using AI overwhelmingly report benefits

To overcome the confidence barrier for SMEs, **guidance is needed on where to start the AI journey,** supported by **clear use-cases** with lower upfront costs and shorter payback periods

Sources: 1. NAIC - AI Benefits and Challenges Data (1 Jul to 31 Dec 2025), 0-199 employees, only includes businesses "Not adopting"; 2. NAIC - AI Business Outcome Data (1 Jul to 31 Dec 2025), 0-199 employees, only includes responses for "Definitely"; 3. Xero - AI for Small Business (2025); 4. Salesforce - Small & Medium Business Trends, 6th Edition (2024), SMEs that use AI

Workforce Skills Gap

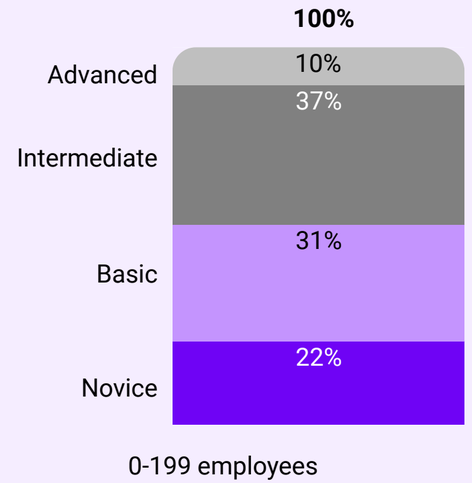
AI adoption hindered by low workforce readiness and AI literacy

SMEs have a low workforce readiness and AI literacy…

<1%

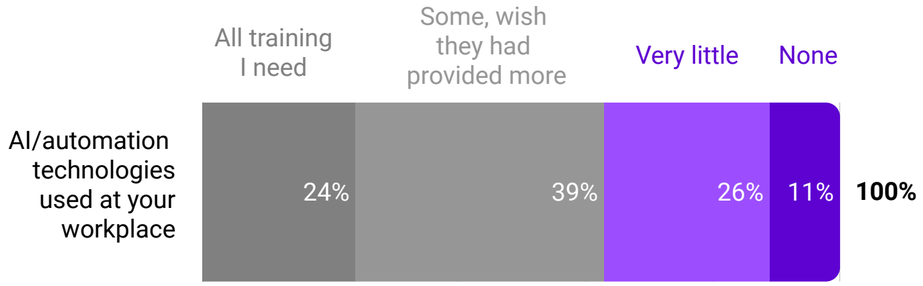
of SME businesses have organisation-wide AI proficiency, incl. capabilities, skills and availability of training related to AI to properly use the technology[1]

% respondents on "Which of the following best reflects the average skill or level of familiarity that your workforce has with AI?"[1]



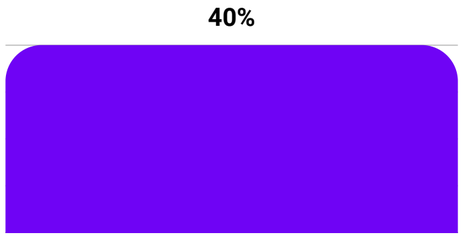
… employees agree they feel unprepared and want more formal training…

% respondents on "How much training did your company provide for the…?" [2]

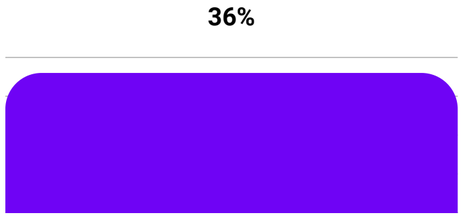


… and SME owners want more support to upskill the workforce…

% respondents on "What would have helped you to bring AI into the business?"[3]



% respondents on "What are your top policy priorities for AI adoption?"[1]



Commentary

- SMEs are largely still in **early stages of building the workforce capability** needed to use AI effectively, with limited AI literacy and fragmented training across both leaders and employees
- **The capability gap is broader than technical skills,** and many SMEs lack the organisational readiness to support adoption through structured learning
- Ultimately, SME AI adoption won't reach its potential without **stronger workforce capability and increased AI literacy** across the business

Having the **right workforce skills** is crucial to unlocking the value from AI in SMEs, and both **owners and employees agree on the need for further training and education** to close the skill gap

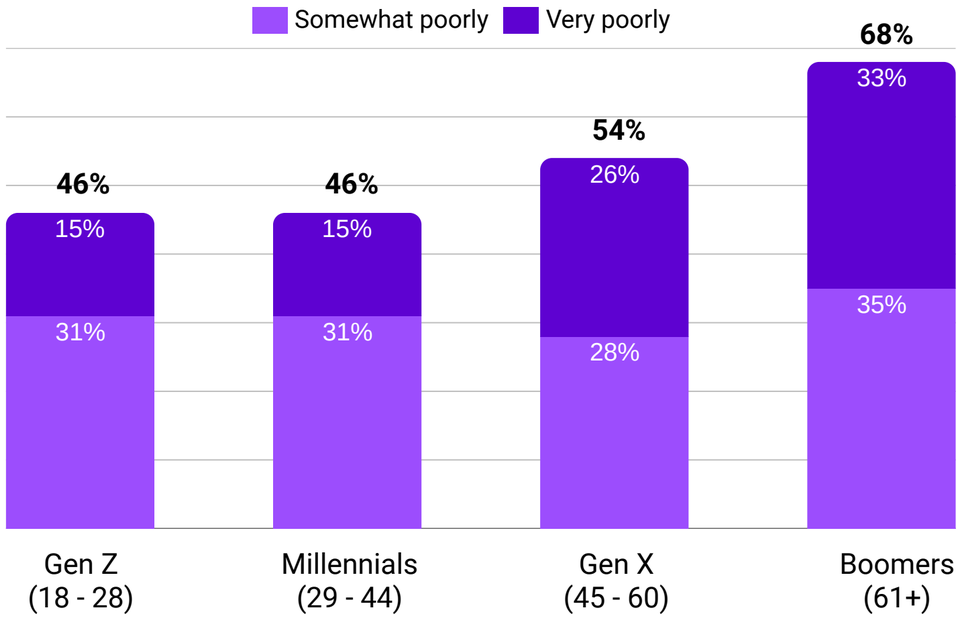
Sources: 1. Deloitte - The AI Edge for SMEs (2025); 2. Deputy - Better Together (2025), companies with 0-100 employees; 3. SAAM - In Their Words: Perspectives and Experiences of SMEs Using AI (2024), 0-199 employees

Workforce Skills Gap

There is a gap between generations in terms of AI readiness and ability to extract productivity gains

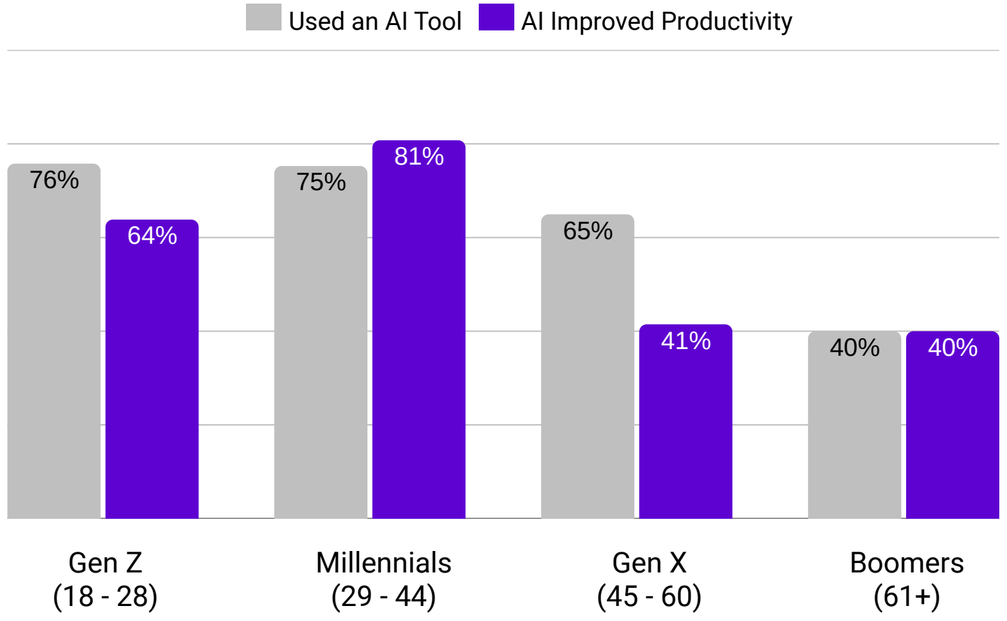
Employees generally feel unprepared for using AI in the workplace, more prevalent in older generations…

