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Accelerating SMB Growth Through High-performance Infrastructure and AI

A Strategic Roadmap for Modernizing Operations and Driving Competitive Value

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Introduction

The conversation surrounding artificial intelligence (AI) has shifted rapidly from experimental novelty to a fundamental operational mandate, placing small and midsize businesses at a critical juncture. While global enterprises often dominate the headlines, SMBs are uniquely positioned to leverage AI for rapid efficiency gains and competitive differentiation, provided they can navigate the complexities of infrastructure, talent, and strategy without the substantial resource buffers usually enjoyed by their larger counterparts. This eBook is designed to serve as a strategic roadmap for that journey. It moves beyond high-level hype to provide actionable insights into how peer organizations are successfully transitioning from ad hoc pilots to governed, scalable AI deployments that solve real-world business problems.

This report, and the research that underpins it, aims to cut through the noise to examine the actual state of AI adoption through the analysis of empirical data from end users. It provides leaders with intelligence on how their peers are successfully leveraging generative AI (GenAI) and AI agents, the specific use cases they've prioritized, and the tangible benefits being realized today. Further, the research provides guideposts for leaders related to how they need to adjust their mindsets and the challenges they need to prepare to overcome as GenAI and agentic AI approaches the inflection point from early adoption to mainstream enterprise deployment.

HIGHLIGHTED FINDINGS:

High strategic maturity: The era of "shadow AI" is ending, evidenced by the 99% of SMBs that now operate with a formal AI strategy, moving past fragmented experimentation toward coordinated, organization-wide governance.

Hybrid cloud preference: Control and flexibility have become paramount, driving 32% of respondents to choose hybrid cloud as their primary GenAI deployment strategy, balancing on-premises security for sensitive data with the scalability of the public cloud.

Advanced implementation reality: Small businesses are defying the "technology laggard" stereotype, with 22% of organizations already achieving advanced AI implementation across their operations, proving that sophisticated deployment does not require enterprise-scale resources.

Readiness for agentic AI: The market is rapidly preparing for autonomous workflows, with 58% of SMBs already actively engaged with agentic AI, either in production or piloting, signaling a shift from passive tools to active agents capable of independent execution.

Aggressive investment plans: Budgets are shifting from exploration to execution, as 86% of SMBs plan aggressive AI investment over the next 24 months to solve specific business problems rather than chasing vague technological trends.

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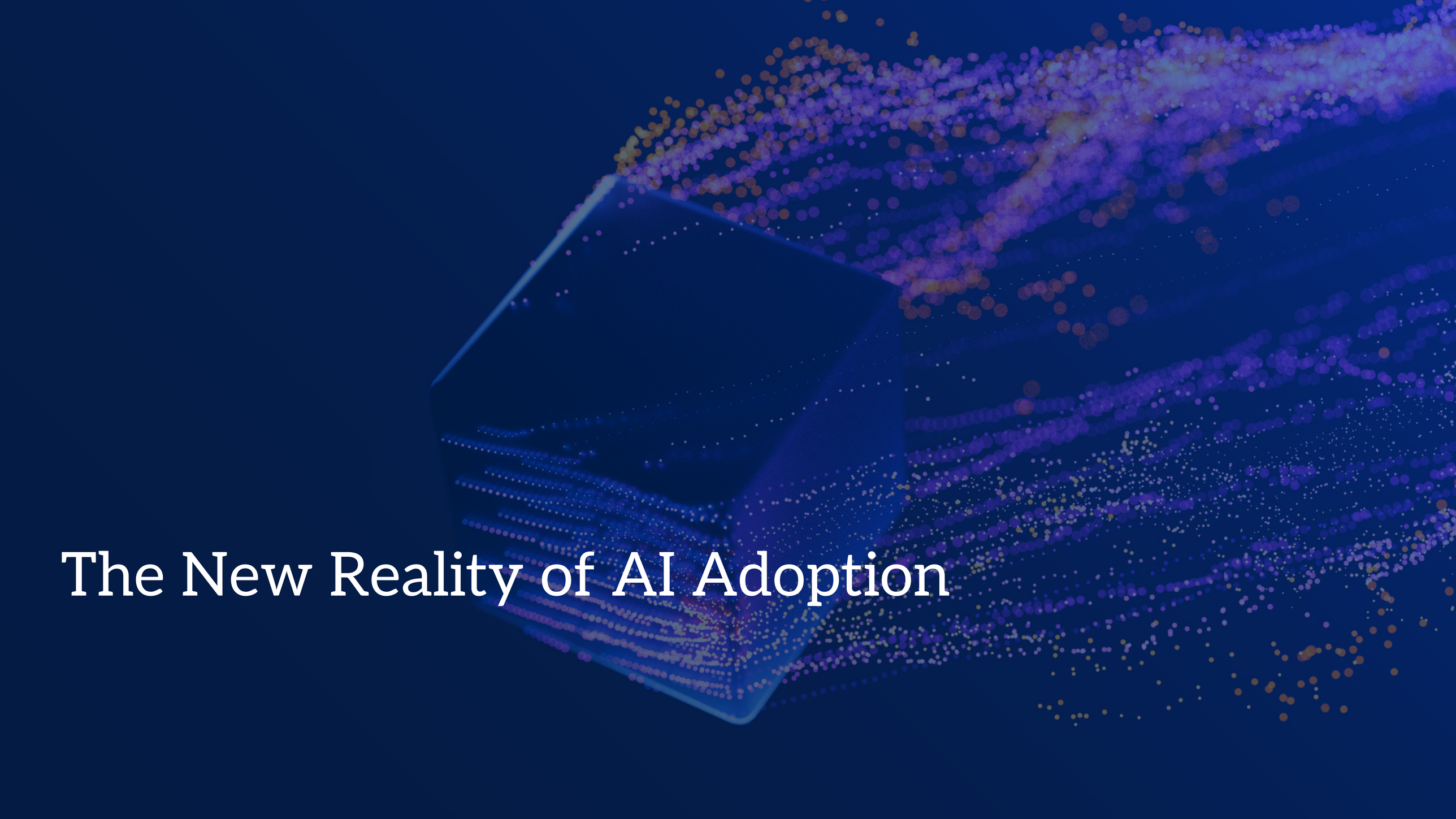

