NAB SME Business Insights

Beyond the Hype: What SMEs Want from AI

SMEs see AI's potential, but confidence will build through practical, low-risk tools that save time, improve decisions and deliver clear business value.

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Key findings

- **AI interest is real, but still cautious and selective.** Around 40% of SMEs are already actively using AI and a further 13% plan to introduce it, but many still need clearer evidence of relevance, value and safety before moving from awareness to trial.
- **Practical examples matter most.** The strongest confidence trigger is seeing AI used in a business like theirs, nominated by 32% of SMEs, ahead of training, adviser guidance or peer learning.
- **SMEs want AI to solve familiar business problems.** The most appealing supports are tangible and low-risk - short courses, tools that analyse business data, guidance on data security, and simple do's and don'ts for getting started.
- **Near-term use cases are practical rather than transformational.** SMEs are most likely to see immediate value in drafting or improving marketing content (23%) and analysing revenue, costs or cash flow (18%), while higher-stakes applications attract much lower support.
- **Adoption will be sector-led, not uniform.** Retail, wholesale and property services show stronger interest in customer-facing and commercial use cases, while operational sectors such as manufacturing, construction and transport & storage may need clearer workflow-specific examples.
- **AI is being framed as a productivity tool, not a people replacement.** More than half of SMEs expect AI to help them run more efficiently or scale without adding many more staff, while only 12% expect it to change the types of roles and skills needed.
- **The next phase of adoption depends on trust and proof.** SMEs are more likely to engage where AI is positioned around clear business outcomes, visible productivity gains and practical reassurance on data privacy and risk.

Introduction

Previous NAB research provided a clear snapshot of how AI adoption among Australian SMEs varies across industries, revealing a business landscape almost evenly split between current users and non-users, with a significant minority preparing to adopt. Overall, around 40% of SMEs report currently actively using AI, with a further 13% planning to introduce it. This balanced distribution reflects an economy in transition. AI is gaining momentum, but some SMEs remain uncertain about its value, readiness or applicability, with uptake uneven and strongly shaped by industry-specific factors.

This report builds on that adoption snapshot by shifting the focus from whether SMEs are using AI to what would make it more relevant, trusted and practical in day-to-day business use. It offers a more forward-looking view of SME readiness by identifying what would encourage businesses to trial AI, where they see the clearest near-term opportunities, and what support may be needed to accelerate future uptake.

By anchoring the questions in near-term business decisions and processes, the survey identifies where AI may deliver practical benefits and where SMEs may need more guidance or support. Together, the responses provide a clearer picture of the barriers still holding firms back and the opportunities most likely to shape future adoption.

The first step is understanding what would give SMEs enough confidence to move from awareness of AI to practical trial and use.