% respondents on "How well has your company prepared you for an AI-driven workplace…?"[1]



… which is reflected in their lower ability to extract productivity benefits from AI vs. younger generations

% respondents responding they've used an AI tool and used an AI tool + improved productivity[1]



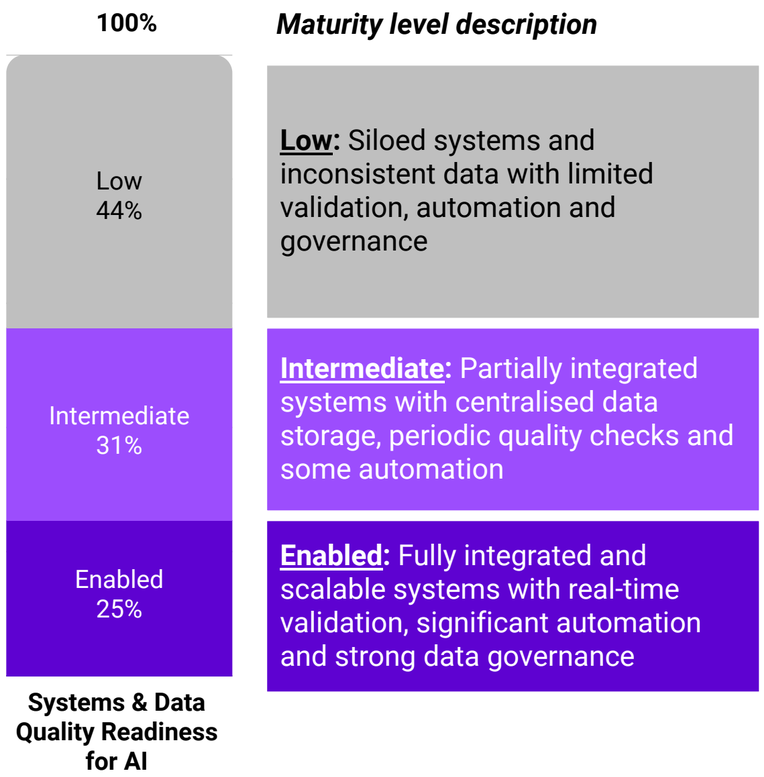
Sources: 1. Deputy - Better Together (2025), companies of all employee sizes

Technical Readiness

A lack of AI-ready data and systems also limits AI adoption in SMEs

Only 25% of Australian SMEs have integrated systems and data enabled for AI implementation

Distribution of SMEs across the AI Maturity pillar "Systems & Data Quality Readiness", by maturity level[1]



SMEs struggle to integrate AI into their current systems and processes

52%

of companies believe it is difficult to implement AI-powered tools into their current business processes[2]

and

88%

of companies adopting AI report difficulties integrating AI into existing systems[3]

while

32%

of SMEs mentioned technology implementation challenges as one of their top roadblocks to AI adoption[1]

Commentary

- AI applications and tools (especially the more complex solutions) require **clean, structured and centralised data and integrated systems** before AI software and additional tech can be layered on top and unlock value
- Although many Australian SMEs already have tools, majority lack operational data maturity with only **25% have fully AI-enabled systems and data**
- This is impacting **businesses' ability to integrate AI into their current systems and processes;** 52% believing the integration of AI into current business processes will be difficult and 88% reporting difficulties integrating AI into existing systems
- SMEs are in the same boat, with **32% of Australian SMEs mentioning technology implementation as a top roadblock** to AI adoption

To fully unlock the AI opportunity within SMEs, there is a **need for investment into increasing the operational data maturity** to make them AI-ready

Cloud-based AI tools are an interim solution for SMEs wanting to adopt AI without committing to a substantial investment while they test the waters

Sources: 1. Deloitte - The AI Edge for SMEs (2025); 2. Decidr - National AI Readiness Index Report (2025), companies with 20-500 employees; 3. Governance Institute of Australia - 2025 AI Deployment and Governance Survey Report; Delwood analysis

Trust and Risk – Risk Management

SMEs are concerned about the additional business risk posed by AI adoption

SMEs perceive a material risk of getting AI adoption wrong…

~45%

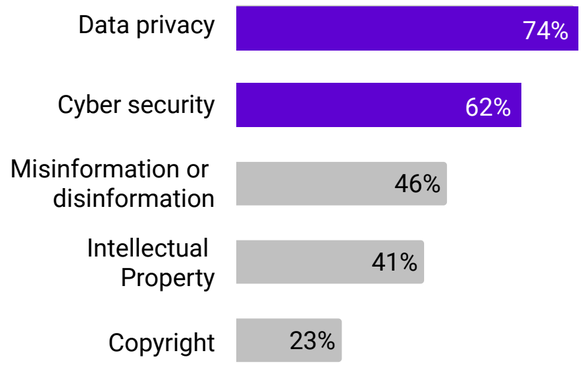
Of SMEs report introducing business risk when asked "What challenges or obstacles have you encountered in adopting AI?"[1]

…and many SMEs lack the confidence and guidance to manage the governance of AI-related risks…

% respondents agreeing on "We are confident in managing the regulatory, compliance, and governance issues related to AI"[2]

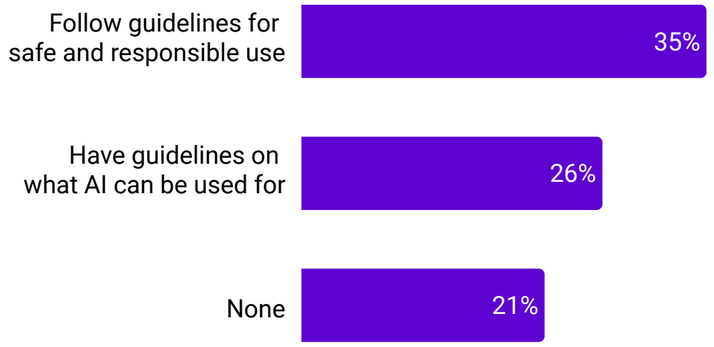
With certain risks introduced by new AI technology top of mind…

% of respondents on "What are the primary regulatory impediments to introducing AI across your business? (Select up to three)"[1]



…even SMEs using AI have a thin layer of governance and responsible use around it

% respondents on "We have the following practices in place" [3]



Commentary

- SMEs consider the risk of "getting AI wrong" high and do **not yet feel equipped for the risk management** associated with AI adoption
- For SMEs, the challenge is greater as they **rarely have dedicated legal, risk or compliance teams**
- **Uncertainty around standards and regulation** contributes to hesitation; SMEs remain unsure of best practices and what safeguards are expected
- The complexity and uncertainty are evidenced by the **low prevalence of foundational "responsible AI" practices** among SMEs who already adopted AI

Providing SMEs **with clear guidelines and frameworks around AI usage** is key to building confidence and driving adoption

At the same time, striking the **right balance between regulation / guidelines and simplicity is crucial**

Sources: 1. Governance Institute of Australia (2025) AI Deployment and Governance Survey Report, companies with 0-200+ employees; 2. NAIC – AI Benefits and Challenges Data (1 Jul to 31 Dec 2025), 0-199 employees, only includes businesses "Not adopting"; 3. NAIC - Responsible AI Data (1 Jul to 31 Dec 2025), 0-199 employees, only includes businesses "Using"

Trust and Risk – Ethics and Trust

SMEs have concerns around unethical use, decision-biases and loss of transparency and control

Companies are concerned about the ethical and responsible use of AI…

66%

Of companies have concerns around unethical development or use of AI by other organisations[1]

63%

Of companies have concerns around negative outcomes for individuals, groups, or communities[1]

… and display a lack of trust in AI models due to concerns regarding biases, transparency and control

% respondents on "Thinking about using AI systems within your organisation, how concerned are you about the below?"[1]

Commentary

- For many SMEs, the issue is often whether **AI can be trusted in business settings** where decisions, customer outcomes and brand reputation are at stake
- The risk is amplified for SMEs, which typically **operate with less margin for error than larger organisations**; a single AI-driven misjudgement or data incident can have a disproportionate commercial and reputational impact
- Until AI is seen as **safe, ethical and controllable**, many SMEs will remain hesitant to progress from experimentation to broader adoption

Overcoming trust roadblocks requires building awareness of trustworthy AI applications / tools and use cases with specific **proof points that demonstrate AI's objectivity, reliability and safe usability** in the SME context

Sources: 1. Fifth Quadrant - Australian Responsible AI Index (2025)

SECTION 5
Accelerating Adoption

What are the key actions that should be taken to help unlock the potential AI opportunity?