The New Reality of AI Adoption

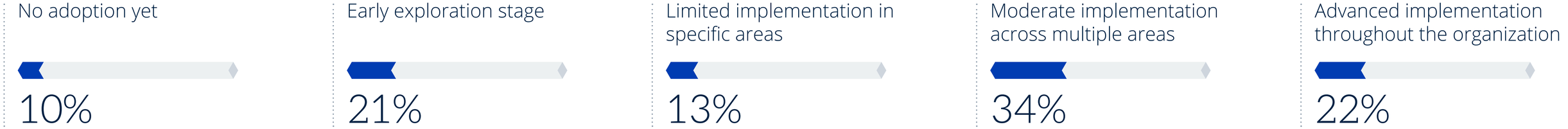
The AI Maturity Benchmark for SMBs

There is a pervasive myth in the technology market that “advanced” AI is the exclusive domain of the Global 2000, the organizations with seemingly bottomless R&D budgets and armies of data scientists. The data, however, tells a different story, revealing that SMBs are punching well above their weight. Our research identifies that 22% of SMBs have already achieved advanced AI implementation throughout their organizations. This statistic serves as a critical wake-up call, proving that sophisticated deployment is no longer a future aspiration but a current competitive baseline.

These are not companies merely running pilot programs or tinkering with generative tools in isolated departments. This 22% cohort has successfully moved AI into production environments, integrating it into core workflows to drive tangible business outcomes. These organizations are leveraging their inherent agility, specifically a lack of bureaucratic red tape and legacy technical debt, to deploy and iterate on AI solutions faster than larger enterprises. For these organizations, AI has moved from an experimental project to a standard operating procedure.

The broader market momentum is perhaps even more telling. When we combine the advanced group with the 34% of SMBs reporting moderate implementation across multiple areas, it becomes clear that 56% of the market has moved beyond exploration. These organizations are actively executing on AI deployment. This creates a dangerous reality for the 21% still in the early exploration stage: They are no longer early, and they are falling behind. The majority of their peers have effectively moved from learning to earning. This creates a new standard where operational intelligence is a requirement rather than a differentiator.