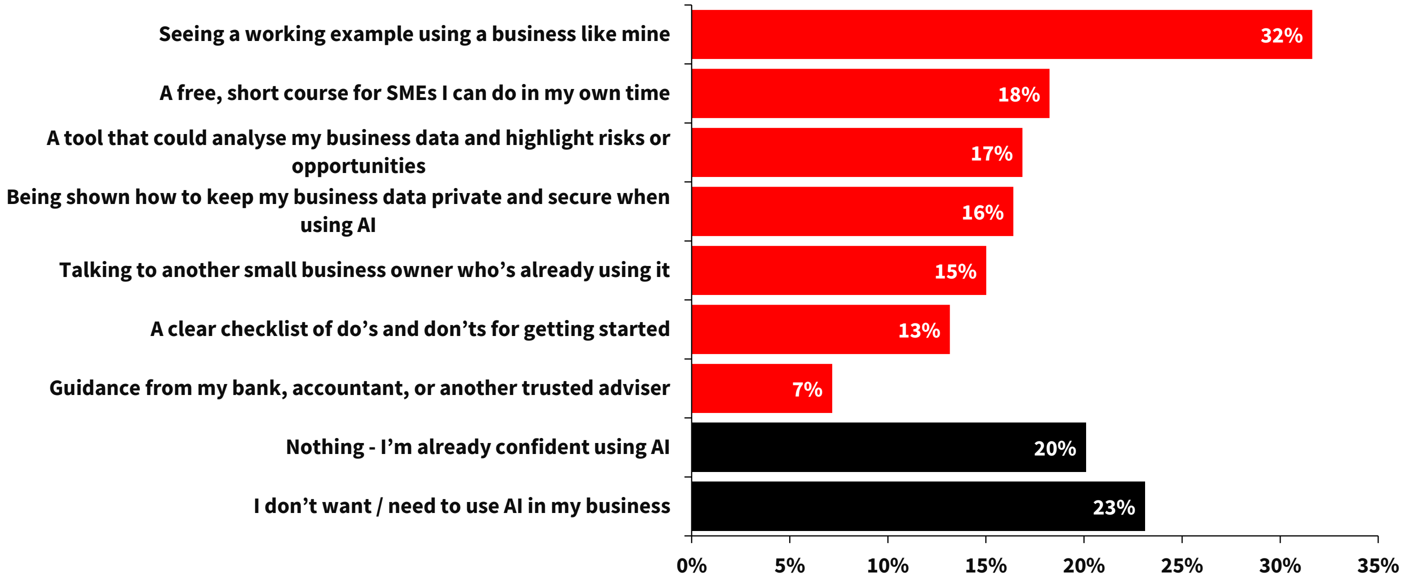
What Would Give SMEs More Confidence to Use AI

For SMEs yet to fully embrace AI, confidence is most likely to build through practical examples that show how it can work in businesses like their own. The results suggest SMEs are looking for proof of relevance and value, not broad messages about AI's potential. The standout response was seeing a working example using a business like theirs, nominated by almost one in three SMEs (32%) and well ahead of all other options. This highlights the importance of making AI tangible. For many SMEs, the issue may be less about resistance to AI and more about understanding where it fits, what problem it solves, and how it can be adopted without adding complexity or risk.

Capability and risk management also matter. Around one in five SMEs said they would be encouraged by a free, short course they could complete in their own time (18%), pointing to demand for simple, flexible learning that fits around business pressures. A broadly similar share wanted a tool that could analyse their business data and highlight risks or opportunities (17%), suggesting AI becomes more compelling when linked to direct business insight. Data security is also a clear confidence barrier, with 16% wanting guidance on how to keep their business data private and secure when using AI.

SMEs are also looking for practical and credible guidance. Some 15% said talking to another small business owner already using AI would help, while 13% wanted a clear checklist of do's and don'ts. Only 7% nominated guidance from their bank, accountant or another trusted adviser, suggesting advisers are not yet the obvious first port of call for AI support. The opportunity is to build credibility through practical tools, case studies and risk guidance tied to business outcomes.

What would encourage you to try AI in your business or feel more confident using AI in your business?



The results also point to a divided market. While one in five SMEs (20%) say they are already confident using AI, a larger share (23%) say they do not want or need to use it in their business.

Overall, the findings suggest the next phase of SME AI adoption will depend on making AI tangible. To shift more businesses from interest to action, support needs to centre on real business examples, simple learning pathways and clear reassurance on data security. The opportunity is to show SMEs how AI can solve familiar business problems in ways that feel relevant, credible and within reach.

Industry responses show very different starting points. Confidence is highest in transport & storage (39%), manufacturing (33%), retail (29%) and construction (28%), compared with 20% across all SMEs. By contrast, confidence is much lower in finance & insurance and property services (4% each), and below average in business services (11%).

Lower confidence does not necessarily mean disengagement, but the support required differs. Property services firms are most likely to want help keeping business data private and secure when using AI (29% vs 16% across all SMEs). Finance & insurance combines very low confidence (4%) with a high "do not want or need AI" response (33%), while business services (34%) and property services (38%) also sit well above the all-SME result of 23%. This points to a greater need to demonstrate relevance and build trust in some knowledge-based sectors.