Existing Initiatives

A range of initiatives have been introduced in recent years to address initial AI adoption roadblocks

Understanding

- **Australian Small Business Advisory Services (ASBAS) - Digital Solutions grant**[1] to help service providers deliver low cost, high quality digital advisory services to small businesses
- **NAIC – Centralised guidance, publications, resources and tools**[2], including Guidance for AI Adoption, AI Impact Navigator and AI ecosystem reports

Confidence

- **Future Skills Organisation (FSO) - Digital Knowledge Exchange platform**[3] to exchange digital best practices between businesses and government stakeholders
- **Cooperative Research Centres (CRC) - 'AI Accelerator'**[4] to fund industry-led AI research and commercialisation, with projects requiring at least one SME partner

Workforce Skills

- **NAIC - Free AI Micro-credentials**[2] available through NAIC in partnership with TAFE NSW to improve AI literacy
- **FSO - Skills Accelerator AI Program**[3] to expand AI skills access for VET learners, educators, and administrators
- **National Skills Agreement**[3] to prioritise digital and technological capabilities in the VET system
- **Next Generation Graduates Program**[3] to equip students with AI and emerging-tech skills

Technical Readiness

- **AI Adopt Program**[3] to create a network of AI Adopt Centres, where SMEs can access free and subsidised trainings and advice on AI adoption
- **National data centre principles**[5] outline expectations for large-scale compute providers to support access for less-resourced stakeholders, including small businesses
- **Unlocking of high value datasets**[3] for pilot AI use cases, from public and private sources (*initiative is in exploration phase*)

Trust and Risk

- **AI Safety Institute (AISI)**[3] to monitor and share insights on emerging AI capabilities, risks and harms
- **NAIC - Centralised guidance and resources**[2], including Voluntary AI Safety Standard and AI-generated content guide

Sources: 1. Australian Government - Australian Small Business Advisory Services Digital Solutions (2025); 2. National AI Centre (NAIC) website; 3. Australian Government - National AI Plan (2025); 4. Australian Government - Funding for medium to long-term, industry-led research collaborations; 5. Australian Government - Expectations of data centres and AI infrastructure developers (2026)

Existing Initiatives

Industry is also playing a critical role in driving AI adoption amongst SMEs, **partnering with NGOs, educators, regulators and government** to build awareness, uplift skills and **support responsible adoption**

Example of industry & NGO partnership initiative

Good Things Australia, in partnership with **Telstra**, **Microsoft** and **LinkedIn**, is expanding the **Digital Sisters: AI for Good Program**[1] to promote AI and digital literacy in diverse and underserved communities. The program is delivered through 10 community based and virtual AI Literacy Hubs, in which stakeholders can receive in-person support from digital mentors.

Good Things Telstra Microsoft LinkedIn

Sources: 1. Australian Government - National AI Plan (2025)

Accelerating AI Adoption

Additional initiatives could be considered to bolster current policies and accelerate SME adoption

AI is more challenging to adopt than prior digital technologies as it evolves at unprecedented speed, there is no standard, off-the-shelf AI stack to buy, and its adoption fundamentally reshapes knowledge work, decision-making, and team roles

UNDERSTANDING

Enabling SMEs to identify most appropriate AI use cases for their business

- ⏩ Develop industry-specific AI use-case playbooks, support peer-to-peer learning
- ⏩ Expand on government-funded advisory services
- ⏱ Expand NAIC into a comprehensive AI adoption entry point for SMEs

CONFIDENCE

Providing SMEs confidence in AI outcomes across key use cases

- ⏩ Promote SME use-cases with measurable outcomes
- ⏱ Establish a solutions benchmark / evaluation program

WORKFORCE SKILLS

Supporting the upskilling of the SME workforce to ensure solutions can be operationalised

- ⏩ Scale up availability and improve formal recognition of AI micro-credential courses
- ⏩ Provide targeted support for AI skills uplift in underserved segments
- ⏱ Invest in upskilling educators with AI-relevant skills

TECHNICAL READINESS

Increasing SMEs technical readiness to enable repeatable and complex deployment of AI use-cases

- ⏩ Provide practical support models (e.g., adoption centers and subsidised services)
- ⏩ Provide access to national data sets
- ⏱ Provide access to compute capacity (addressing barrier for internal data requirements)

TRUST AND RISK

Supporting SMEs in establishing adequate governance and business guidelines for AI use

- ⏩ Pilot AI assurance framework
- ⏩ Provide practical guidance for cyber and privacy controls
- ⏱ Provide pre-vetted AI solutions catalogue and procurement checklists

Timeline to Impact ⏩ Short-term (within next 12 months) ⏱ Mid/Long-term (1-3 years)

Sources: Delwood analysis

Priority Roadblocks

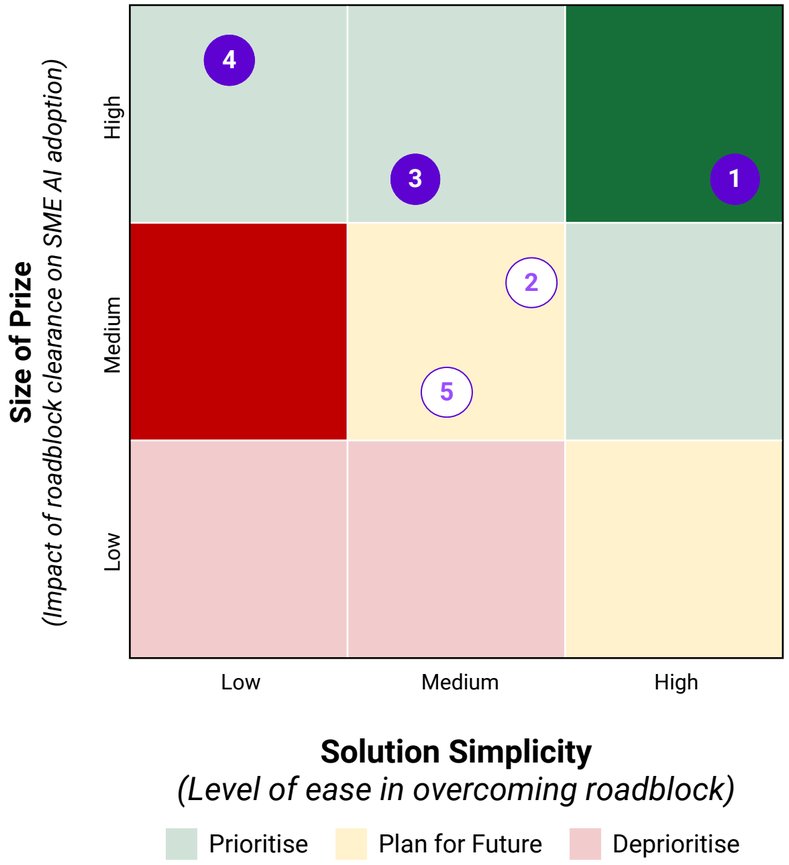
Three roadblocks have been prioritised for action to help accelerate AI adoption in the coming years

Roadblocks to AI Adoption

Areas of focus

Roadblock	Size of Prize	Commentary	Solution Simplicity	Commentary
1 **Understanding**		Determines which use-cases SMEs adopt		Raising awareness usually quick to roll out and don't require heavy system change
2 **Confidence**		Governs where AI gets used (low-stakes or mission critical)		Can be improved with e.g., playbooks, use-cases but also require the general AI technology to mature
3 **Workforce Skills**		Constrain breadth and depth of adoption, no skills equals no practical usage		Getting behaviour change, and sustained capability across SMEs takes time and coordination
4 **Technical Readiness**		Enabler for repeatable and complex deployment / use-cases		Requires substantial effort and support in e.g., infrastructure, integration, and data quality
5 **Trust and Risk**		Gating constraint for adoption. Significant downside risk if governance is not effectively managed		Can be improved with practical guidance, striking the right balance between regulation and guidelines

Size of Prize vs. Solution Complexity



Sources: Management discussions, Delwood analysis

Improving AI Understanding

Potential actions to support SMEs

Roadblock: Understanding

Situation:
SMEs lack understanding of what AI is and can do beyond basic applications and Chatbots, with limited knowledge of relevant use cases and how to translate them to practical use.