Current Level of AI Adoption in SMBs



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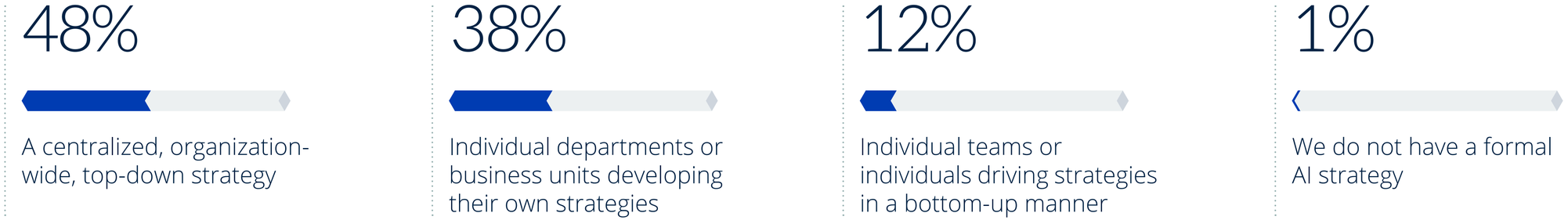
Centralized Organizational AI Strategies Have Overtaken Ad Hoc Adoption

In the early days of GenAI, adoption was often defined by shadow IT, where individual employees used unauthorized tools to expedite tasks. That era is coming to a close for organizations actively pursuing AI. The data reveals a distinct shift in maturity among these businesses. The days of ad hoc experimentation are being replaced by formal governance structures. The fact that only 1% of active adopters lack a formal plan highlights that an AI strategy is now a prerequisite for participation, rather than an afterthought.

The real story here is not just that they have a strategy but how they are organizing it. Nearly half of all respondents (48%) reported having a centralized and organization-wide, top-down strategy. This indicates that, for many SMBs, AI has graduated from an IT project to a core business directive driven by executive leadership to ensure consistency. Another 38% are empowering individual departments to develop their own strategies. This approach allows for agility and specific problem-solving at the business unit level, while still maintaining a formal structure. Only 12% rely on a bottom-up approach driven by individual teams.

This level of organization is the difference between a tech toy and a business asset, with many organizations prioritizing governance and roadmap planning to mitigate risk. SMBs cannot afford regulatory missteps or data leaks without the massive legal teams of large corporations. This focus on formal strategy ensures that every dollar spent on AI aligns with broader organizational goals rather than on creating fragmented pockets of unmanaged technology.

The Organizational Structure of AI Strategy



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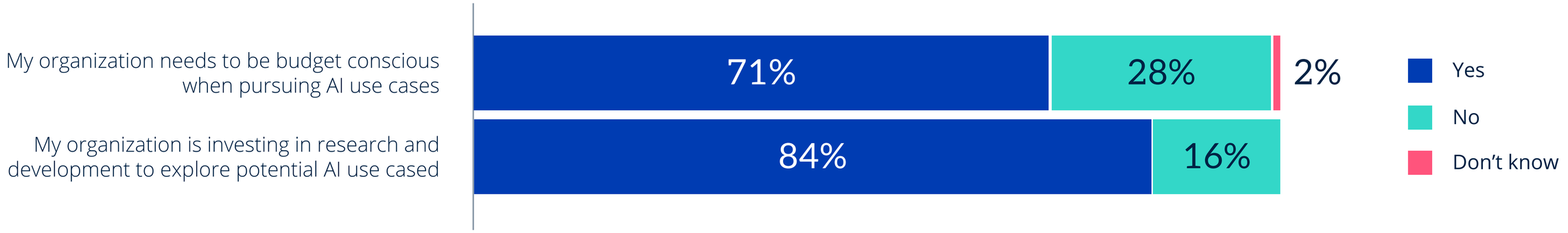
Financial Discipline Is Now a Prerequisite for AI Innovation

The commitment to AI among SMBs is remarkably resilient. Our data reveals that a massive 84% of these organizations are actively investing in research and development to explore new AI use cases. This momentum is set to accelerate, with 86% of SMBs also expecting to increase their budget for pursuing AI initiatives over the next 12 months. This high level of activity confirms that SMB leaders view AI not as a discretionary luxury but as a fundamental driver of operational efficiency and competitive differentiation. The narrative that innovation is solely the domain of large corporations simply does not hold up against the reality of these investment levels.