What would encourage you to try AI in your business or feel more confident using AI in your business?

	All SMEs	MFG	CON	RET	WHL	TS	FI	BS	PS
Seeing a working example using a business like mine	**32%**	14%	18%	9%	18%	21%	29%	13%	17%
A free, short course for SMEs I can do in my own time	**18%**	25%	20%	14%	24%	29%	0%	15%	8%
A tool that could analyse my business data and highlight risks or opportunities	**17%**	35%	32%	37%	28%	29%	21%	28%	29%
Being shown how to keep my business data private and secure when using AI	**16%**	12%	18%	16%	21%	14%	4%	17%	29%
Talking to another small business owner who's already using it	**15%**	18%	10%	7%	21%	7%	25%	9%	17%
A clear checklist of do's and don'ts for getting started	**13%**	8%	6%	11%	7%	4%	8%	6%	4%
Guidance from my bank, accountant, or another trusted adviser	**7%**	18%	18%	18%	18%	7%	17%	8%	8%
Nothing - I'm already confident using AI	**20%**	33%	28%	29%	25%	39%	4%	11%	4%
I don't want / need to use AI in my business	**23%**	12%	17%	17%	15%	11%	33%	34%	38%

LEGEND: MFG: Manufacturing; CON: Construction; RET: Retail; WHL: Wholesale Trade; TS: Transport & Storage; FI: Finance & Insurance Services; BS: Business Services; PS: Property Services

The drivers of adoption also vary materially by industry. A business-data tool that identifies risks or opportunities is especially appealing in retail (37%), manufacturing (35%) and construction (32%), around twice the all-SME result of 17% and above finance & insurance (21%). Wholesale (28%), transport & storage (29%), business services (28%) and property services (29%) are also above average, making data-led insight one of the more consistent prompts across industries.

Training demand is strongest in transport & storage (29%), manufacturing (25%) and wholesale (24%). Peer learning is led by finance & insurance (25%) and wholesale (21%), while working examples are most appealing to finance & insurance (29%) and transport & storage (21%).

Overall, there is no single pathway to lifting SME AI adoption. More confident sectors such as transport & storage, manufacturing, retail and construction may benefit most from practical, data-led tools and sector-specific examples. Finance & insurance, business services and property services appear earlier in the adoption journey, with a greater need to build trust, demonstrate relevance and address data-security concerns.

Having identified what would help SMEs feel more confident using AI, the next question is where that confidence is most likely to translate into immediate business value.