Why it's crucial to address:
- Enhancing SMEs' understanding is key to increasing the depth and breadth of AI use cases they adopt
- In terms of complexity, raising awareness is relatively quick to address and implement and doesn't require substantial system change

Recommended actions	Example existing policies and government guidance	International examples
1.A Develop industry-specific AI use-case playbooks and support peer to peer learning: • Provide modular material to help firms understand AI, incl. top use cases, step-by-step guidance • Support industry "show-and-tell" events and local industry partnerships	**NAIC - Guidance for AI Adoption[1]:** General guidance provided to help Australian companies adopt AI safely and responsibly, largely focused on governance and responsible use	**Japan | AI Introduction Guidebook for SMEs[2]:** Provides modular, sector-specific materials to help novice firms understand AI basics **Finland | AI in Finnish Business 2026[3]:** Showcasing examples of companies utilising AI. Upcoming launch of a national library of AI success cases
1.B Expand on government-funded advisory services: • Expand reach of free access to AI specialist service with expertise and guidance on how SMEs can implement AI • Improve targeting of underserved groups with on-the-ground-advisory and support (e.g., SMEs in regional areas)	**Australian Small Business Advisory Services - Digital Solutions[4]:** Grant available for service providers to deliver low cost, high quality advisory services to help SMEs adopt digital tools, including "AI and emerging technologies"	**France | AI Boost Program[2]:** Combines advisory services with financial incentives to support SME early exploration of AI adoption
1.C Expand NAIC into a comprehensive AI adoption entry point for SMEs: • Enhance existing AI adoption resources based on SME needs (e.g., adding more granular data to AI vendor directory) • Include additional AI adoption resources (e.g., industry-specific guidance, consolidated grant information)	**NAIC Resources[5]:** NAIC provides resources, including high-level and cross-industry governance guidance, AI impact measurement framework, AI ecosystem reports, AI vendor directory, and AI industry connections forums and events	**Singapore | SME Go Digital Programme[6]:** One-stop platform helping SMEs find solutions that address specific business challenges, identify solutions and provide grants for purchasing pre-approved digital solutions Provides complimentary Industry Digital Plans (IDPs) with step-by-step guidance and case studies

Sources: 1. NAIC - Guidance for AI Adoption (2025); 2. OECD - AI Adoption by Small and Medium-sized Enterprises (2025); 3. Business Finland - Launch of AI in Finnish Business 2026; 4. Australian Government - Australian Small Business Advisory Services Digital Solutions (2025); 5. NAIC website; 6. IMDA - SMEs Go Digital Programme

Uplifting Workforce Skills & Capability

Potential actions to support SMEs

Roadblock: Workforce Skills

Situation:
SMEs have limited workforce readiness and AI literacy across roles and management levels due to insufficient internal training capacity, knowledge, access to external training, and lack of formal recognition of employer-led AI training.

Why it's crucial to address:
- Uplifting SME workforce AI literacy is critical to ensure employees have the practical skills needed to use and extract value from the solutions
- Improving AI capabilities ensures SMEs remain competitive in an AI-enabled environment
- SMEs are typically capacity-constrained and need strong government support

Recommended actions	Example existing policies and government guidance	International examples
3.A Scale up availability and improve formal recognition of AI micro-credential courses: • Expand subsidised scholarships from initial AI literacy to practical and job-specific (e.g., owner, managers, frontline roles) • Integrate employer-led AI trainings into the formal qualification framework for recognised accreditation	**Free AI Skills Training Micro-credentials[1]:** NAIC in partnership with TAFE NSW offering 1 million fully subsidised scholarships for an online AI introductory microskill course. Part of "Spreading the benefits" in the National AI Plan	**Ireland - The Micro-Credential Course Learner Subsidy[2]:** Introduced a subsidy up to 80% for courses in key areas (incl. AI) as part of a broader 5-year program, aiming to meet the skills for the future **WEF - AI Upskilling[3]:** Stresses that governments must act promptly to scale talent programmes and AI upskilling
3.B Provide targeted support for AI skills uplift in underserved segments: • Facilitate access to high-quality trainings, targeting underserved segments (e.g., low-margin sectors and SMEs in regional areas)	**Good Things Australia - Digital Sisters: AI for Good[4]:** Partnership between Good Things Foundation, Telstra and Microsoft to enhance AI literacy across diverse and underserved communities, delivered through 10 community based virtual AI literacy hubs	**United Kingdom - AI Upskilling Fund[5]:** Pilot scheme to subsidise up to 50% of the cost of AI skills training and other upskilling activities
3.C Invest in upskilling educators with AI-relevant skills: • Invest in AI capability uplift for VET educators and TAFE trainers through the FSO Accelerator[4] • Continue to identify and address AI-skills gaps through Jobs and Skills Council (JSA) and Future Skills Organisation[4]	**National Skills Agreement[4]:** Ensures the national VET sector provides high-quality, responsive and accessible education/training **FSO Skills Accelerator[4]:** Aims to mobilise the VET system to upskill teachers and trainers **Next Generation Graduates Program[4]:** Industry-linked postgraduate scholarships	**South Korea - AI for All: Strategy for Cultivating Artificial Intelligence Talent[6]:** National education agenda to support AI education across all life stages to nurture future talent **United Kingdom - Generative AI in Education[7]:** National guidance to support use of AI in education

Sources: 1. Australian Government - Future-ready workforce: One million Aussies to get free AI skills training (2025); 2. Ireland Government - Minister Harris announces funding of €9.7 million to subsidise micro-cred courses for almost 14,000 learners (2025); 3. WEF - AI is changing work — the time is now for strategic upskilling (2025); 4. Australian Government - National AI Plan; 5. OECD - AI Upskilling Fund; 6. Korea Ministry of Education - AI for All: Strategy for Cultivating Artificial Intelligence Talent (2025); 7. UK Government - Generative artificial intelligence (AI) in education (2025)

Improving SME Technical Readiness

Potential actions to support SMEs

Roadblock: Technical Readiness

Situation:
SMEs lack the required data structures and systems to fully adopt AI across value chains with limited in-house expertise and confidence to address it.

Why it's crucial to address:
- Increasing SMEs technical readiness is the foundation to enable repeatable and complex deployment of AI use-cases
- SMEs are less burdened by legacy systems compared to Enterprises, but still require government support to address capacity constraints and access the right expertise

Recommended actions	Example existing policies and government guidance	International examples
4.A Provide practical support models: • Leverage adoption centres and advisors to help SMEs deploy without heavy internal capability • Consider subsidising services to deliver the basics in the AI adoption journey, enabling adoption with less internal capabilities (data/process audit, tool selection, pilot design)	**AI Adopt Program[1]:** 4 AI Adopt Centres established through grants, connecting SMEs with AI expertise with free training and advice	**France - Dare to AI[2]:** 4-step for SMEs, including AI maturity rating, AI data diagnostics, mapping to AI solutions and experimentation of the solution supported by a service provider
4.B Provide access to compute capacity: • Enable SMEs to access affordable compute capacity to scale • Reduces barriers to developing more complex use cases with heavy computational power requirements	**Investment into Australia's AI Infrastructure[3]:** Ongoing effort to assess the compute infrastructure landscape for gap identification and guide future investments, current focus on ensuring competitive research infrastructure rather than SME support	**Canada - AI Compute Access Fund[4]:** Subsidised use of high-performance computing facilities for SMEs **Germany - AI Service Centres[5]:** Provides SMEs with access to powerful AI computing infrastructure
4.C Provide access to national data sets: • Consider creating national data set accessible to SMEs to support AI implementation • Enables SMEs to train their own AI models without internal data requirements	**Exploring unlocking data sets[3]:** Government is currently looking into the opportunity of unlocking public and private data sets for pilot AI use cases	**UK - National Data Library[6]:** Exploring providing centralised access to anonymised public datasets **France - Current AI initiative[7]:** Public interest foundation working to expand the availability of public and private datasets

Sources: 1. Australian Government - Free AI training and advice for small to medium businesses (2024); 2. France Government - Dare to AI; 3. Australian Government - National AI Plan; 4. Canada Government - Government of Canada introduces AI Compute Access Fund to support Canadian innovators (2025); 5. Germany Government - The Federal Government's Artificial Intelligence Strategy; 6. UK Government - National Data Library (2025); 7. OECD - AI Adoption by Small and Medium-sized Enterprises (2025)

Appendix

Glossary

Glossary

Definition of key terms and concepts used throughout the report

Terms & Concepts	Definition
SME	SMEs (Small and Medium Enterprises) comprises all businesses with an employee range of 0-199. This encompasses Micro (0-4 employees), Small (5-19 employees) and Medium (20-199 employees). Any business with 200+ employees is considered a “Large Enterprise”
AI Adoption	If not further specified, AI adoption encompasses companies that are currently using AI to any extent (i.e., limited use or broad use). For example, it does not include companies in the process of implementing or intending to implement. AI adoption is measured across two dimensions: • **Extent of Adoption**: how widely AI is deployed across the organisation, from isolated use in individual functions to organisation-wide integration • **Depth of Technology**: how advanced the AI technology in use is, from foundational technologies such as Generative AI to more advanced technologies such as Predictive ML and Agentic AI
Productivity	Unless otherwise stated, productivity is measured as Gross Domestic Product (GDP) contribution. Can be expressed, for example, as per business size segment, per SME or per employee.