However, this enthusiasm does not mean organizations are writing blank checks. While the appetite for innovation is strong, 71% of respondents reported the need to be strictly budget-conscious when pursuing these opportunities. SMBs simply don't have the luxury of betting the farm on AI if it might disrupt the primary activities that keep the lights on. In its place is a disciplined approach where financial efficiency is just as important as technical capability. SMBs are not buying into the hype anymore—they are driven by a demand for tangible return on investment. Leaders are willing to spend, but they now demand clear proof of value before any pilot project scales into production.

Funding AI Innovation While Maintaining Budget Controls



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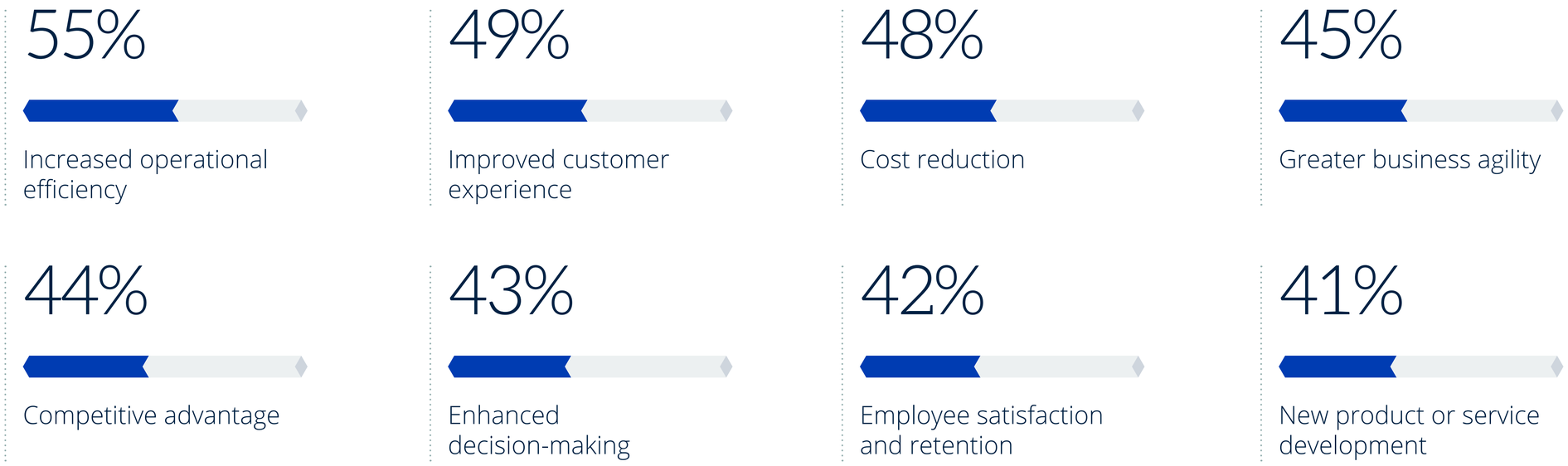
Translating AI Strategy Into Operational Execution

Operational Efficiency Is the Primary Catalyst for AI Adoption

For the majority of SMBs, the immediate value of AI lies in optimizing what they already do rather than reinventing the wheel. With 55% of respondents prioritizing increased operational efficiency, it is clear that leaders are looking to AI to streamline workflows and eliminate bottlenecks. This focus suggests that, for most organizations, AI is not treated as a futuristic experiment but as a practical tool for modernization. The goal is to do more with the same resources, leveraging automation to handle repetitive tasks so that human talent can focus on higher-value work.

However, the data reveals a critical dual mandate. While 48% of organizations are using AI to drive cost reduction, they are placing an even higher priority on growth and engagement, with 49% focused on improving the customer experience. This shows that AI is not being deployed solely as a cost-cutting mechanism. Instead, SMBs are balancing the need for fiscal discipline with the desire to deliver better service. By simultaneously prioritizing greater business agility (45%), these organizations are effectively building a foundation that enables them to pivot faster and respond more effectively to market changes.