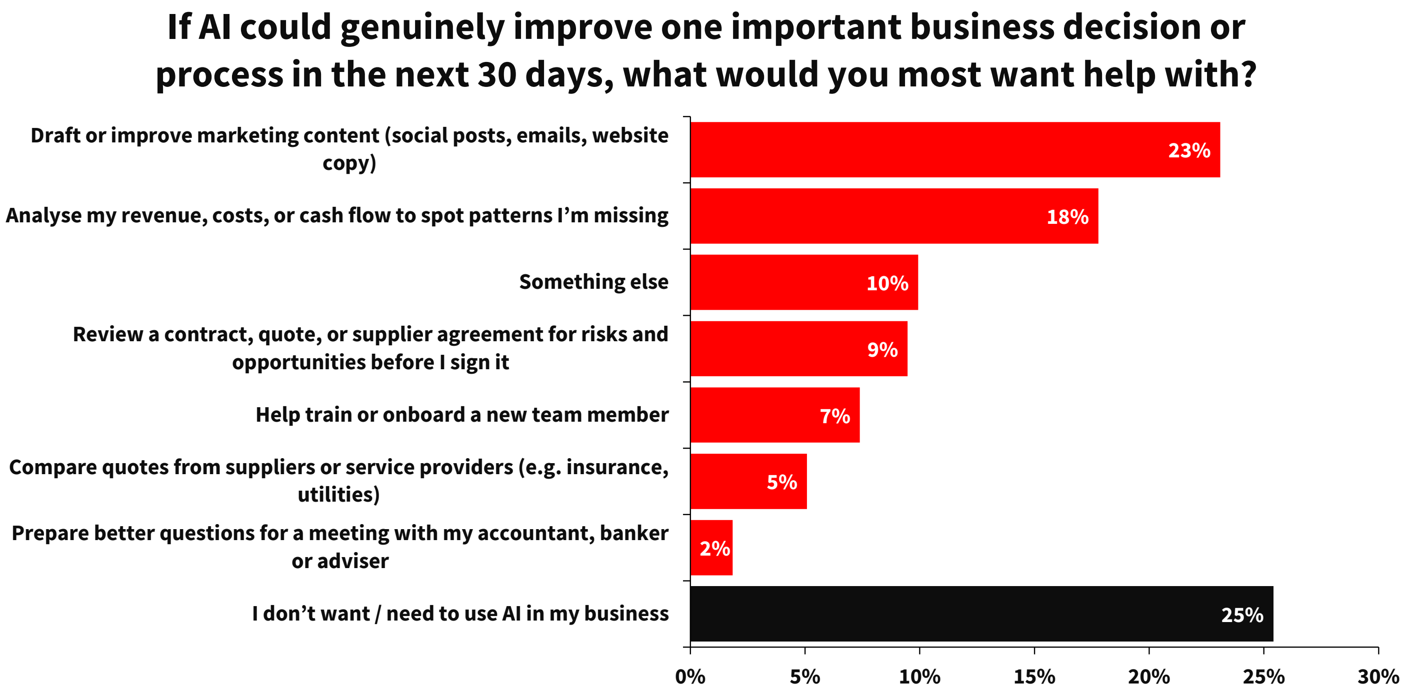
Where AI Help Would Matter Most Right Now

Respondents were asked where AI could deliver the most immediate value if applied to an important business decision or process over the next 30 days. This helps identify which use cases feel most relevant, credible and actionable in the near term.

The results suggest the strongest near-term use cases for AI are practical and productivity-focused, rather than broad or transformational. Interest is strongest in areas where AI can help reduce workload, improve communication or provide clearer insight from information already available within the business.

Caution, however, remains a key feature of the market. The largest single response was from those who do not want or need to use AI in their business, at 25%. For many business owners, the case for AI is still not sufficiently clear or connected to their day-to-day operations.

Where business owners do see value, the focus is highly practical. Almost one in four (23%) would most want AI to help draft or improve marketing content, including social posts, emails or website copy. A further 18% would use AI to analyse revenue, costs or cash flow to identify patterns they may be missing. Together, these two use cases account for more than four in ten SMEs.



The ordering of use cases also highlights the role of trust and control in AI adoption. Marketing content offers a relatively low-risk entry point because outputs can be reviewed, edited and approved by the owner. Financial analysis sits closer to core business performance but still offers a clear and practical benefit if it helps identify cost pressures, cash-flow trends or revenue opportunities earlier.

By contrast, higher-stakes or more judgement-based applications attracted less support. Only 9% nominated reviewing a contract, quote or supplier agreement for risks and opportunities, 7% wanted help training or onboarding a new team member, 5% would use AI to compare supplier or service-provider quotes, and just 2% wanted help preparing better questions for an accountant, banker or adviser. This suggests business owners may be less willing to use AI where outputs carry legal, commercial or relationship risk, or where specialist advice is still valued.

If AI could genuinely improve one important business decision or process for you in the next 30 days, what would you most want help with?