Sources: 1. Australian Government - Free AI training and advice for small to medium businesses (2024); 2. France Government - Dare to AI; 3. Australian Government - National AI Plan; 4. Canada Government - Government of Canada introduces AI Compute Access Fund to support Canadian innovators (2025); 5. Germany Government - The Federal Government’s Artificial Intelligence Strategy; 6. UK Government - National Data Library (2025); 7. OECD - AI Adoption by Small and Medium-sized Enterprises (2025)

Tech Council of Australia

employment hero

deputy Google

SME AI
CASE STUDIES
OCTOBER 2026

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Google

Research by

Delwood Advisory

SME Use Cases & Case Studies

Hospitality	Agriculture / Forestry	Construction	Distribution	Healthcare
Payroll Automation	Wildfire Detection	Generative Design	Digital Twins	Clinical Decision Support / Health Assessment
Rostering	Precision Input Optimisation	Site Safety	Demand Forecasting & Sensing	Clinical Documentation
Demand Forecasting & Inventory Management	Yield Prediction	Training & Skill	Route & Logistics Optimisation	Care & Workflow Assistance
Guest Experience	Crop Health Monitoring	Progress Monitoring & Risk Detection	Warehouse Automation	Billing & Claims Automation

Manufacturing	Media	Professional Services	Mining	Retail
Predictive Maintenance	Content Generation	Internal Knowledge Search	Ore Grade / Yield Optimisation	Staff Recruitment
Product Development	Personalised Content Recommendation	Document Generation	AI-driven Exploration	Personalised Customer Experience
Production Planning & Scheduling	Ad Campaign Targeting & Optimisation	External Research & Analysis	Production & Operations Optimisation	Marketing Optimisation
Automated Quality Inspection	Workflow Automation	Administrative Task Automation	Safety Monitoring	Store Operations Planning & Automation

Partner case study | Key Use Case Detailed | + External Case Study Developed

Sources: Multiple secondary sources (detailed in back-up pages); Delwood analysis

SME Case Study

Hospitality

Partner case studies on following pages

	employmenthero	deputy		
	Payroll Automation	**Rostering**	**Demand Forecasting & Inventory Management**	**Guest Experience**
HOW AI IS BEING USED?	AI pulls and compiles the right data and conduct calculations on earnings and deductions. AI also provides enhanced compliance every pay cycle with automated award interpretation, tax and super calculations, and up-to-date regulation checks built into the system.	AI conducts scheduling and timekeeping activities (e.g., create shifts & find replacements, bulk changes, copy rosters, approve timesheets and adjust entries) It can also manage people-related aspects such as manage time-off, update availability and update training records	AI uses historical operational data (e.g., sales, footfalls, average consumption per head) and external signals (e.g., seasonality, weather, local events) to forecast near-term demand. This is then translated into procurement and inventory holding requirements for the staff to action.	AI analyses historical bookings, customer preferences, and behavioural data to help hotel / restaurant operators personalise guest experiences through tailored recommendations, offers and upgrades across platforms and digital channels. AI also helps analyse customer feedback and reviews at scale to help operators identify areas for service improvement.
IMPACT	• ~36 hours/week of admin time saved in payroll/rostering[1] • 3 days to 3 hours change in time required to conduct weekly payroll activity[1]	• 75% less time spent on administration[2] • 30% increase in productivity and performance[2]	• Reduction in food wastage by 30-40%[3] • Prevention of over ordering and stock outs	• Uplift in revenue by 5-8%[4] • Improvement in customer satisfaction • Reduction in cost to serve by 20-30%[4]
AI FUNCTION(S)	• Automated payroll • Real-time compliance • Workload visibility	• Rostering • Insights • Job Descriptions	• Sales forecasting • Predictive analytics • Supply chain optimisation	• Gen AI assistant • Customer support & chatbots • Marketing automation

Sources: 1. Employment Hero Customer Case Studies Library; 2. Deputy AI Case Study; 3. ScienceDirect - Reducing food waste in the HORECA sector using AI-based waste-tracking devices (2025); 4. McKinsey - Next best experience (2025); 5. GeekyAnts - AI Demand Forecasting for Restaurants (2025); Other secondary sources; Delwood analysis

SME Case Study

Hospitality – Payroll Automation

Industry	Hospitality (Tourism, Arts & Culture)	**AI Function**	Automated payroll, real-time compliance, workload visibility
Company	Experience Gold Coast	**AI Type(s)**	AI agents, Chatbot, Natural language processing (NLP)
Key Pain Point	Manual and resource intensive administration		

CONTEXT AND COMPLICATION

- Experience Gold Coast (EGC) was born in 2023 from the merger of five of the Gold Coast's major entities, bringing together **very distinct operations under one roof**
- EGC was, on paper, one organisation but in practice, five separate companies running on **five separate systems**
- There was **no unified HR platform, no integrated payroll** and a **rostering tool that didn't integrate** with other systems
- One of the **key issues was the manual payroll process,** it consumed an entire staff member for three full days every single week
- The IT system landscape was **complex, fragmented and crying out for a single solution**

*"They had a time and attendance system for rostering and another system for HR. They asked me if they should **throw them all in the bin or try to combine them**"*

Andrew Murling, Payroll Manager, Experience Gold Coast

SOLUTION

EGC decided to unify everything in one platform. **EGC's entire operation was moved onto HeroAI**, covering HR, payroll, rostering, clock-in/clock-out, learning and development, performance, benefits and recognition

1. **Smart payroll automation**
   AI-assisted workflows pull in the right data, calculate earnings and deductions, and help finalise pay runs with confidence with increased accuracy and speed than traditional systems.
2. **Real-time compliance**
   AI-enhanced compliance every pay cycle with automated award interpretation, tax and super calculations, and up-to-date regulation checks built into the system.
3. **Improved workforce visibility**
   Real-time visibility over who is doing overtime and why, allowing managers to proactively support wellbeing and manage budgets before problems arise.

IMPACT

~36 hours/week
Of administration time saved across payroll and rostering

3 days to 3 hours
Is the change in time required to conduct weekly payroll activity

~$36K
In annual savings from leveraging HeroAI's rostering functionality

Sources: 1. Employment Hero Customer Case Studies Library

AI Vendor Case Study

Hospitality – Rostering

Industry	Hospitality (also Retail and Healthcare)	**AI Function**	Rostering, Job Descriptions, Insights
Company	Deputy AI	**AI Type(s)**	Gen AI, Agentic AI
Key Pain Point	Inefficiency, compliance risk, employee turnover, and poor visibility		

What Deputy AI Does

Job Descriptions

Create and post a detailed job description in a matter of seconds using AI-assisted generation tools.

Scheduling & Timekeeping

- Create shifts & find replacements
- Bulk changes & copy rosters
- Approve timesheets & adjust entries
- Manage time-off & availability
- Update records

Kudos Insights

Understand top performers and culture drivers with AI-assisted reporting and performance analysis.

Business Impact

75%
less time spent on administration

50%
reduction in employee turnover

30%
increase in productivity and performance

10-30 min
less time generating Job Descriptions

60 min
saved per team roster/schedule built.

Sources: 1. Deputy AI Case Study

SME Use Cases

Agriculture / Forestry

Partner case study on following page

	Wildfire Detection	Precision Input Optimisation	Yield Prediction	Crop Health Monitoring
HOW AI IS BEING USED?	Using AI, FireSat will rapidly compare fresh multispectral infrared imagery on any 5x5 meter spot on earth with previous imagery to spot new ignitions It also performs contextual analysis, combining factors like nearby infrastructure and local weather, to differentiate between real fire threats to harmless anomalies	AI analyses satellite imagery, soil conditions and weather forecasts, and overlays them onto historical crop performance data to determine the optimal amount of fertiliser, irrigation and other inputs required across different parts of the farm. The system generates real-time application recommendations that help farmers apply inputs only where needed.	AI models combine historical yield data with satellite imagery, soil conditions and weather forecasts to estimate expected crop output for the season. These forecasts are used by farmers to plan harvest schedules, manage storage and plan for optimal labour, equipment and supply contracts.	AI continuously analyses satellite imagery, drone footage and field sensor data to track conditions and crop health throughout the growing season. It detects early signs of nutrient deficiencies or disease outbreaks allowing farmers to identify potential issues early and apply targeted treatment before anything escalates or spreads across the field.
IMPACT	• 1/400th the size of early detection satellites can now be detected[1] • Faster emergency response time[1]	• Reduction in water usage by up to 30%[2] • Reduction in fertiliser use	• Improvement in crop yield by 20-30%[3] • Better supply forecasting and production planning	• Reduction in crop losses • Reduction in pesticide use and environmental impact
AI FUNCTION(S)	• Image Matching • Anomaly Detection • Contextual Analysis	• Predictive analytics • Supply chain optimisation	• Sales forecasting • Predictive analytics	• Predictive analytics