Benefits SMBs Prioritized When Implementing AI



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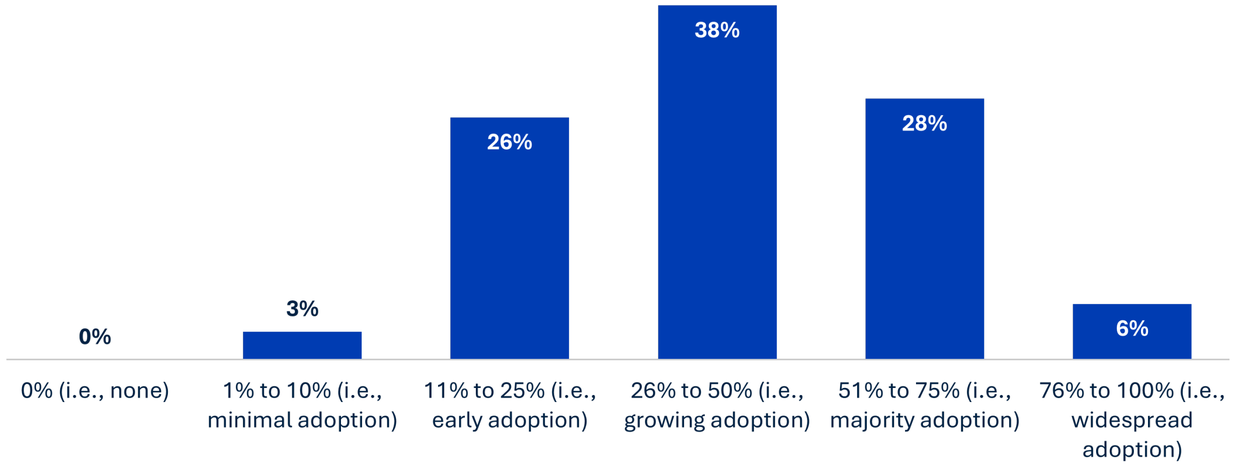
Accelerated Widespread Internal Adoption of AI

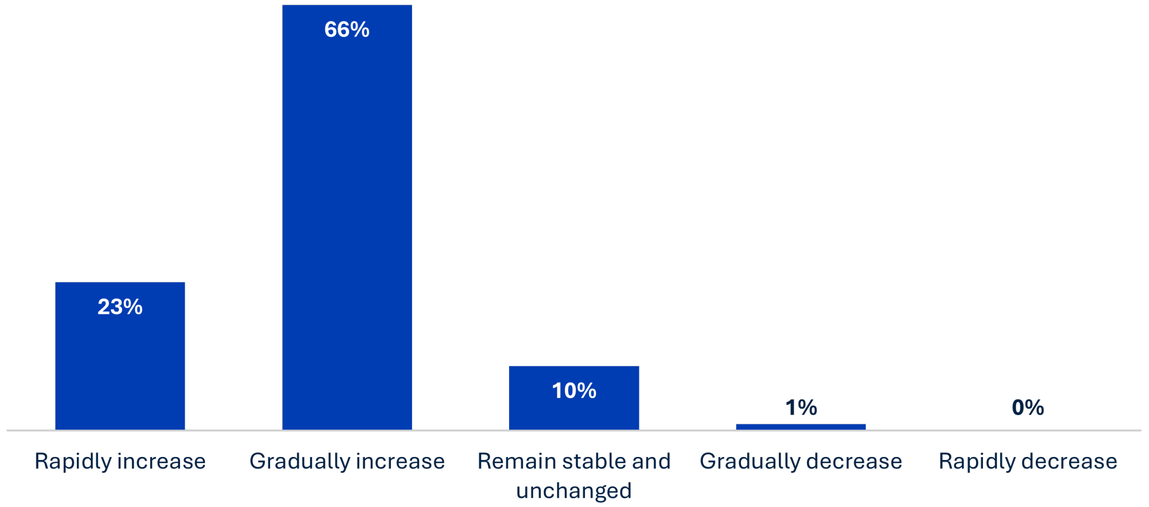
The consumerization of GenAI has dramatically expanded access to these capabilities for the average worker. This increased availability has translated directly into widespread internal adoption across the SMB landscape. Our research shows that usage is extensive rather than isolated. A combined 72% of organizations reported that more than a quarter of their employees are currently leveraging AI to support their daily responsibilities. This confirms that AI has effectively moved from a specialized technical capability to a standard operational utility.

The momentum behind this adoption shows no signs of stalling. An overwhelming 89% of respondents expect AI usage to continue climbing over the next 12 months. However, the pace of this expansion reflects the disciplined approach we identified earlier. The majority of respondents (66%) anticipate a gradual increase rather than a rapid spike. This indicates that leaders are managing growth carefully to ensure that training and governance protocols can keep up with the expanding user base.