	All SMEs	MFG	CON	RET	WHL	TS	FI	BS	PS
Draft or improve marketing content (social posts, emails, website copy)	**23%**	20%	16%	33%	29%	14%	13%	19%	33%
Analyse my revenue, costs, or cash flow to spot patterns I'm missing	**18%**	8%	17%	1%	10%	18%	4%	9%	8%
Something else	**10%**	2%	11%	4%	4%	4%	38%	21%	17%
Review contract, quote, supplier agreement for risks/opportunities before signing	**9%**	18%	15%	25%	21%	7%	17%	17%	17%
Help train or onboard a new team member	**7%**	2%	0%	3%	1%	7%	8%	0%	0%
Compare quotes from suppliers/service providers (e.g. insurance, utilities)	**5%**	6%	7%	4%	4%	4%	4%	21%	4%
Prepare better questions for meeting with accountant, banker or adviser	**2%**	6%	5%	7%	4%	7%	4%	0%	4%
I don't want / need to use AI in my business	**25%**	39%	29%	24%	25%	39%	13%	13%	17%

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Overall, the findings point to a market where interest in AI is evident, but still selective and cautious. Adoption is likely to build fastest where AI is positioned around specific, measurable business benefits rather than promoted as a general capability. For many business owners, the next step is seeing how AI can save time, improve decisions and add value in the daily running of the business.

Industry responses show AI is not being viewed through a single SME lens. Across all SMEs, 25% said they do not want or need to use AI, but this rises to 39% in both manufacturing and transport & storage and 29% in construction. These more operational or site-based industries appear less likely to see AI as immediately relevant to their core activities. By contrast, finance & insurance and business services recorded much lower resistance, at 13% each, suggesting information-intensive sectors may find it easier to identify practical AI applications.

For customer-facing industries, AI's most obvious appeal is communication and marketing. Retail and property services were the standouts, with 33% in each nominating help to draft or improve social posts, emails or website copy, compared with 23% across all SMEs. Wholesale was also above average at 29%, pointing to a tangible use case where sales activity, promotion and customer engagement are central to performance.

AI is not yet widely seen as a financial diagnostic tool. Around 18% of all SMEs said they would most want AI to analyse revenue, costs or cash flow, but most industries were below this average, including manufacturing (8%), finance & insurance (4%), business services (9%) and property services (8%). Retail was the clear outlier at just 1%, while transport & storage was in line with the SME average at 18%.

Demand for AI as a risk and decision-support tool also varies by industry. Retail businesses were much more likely to want AI to review contracts, quotes or supplier agreements before signing (25% vs 9% across all SMEs), with wholesale also elevated at 21%. Manufacturing, finance & insurance, business services and property services were clustered around 17–18%, while construction was also above average at 15%. These results suggest AI may resonate where it supports practical commercial decisions, such as supplier terms, pricing, stock, distribution or service agreements.

Business services also stood out on quote comparison, with 21% wanting AI to compare suppliers or service providers, well above the all-SME result of 5%.

Overall, sector context matters. Retail and wholesale appear most responsive to customer-facing and commercial use cases, while property services stands out on marketing content and has a below-average "no need" response (17% vs 25% across all SMEs). Finance & insurance and business services show lower outright rejection of AI, but their higher "something else" responses — 38% and 21% respectively versus 10% for all SMEs — suggest demand may be more diverse or less well captured by standard use cases. For manufacturing, construction and transport & storage, the challenge is likely to be translating AI into operationally relevant applications.

These near-term use cases also provide a foundation for understanding how SMEs expect AI to shape their business over the next one to two years.