Sources: 1. Google Case Studies Library; 2. IJFMR - AI-driven Precision Agriculture (2024); 3. TensorBlue - AI for Agriculture 2025: Precision Farming, Crop Monitoring and Yield Prediction; 4. McKinsey - From Bytes to Bushels (2024); 5. Omdena - AI in agriculture (2026); Other secondary sources; Delwood analysis

AI Vendor Case Study

Forestry – Wildfire Detection

Industry Forestry

Company Google

Key Pain Point Lack of precision and delay in wildfire detection

AI Function Image Matching & Anomaly Detection, Contextual Analysis

AI Type(s) Convolutional Neural Networks (CNNs), Computer Vision

CONTEXT AND COMPLICATION

- **Wildfires are becoming increasingly common** due to hotter and drier climates around the world.
- Until recently, firefighters have had to rely on satellite imagery that's either **low resolution or only updated a few times a day**, making it difficult to detect fires until they've grown larger than a soccer field
- As wildfires have surged and fire budgets not increasing proportionally, agencies are **pressured to identify automation solution**

SOLUTION

- Google **partnered with leading wildfire authorities to launch FireSat**, a new global satellite constellation designed specifically to **detect and track wildfires** the size of a classroom within 20 minutes
- Using AI, FireSat will rapidly compare fresh multispectral infrared imagery on **any 5x5 metre spot on earth with previous imagery** to spot new ignitions
- It also **performs contextual analysis**, combining factors like nearby infrastructure and local weather, to differentiate between real fire threats and harmless anomalies
- This new system is **superior to current bushfire detection systems**, which typically rely on satellite imagery that is either too low in resolution or updated too infrequently to detect fires before they grow to destructive sizes.

IMPACT

Faster response

and more efficient response for firefighters and emergency responders

1/400th

The size of early detection satellites can effectively be detected through FireSat

Sources: 1. Google Case Studies Library; 2. AI Certs – Environmental AI Tech: Google FireSat Boosts Wildfire Detection

SME Use Cases

Construction

	Generative Design	Site Safety	Training & Skill Development	Progress Monitoring & Risk Detection
HOW AI IS BEING USED?	Generative design tools analyse project requirements, site constraints, material needs, costs and regulatory requirements to automatically generate multiple design options. Contractors and architects then evaluate / build on these options to identify layouts that optimise material usage and cost, structural performance and feasibility.	Computer vision models analyse site images, videos and sensor data to monitor construction sites in real-time and detect potential safety risks through indicators such as unsafe worker behaviour, missing protective equipment or hazardous site conditions. This enables supervisors to intervene quickly and prevent accidents and improve compliance on site.	AI-powered training platforms help workers develop skills through personalised learning, simulations and real-time guidance. These systems analyse worker performance and provide targeted training to improve technical skills, safety knowledge and equipment handling ability.	AI analyses site images, drone footage and project data to evaluate project progress and predict potential delays or risks. It compares real-time site conditions against project plans and schedules to identify issues such as incomplete work, missing material or schedule deviations. Project managers receive early warnings which enables them to proactively resolve issues.
IMPACT	• 1/400th the size of early detection satellites can now be detected[1] • Faster emergency response time[1]	• Reduction in water usage by up to 30%[2] • Reduction in fertiliser use	• Improvement in crop yield by 20-30%[3] • Better supply forecasting and production planning	• Reduction in crop losses • Reduction in pesticide use and environmental impact
AI FUNCTION(S)	• Image Matching • Anomaly Detection • Contextual Analysis	• Predictive analytics • Supply chain optimisation	• Sales forecasting • Predictive analytics	• Predictive analytics

Sources: 1. AutoDesk - The Rise of AI in Construction (2026); 2. McKinsey - Delivering on Construction Productivity is no Longer Optional (2024); 3. WEF - 4 Ways AI is Revolutionising the Construction Industry (2023); 4. Deloitte - AI in Construction and Infrastructure; Other secondary sources; Delwood analysis

SME Use Cases

Distribution

External Case study on following page

	Digital Twins	Demand Forecasting & Sensing	Route & Logistics Optimisation	Warehouse Automation
HOW AI IS BEING USED?	AI-powered digital twin models create virtual replicas of warehouses, logistics networks or utility infrastructure using asset information, operational data and sensor inputs. These models simulate different scenarios such as demand fluctuations, network disruptions and capacity constraints allowing operators to test decisions before implementing them.	AI analyses historical sales data, seasonality, weather patterns and external market signals to predict demand across products, locations and time periods. It then continuously updates forecasts using real-time data (e.g., POS data, e-commerce traffic) allowing distributors to quickly adjust procurement, inventory and logistics plans to suit demand changes.	AI analyses delivery schedules, fleet capacity, traffic conditions, and real-time operational data to determine the most efficient delivery plan. It then continuously updates routes as conditions change (e.g., last minute orders, traffic disruptions) allowing operators to optimise fleet, distribution centre and driver utilisation while ensuring timely deliveries.	AI optimises warehouse operations by analysing order patterns, inventory locations and worker activity to improve picking, packing and sorting processes. Further, AI-enabled automation technologies (e.g., intelligent picking systems, automated guided vehicles, smart robots) help streamline repetitive tasks such as inventory counting and defect detection.
IMPACT	• Reduction in logistics costs by 15-30%*[1] • Improvement in infrastructure utilisation	• Reduction in demand forecasting errors by 20-50%[2] • Prevention of over ordering and stock outs	• Reduction in logistics costs • Improvement in delivery times • Improvement in fleet and distribution centre utilisation	• Improvement in operational efficiency and order fulfilment time • Reduction in operational costs
AI FUNCTION(S)	• Predictive analytics • Supply chain optimisation	• Predictive analytics • Sales forecasting	• Predictive analytics • Supply chain optimisation	• Predictive analytics • Supply chain optimisation

Notes: *Assuming the digital twin is used for end-to-end optimisation of the warehouse and logistics network
Sources: 1. Meta Intelligence - Supply Chain and Logistics AI (2025); 2. McKinsey - AI-driven Operations Forecasting in Data-light Environments (2022); 3. McKinsey - Harnessing the Power of AI in Distribution Operations (2024); 4. OneReach.ai - AI Agents in Supply Chain Management: Automating Inventory and Demand Forecasting (2025); Other secondary sources; Delwood analysis

SME Case Study

Distribution - Digital Twins

Industry Distribution (utilities)

Company Neara

Key Pain Point Increasing costs

AI Function Digital twin modelling, Grid resilience simulation, Risk detection & prioritisation, Planning optimisation

AI Type(s) Physics-based AI model, Predictive ML risk model, Geospatial analytics tool, Digital twin simulator, Planning optimisation tool

	Network Data Ingestion	Digital Twin Creation	Risk Simulation	Risk Detection	Maintenance Planning
WHAT THE AI DOES?	Physics-based AI model ingests infrastructure data such as poles, conductors, vegetation, terrain and weather data	Geospatial analytics tool processes the data and enables Neara's digital twin simulator builds a physics-based digital twin of the entire electricity network	Predictive ML risk model simulates potential weather events, vegetation growth and equipment stress	Predictive ML risk model identifies infrastructure components most likely to fail	Planning optimisation tool helps prioritise inspections, repairs and upgrades based on output

IMPACT

Millions
saved in infrastructure inspection and maintenance costs

Minutes
is all it takes to model electricity networks vs. months

Improved
grid resilience and outage prevention

Sources: 1. Neara; 2. AusTrade - Australian Digital Twin Technology Helps Utilities to Better Manage Assets (19th March, 2026); Delwood analysis

SME Use Cases

Healthcare

	Partner case study on following page	*External Case study on following page*		
	Google **Clinical Decision Support / Health Assessment**	**Clinical Documentation**	**Care & Workflow Assistance**	**Billing & Claims Automation**
HOW AI IS BEING USED?	AI interprets unstructured, inconsistent (and often handwritten) vet records, helping identify conditions, streamline insurance claims, and offer more transparent pricing Instead of a human agent reading 100 pages of notes, the AI ingests the unstructured data and organises it chronologically	AI tools capture and transcribe consultations and automatically convert them into structured clinical notes. The tools integrate with the internal systems to generate summaries, update patient files and suggest medical coding. This reduces time spent by clinicians on documentation after their appointments and streamlines record-keeping.	AI supports day-to-day operational workflows by helping triage patient messages, schedule follow-up consultations, manage referrals and prioritise clinician tasks. Automating routine tasks particularly helps smaller healthcare providers manage patient demand with limited resources.	AI tools extract billable services from clinical documentation and generate insurance claims which are then validated against payer requirements before submission. This reduces the manual and repetitive effort involved in billing, while also improving claim accuracy.
IMPACT	• 3h to minutes improvement in time needed to review records[1] • 95%+ accuracy in veterinary coding[1]	• Reduction in documentation tasks by ~40%[2] • Improvement in clinician satisfaction	• Improvement in clinician wellbeing and effectiveness • Reduction in administrative workload	• Reduction in administrative workload by ~30%[3] • Improvement in billing and claims accuracy
AI FUNCTION(S)	• Predictive analytics • Document processing • Automated claims & triage	• Gen AI assistant • Data entry & document processing	• Gen AI assistance • Customer support & chatbots • Predictive analytics	• Predictive analytics • Data entry & document processing

Sources: 1. Google Case Studies Library; 2. Business Insider - Omega Healthcare Survey (2025); 3. McKinsey - Reimagining Healthcare Industry Service Operations in the Age of AI (2024); 3. Deloitte Insights - Smart Use of AI in Healthcare (2020); 4. Deloitte - How AI Can Help Hospitals Strengthen Their Financial Performance and Reduce Clinician Burnout (2024); 5. McKinsey - Transforming Healthcare with AI (2020); Other secondary sources; Delwood analysis

AI Vendor Case Study

Healthcare – Health Assessment

Industry Healthcare (Pet insurance)

Company Google and Fetch

Key Pain Point Lack of upfront insurance coverage certainty

AI Function Predictive analytics, document processing, automated claims & triage

AI Type(s) AI agent, Large language model (LLM), Natural language processing (NLP)

CONTEXT AND COMPLICATION

- For many Australian pet owners, **the true cost of veterinary care** is a shock that comes too late
- Advanced treatments for accidents or illnesses often exceed $10,000, a financial blow that is **unmanageable for the 85% of Australians** currently without pet insurance
- Even for those with coverage, the industry standard often involves a "pre-existing condition" trap, **as most insurers only review a pet's medical history after a claim is filed**, meaning an owner could pay premiums for years only to have a life-saving treatment denied when they need it most

SOLUTION

To combat this, the pet health and data company Fetch set out to simplify insurance by **eliminating waiting periods, pre-existing condition confusion, and complex paperwork** – putting everything in one easy-to-use app

- Fetch uses AI to **interpret unstructured, inconsistent (and often handwritten) vet records**, identifying conditions, streamline claims, and offer more transparent pricing
- Instead of a human agent reading 100 pages of notes, the AI ingests the unstructured data and **organises it chronologically**
- With a team made up of vets, vet nurses, and developers, the company **balances deep medical expertise with cutting-edge tech**
- Built entirely on Google Cloud, the company continues to work closely with **Google as it expands its vision to become a full-service pet health platform**, and continues to scale internationally

IMPACT

3h to minutes

Is the improvement in time needed to review records

95%+

Accuracy in veterinary coding

Sources: 1. Google Case Studies Library

SME Case Study

Healthcare - Clinical Documentation

Industry Healthcare (veterinary clinics)

Company Heidi Health

Key Pain Point High workload and burnout

AI Function Real-time transcription, Clinical documentation

AI Type(s) AI agent, Large language model (LLM), Speech recognition tool, Natural language processing (NLP)

WHAT THE AI DOES?

Transcription	Synthesis	Document Generation	System Update	Clinician Review
Speech recognition tool listens in on the consultation between the veterinarian and pet owner and generates a transcript in real-time	NLP-based medical model extracts key clinical details such as symptoms, diagnoses and treatment recommendation from the transcript	LLM develops a structured summary of the key clinical details	AI agent updates the patient records within the veterinary practice management system	The clinician reviews and approves the summary and system updates

IMPACT

~58%
reduction in documentation linked stress levels

~1hr / day
of time saved per clinician

140+
clinics with technology fully deployed

Sources: 1. Heidi Website; 2. The Australian - Heidi Health Targets Petcare with AI Platform in Greencross Vet Clinics (9th Sep, 2025); 3. MongoDB - Heidi's AI Scribe Scales to 81M Clinical Consultations with MongoDB (21st Jan, 2026); Delwood analysis

SME Use Cases

Manufacturing

	Predictive Maintenance	Product Development	Production Planning & Scheduling	Automated Quality Inspection
HOW AI IS BEING USED?	AI models review historical maintenance records, sensor data and operational parameters to schedule maintenance in a proactive manner and detect patterns that indicate potential equipment failures. This allows manufacturers to minimise unexpected downtime while optimising maintenance hours and spare parts usage.	AI analyses product usage data, customer feedback, market trends and historical engineering designs to support faster product development. Generative design tools can automatically generate and test multiple design options based on performance, cost and manufacturing considerations, post which engineers can develop physical prototypes.	AI analyses order demand, production capacity, machine availability, inventory levels and workforce schedules to develop optimal production plans. It then dynamically adjusts the production plans as conditions change (e.g., machine downtime, procurement delays) to maximise throughput and minimise idle time.	Computer vision models analyse images and video from production line cameras to detect inconsistencies and defects in manufactured products. The inspection is done real-time which allows manufacturers to remove faulty products early and identify root causes in production processes.
IMPACT	• Improvement in equipment productivity by ~25%[1] • Reduction in machinery breakdowns by ~70%[1]	• Reduction in product development time • Lower prototyping costs • Reduction in time to market	• Improvement in manufacturing throughput • Improvement in capacity utilisation and efficiency	• Reduction in product defects by 90-95%[2] • Reduction in inspection costs
AI FUNCTION(S)	• Predictive analytics	• Predictive analytics • Gen AI assistant	• Predictive analytics • Supply chain optimisation	• Predictive analytics

Sources: 1. Deloitte Analytics Institute - Predictive Maintenance; 2. McKinsey - AI in Manufacturing; 3. McKinsey - Adopting AI at Speed and Scale (2024); 4. McKinsey - From Pilots to Performance: How COOs Can Scale AI in Manufacturing (2025); 5. BCG - Charting AI's Successful Course in Predictive Maintenance (2023); Other secondary sources; Delwood analysis

SME Use Cases

Media

	Content Generation	Personalised Content Recommendation	Ad Campaign Targeting & Optimisation	Workflow Automation
HOW AI IS BEING USED?	AI generates written, audio and video content based on prompts leveraging historical content and brand guidelines. It can create or improve news articles, social media posts, marketing copy and videos. It can also suggest headlines, formats and creative options. This enables small media teams to produce significantly more content.	AI analyses user behaviour (e.g., daily usage time, genre preferences) and historical engagement data (e.g., clicks, video view time) to recommend personalised content across platforms. It continuously learns from user interactions to refine recommendations and optimise content delivery.	AI analyses potential audience data, past campaign performance and external signals to optimise targeting, creatives and budget allocation across campaigns. It also continuously tests and refines campaigns (e.g., target segment, format) to maximise return on ad spend allowing businesses to deliver more relevant ads while improving monetisation outcomes.	AI automates repetitive content workflow tasks such as transcription, tagging, editing, subtitling and formatting. It can also help with content scheduling and distribution across multiple platforms. This reduces manual effort in post-production and enables content creators to focus on higher-value creative work.
IMPACT	• Reduction in content production time by 30-40%[1] • Increase in content output by up to ~2x[1]	• Improvement in user engagement and retention • Improvement in conversion rates	• Improvement in ad conversion rates • Reduction in cost per acquisition	• Reduction in post-production time by ~50%[1] • Reduction in repetitive tasks
AI FUNCTION(S)	• Gen AI assistant	• Predictive analytics	• Predictive analytics • Marketing automation	• Gen AI assistant

Sources: 1. WorldMetrics - Generative AI in Media Statistics; 2. Alvarez&Marsal - The Transformative Power of Generative AI in the Media & Entertainment Industry (2024); 3. WEF - AI in Media, Entertainment and Sport (2025); 4. IAB - State of Data 2025: AI is on the Brink of Transforming how Advertising Works at its Core (2025); Other secondary sources; Delwood analysis

SME Use Cases

Professional Services

External Case study on following page

	Internal Knowledge Search	Document Generation	External Research & Analysis	Administrative Task Automation
HOW AI IS BEING USED?	AI indexes internal documents (e.g., past reports, emails, proposals, firm policies) and can retrieve relevant information instantly. Users can ask questions in natural language and receive synthesised answers with references to source documents. This reduces reliance on manual search and enables more effective use of the existing knowledge base.	AI generates first drafts of documents such as reports, proposals, contracts and client communications using prompts, external data and internal knowledge. It can also summarise long documents, extract key insights and tailor outputs based on client context or past work allowing professionals to focus on review and refinement.	AI analyses large volumes of external data (e.g., reports, articles, market data) and summarises key insights relevant to specific queries. It can compare sources, identify trends and generate structured outputs to support decision-making. This significantly reduces the time required for research and improves the quality of insights.	AI automates repetitive tasks such as taking meeting notes, drafting emails, scheduling meetings and tracking tasks. It can go as far as summarising conversations, generating action items and assisting with workflow coordination across teams. This allows professionals to focus on higher value answer cracking and client facing work.
IMPACT	• Reduction in time spent on internal research by ~4 hours per week[1] • Better decision quality	• Reduction in time spent on document drafting by ~25%[2] • Improvement in knowledge worker productivity	• Reduction in time spent on research and analysis • Ability to synthesise large volumes of data	• Reduction in workflow coordination time by ~25%[2] • Reduction in repetitive tasks
AI FUNCTION(S)	• Gen AI assistant • Data entry & document processing	• Gen AI assistant • Data entry & document processing	• Gen AI assistant • Predictive analytics	• Gen AI assistant • Data entry & document processing