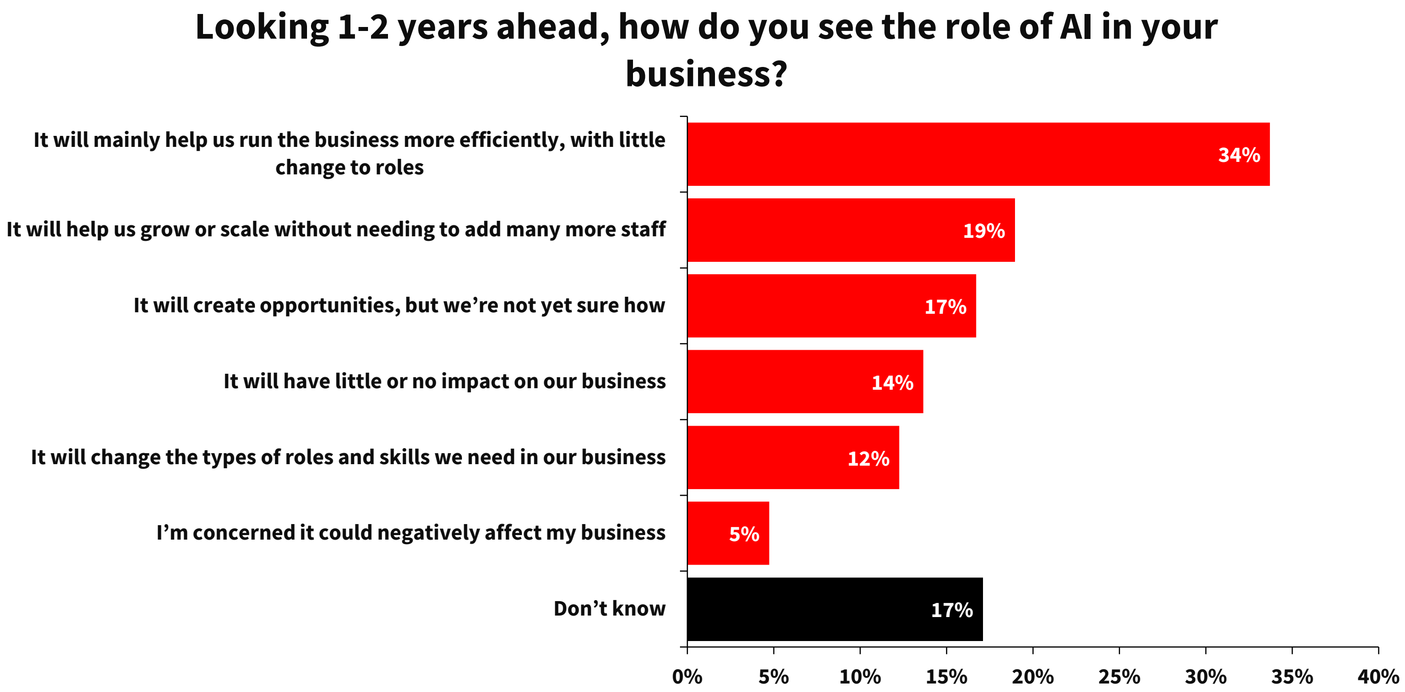
AI Is Emerging as a Practical Business Tool

As AI becomes a more visible part of business operations, the key question is not simply whether firms will use it, but how they expect it to change the way they operate, compete and grow. The responses provide an early read on whether businesses see AI mainly as a practical tool for improving efficiency and scale, a catalyst for new roles and skills, or an area where the opportunity remains real but still uncertain. They also help reveal how far firms have moved from broad interest in AI to a clearer view of where it can create value inside the business.

The results suggest many businesses are viewing AI less as a disruptive force and more as a practical productivity tool. The strongest response was that AI will mainly help firms run more efficiently with little change to roles, selected by 34% of respondents. A further 19% believe AI will help them grow or scale without needing to add many more staff. Together, these responses indicate that over half of businesses see AI primarily as a way to lift output, efficiency or scalability, rather than as a direct replacement for people.

At the same time, the data highlights a meaningful degree of uncertainty. Around 17% say AI will create opportunities but are not yet sure how, while another 17% do not know what role it will play. Only 12% expect AI to change the types of roles and skills required in their business, suggesting workforce transformation is not yet the dominant expectation. Relatively few businesses expect AI to have little or no impact (14%) or are concerned it could negatively affect their business (5%), suggesting outright resistance remains limited.