Sources: 1. Thomson Reuters - Future of Professionals Report (2025); 2. Cornell University - Generative AI Productivity Research; 3. NBER - Generative AI at Work (2023); 4. Thomson Reuters - 2026 AI in Professional Services Report (2026); Other secondary sources; Delwood analysis

SME Case Study

Professional Services - Internal Knowledge Search

Industry Professional Services (search)

Company Synoptix AI

Key Pain Point Lack of support & resources

AI Function Enterprise search, Knowledge assistant, Internal database organisation, Information retrieval automation

AI Type(s) Chatbot, Large language model (LLM), Retrieval augmented generation (RAG) system, Natural language processing (NLP), Semantic embeddings

WHAT THE AI DOES?

Knowledge Ingestion

LLM ingests internal documents, knowledge bases and emails

Knowledge Structuring

Semantic embeddings are used to organise the content with the right relationships established across the different bits

Natural Language Query

Employees use the Chatbot to ask questions in natural language

Context Retrieval

RAG system retrieves relevant internal content and extracts key information

Answer Generation

LLM provides structured answers with clear citations and links for the employee to leverage

IMPACT

30-40%
reduction in time spent searching for information

0.5-1hr / day
saved per employee

Faster
onboarding and internal knowledge transfer

Sources: 1. Synoptix Website; 2. McKinsey - The Social Economy: Unlocking Value and Productivity Through Social Technologies; Delwood analysis

SME Use Cases

Mining

Ore Grade / Yield Optimisation

HOW AI IS BEING USED?

AI models combine historical production data with geological data, drilling results and satellite imagery to predict ore grade and optimise extraction strategies.

These models continuously update predictions as new data is collected, enabling operators to prioritise high-value zones, optimise blasting and processing parameters and maximise recovery rates.

IMPACT

- Improvement in recovery rate and yield by 5-15%[1]
- Improvement in resource utilisation

AI FUNCTION(S)

- Predictive analytics
- Supply chain optimisation

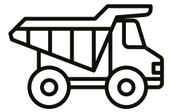
AI-driven Exploration

AI analyses geological surveys, geophysical data and historical exploration records to identify high probability mineral deposits.

ML models can detect patterns that are not visible through traditional methods which helps geologists prioritise drilling locations and reduce time spent on low probability sites.

- Reduction in exploration costs by 20-40%[2]
- Increased mineral discovery rate

- Predictive analytics



Production & Operations Optimisation

AI analyses real-time operational data from equipment, processing plants and logistics systems to optimise throughput, prevent bottlenecks and improve asset utilisation.

It dynamically adjusts production schedules, processing parameters and fleet coordination to respond to changing conditions across the mining operation.

- Improvement in productivity by 10-20%[2]
- Reduction in operating costs by 5-10%[2]

- Predictive analytics
- Supply chain optimisation

Safety Monitoring

AI systems enabled by computer vision and sensors monitor worker activity, equipment movement and environmental conditions (e.g., gas levels, proximity risks) in real-time.

It identifies unsafe behaviours and hazardous conditions which in turn trigger alerts or interventions to prevent safety incidents.

- Reduction in safety incidents
- Improvement in safety compliance

- Predictive analytics

Sources: 1. Deloitte - AI-enabled Exploration and Optimisation; 2. McKinsey - AI in Mining Operations; 3. WEF - Digital Transformation Initiative (Mining & Metals); 4. ScienceDirect - AI in Ore Grade Prediction; 5. Deloitte - Unlocking the Future of Mining (2025); Other secondary sources; Delwood analysis

SME Use Cases

Retail

Partner case study on following page

	employment hero			
	Staff recruitment	**Personalised Customer Experience**	**Marketing Optimisation**	**Store Operations Planning & Automation**
HOW AI IS BEING USED?	AI performs automatic ranking and shortlist best-fit candidates based on key job requirements It then autonomously screens applicants, conducts phone interviews, matches candidates to potential roles and enables hiring managers to finish the job. AI also helps generate real-time dynamic staff rosters to ensure staffing levels are aligned with expected demand.	AI analyses customer purchase history, preferences and browsing behaviour across channels to deliver personalised product recommendations, targeted offers and tailored shopping experiences. These systems use real-time interactions to continuously optimise recommendations across platforms, mobile apps and stores.	AI tools segment customers, generate marketing content and design / optimise campaigns across channels based on engagement data, customer behaviour and past campaign performance. These tools dynamically adjust targeting, messaging and spend allocation to maximise campaign effectiveness and ROI.	AI analyses in-store data (e.g., foot traffic, transactions, staffing levels) and operational workflows to optimise staff scheduling, inventory management and store processes. It also automates routine tasks such as reporting, stock monitoring and replenishment planning improving overall store efficiency.
IMPACT	• Reduction in hiring cycle time[1] • Reduction in administrative tasks and recruitment costs[1] • Improvement in scheduling efficiency	• Increase in revenue by 5-15%[2] • Higher basket size • Improvement in customer retention and lifetime value	• Reduction in marketing spend by 10-30%[3] • Faster ad time to market • Improvement in campaign ROI	• Reduction in operational costs by 10-20%[2] • Improvement in staff productivity
AI FUNCTION(S)	• Automated applicant screening, interviews, ranking • Predictive analytics	• Predictive analytics • Customer support & chatbots	• Gen AI assistant • Marketing automation	• Predictive analytics

Sources: 1. Employment Hero Customer Case Studies Library; 2. NVIDIA - State of AI in Retail and CPG: 2025 Trends; 3. Deloitte - From Concept to Consumer: Generative AI in Retail; 3. McKinsey - LLM to ROI in Retail (2024); 4. KPMG - AI in Retail: Global Lessons from Strategy to Storefront (2025); 5. Valere - The State of AI in Retail (2025); Other secondary sources; Delwood analysis

SME Case Study

Retail - Staff Recruitment

Industry	Retail (restaurant chain)	**AI Function**	Automated applicant screening, phone interviews and ranking
Company	El Jannah	**AI Type(s)**	AI agents, Chatbot, Natural language processing (NLP) and ML-based scoring model
Key Pain Point	Recruitment at scale		

CONTEXT AND COMPLICATION

- El Jannah is an Australian fresh casual dining / quick service restaurant with **over 2,800 employees across 50+ locations** in NSW & VIC
- In a stage of rapid expansion, serious pressure was put on the **business's ability to hire at scale**
- Growing at a rate of roughly one new restaurant every two weeks, **each new site required 60–80 new team members** to be onboarded before opening day
- As thousands of applications had to be reviewed, **restaurant managers and operators had to use their capacity on recruitment** instead of their operational core responsibilities
- This put the consistency and care that defines **El Jannah's brand at risk**

> *"As we grew to **50 restaurants and more than 2,800 employees**, the scale of hiring began to stretch our restaurant managers and **risk the consistency** we pride ourselves on"*
>
> *Michael Oliverio, Senior HR Business Partner, El Jannah*

SOLUTION

El Jannah partnered with HeroAI to **transform their end-to-end recruitment process**, putting AI to work at every stage: from finding the right candidates, to screening, interviewing, and getting new team members through the door faster than ever.

1. **Intelligent Candidate Sourcing**
   Automatic ranking and shortlisting of best-fit candidates based on key job requirements per role defined by El Jannah
2. **AI-powered interviews**
   HeroAI's Recruitment Agent running first-round interviews end-to-end. The agent generates tailored questions with scoring rubrics with video evidence for hiring managers to review
3. **Seamless Onboarding**
   HeroAI integrates directly into El Jannah's employment platform, meaning there's no switching between systems, no data silos, and no additional tools to manage

IMPACT

45%
faster hiring and onboarding compared to industry competitors

+$0.5M
in savings and benefits projected over the next 12 months

1,000–1,400 hours
of recruitment administration saved annually as El Jannah opens 25 new restaurants and hires more than 1,800 people

Sources: 1. Employment Hero Customer Case Studies Library

Tech Council
of Australia

employment hero

deputy
Google