The findings point to a practical but still incomplete adoption pathway. While 53% of SMEs see AI supporting efficiency or scale, the combined share who either see opportunities but are unsure how (17%) or do not know what role AI will play (17%) shows many firms have not yet translated interest into action. The next step is to identify where AI can remove friction, test small use cases, build staff confidence and measure whether these tools are delivering real productivity gains.



Industry differences again show that AI expectations are far from uniform. Business services is the most efficiency-focused sector, with 38% expecting AI to help run the business more efficiently with little change to roles, compared with 34% across all SMEs and 21% in transport & storage. This suggests sectors built around information flows, administration, client servicing and repeatable processes may already have clearer use cases.

Looking 1-2 years ahead, how do you see the role of AI in your business?

	All SMEs	MFG	CON	RET	WHL	TS	FI	BS	PS
It will mainly help us run the business more efficiently, with little change to roles	**34%**	31%	26%	28%	26%	21%	29%	38%	25%
It will help us grow or scale without needing to add many more staff	**19%**	12%	11%	13%	18%	14%	29%	19%	21%
It will create opportunities, but we're not yet sure how	**17%**	14%	17%	16%	7%	11%	13%	13%	13%
It will have little or no impact on our business	**14%**	12%	11%	17%	13%	18%	0%	4%	8%
It will change the types of roles and skills we need in our business	**12%**	2%	18%	1%	12%	7%	21%	15%	13%
I'm concerned it could negatively affect my business	**5%**	6%	5%	5%	1%	4%	8%	4%	0%
Don't know	**17%**	24%	12%	20%	22%	25%	0%	8%	21%

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Finance & insurance stands out as the sector where AI is most clearly linked to growth and workforce change. Almost one in three firms (29%) expect AI to help them grow or scale without adding many more staff, above the SME average of 19%. It also recorded the highest share expecting AI to change the types of roles and skills needed in the business (21% vs 12% across all SMEs), with no firms saying AI would have little or no impact and none selecting "don't know".

Uncertainty is higher in more operational or asset-intensive sectors. Transport & storage recorded the highest "don't know" response (25%) and the lowest share expecting efficiency gains (21%). Manufacturing was also relatively uncertain (24%) and recorded one of the lowest expectations that AI will change roles and skills (2%). Wholesale trade and retail also show caution, with 22% and 20% respectively unsure about AI's future role.

Construction and property services sit between these positions. Construction was below average on efficiency (26%) and scaling (11%), but above average on expected changes to roles and skills (18%). Property services also shows a mixed profile, with above-average expectations for scaling (21%) alongside relatively high uncertainty (21%).

Overall, AI readiness appears to be shaped by industry structure rather than by a uniform SME-wide shift. Data-rich, service-based or rules-driven sectors are more likely to see tangible applications, while more operational, physical or transaction-based sectors may need clearer examples linked to their day-to-day workflows.

Taken together, the results show how confidence, use-case relevance and industry structure are shaping the path to broader SME adoption of AI.

Conclusion

The findings point to an SME market that is interested in AI, but cautious and selective in how it expects to use it. Confidence is most likely to build when AI is made tangible through examples businesses can recognise, simple learning pathways, clear data-security guidance and tools that demonstrate a direct link to business outcomes.

Near-term demand is strongest where AI can save time, improve communication or sharpen decisions without requiring major change to the business. Marketing content and revenue, cost and cash-flow analysis stand out as the most accessible use cases, while higher-stakes applications such as contract review, supplier comparison and preparing questions for advisers remain more limited. This suggests many SMEs are likely to start with low-friction, measurable applications before extending AI into more complex decisions.

The path to adoption will also be sector-led rather than uniform. Information-intensive and service-based industries appear more likely to identify immediate opportunities, while operational and site-based sectors may need clearer examples linked to day-to-day workflows. For advisers, the opportunity is to build trust by helping SMEs test practical AI applications that reduce perceived risk and deliver visible business value.

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