AI Usage by Employees Across SMBs



Expected Change in AI Usage by Employees



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Data Analysis and IT Operations Are the Primary Engines of AI Value

The prevailing narrative often paints tools like GenAI as primarily for content generation or creative writing. However, the data reveals a more sophisticated reality where the technology is being deployed for heavy lifting in analytical and technical domains. The two most prominent use cases reported are data analysis and reporting (57%) and IT and security operations (55%). This prioritization indicates that SMBs are leveraging AI to process information and harden their infrastructure rather than just speeding up administrative communication. It suggests there is a maturity in usage, where the goal is to derive deeper insights and maintain operational uptime. Some SMBs are moving into high-stakes territory, like using AI to crunch complex financial forecasts in seconds or monitoring network traffic to stop a ransomware attack before it can lock down the office.

Beyond these technical pillars, the application of AI has spread rapidly across a diverse set of business functions. Nearly half of organizations are using it for research and information gathering (48%), while content creation (43%) and customer service (42%) follow closely behind. Interestingly, while analysis is high, automated decision-making remains the lowest reported use case at 33% of organizations. This aligns with the governance trends we identified earlier and confirms that, while employees trust AI to analyze data and surface insights, they still prefer to keep a human in the loop for the final strategic decisions.

Top Tasks Supported by AI for Daily Responsibilities

- 57% — Data analysis and reporting
- 55% — IT and security operations
- 48% — Research and information gathering
- 43% — Content creation (i.e., writing, editing, etc)
- 42% — Customer service and support
- 39% — Administrative scheduling
- 38% — Self-service technical support
- 37% — Administrative scheduling
- 37% — Translation services
- 36% — Sales support
- 35% — Code development and programming
- 33% — Automated decision-making

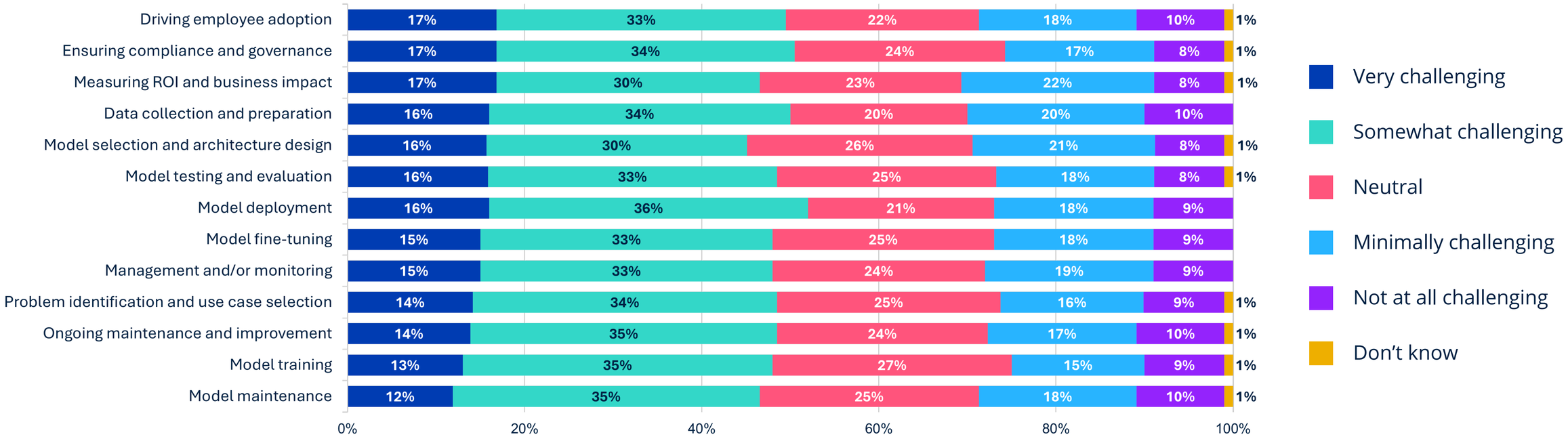
Overcoming the Friction Points of AI Modernization

Operationalizing AI Remains the Hardest Part of the AI Lifecycle

While organizations are eager to innovate, the data confirms that the most difficult phase of the AI lifecycle is simply crossing the finish line. Fifty-two percent of respondents reported that model deployment is a challenge, making it the top friction point SMBs face today. This suggests that the real struggle is not in the ideation or training phases but in the complex operational work required to move a model from a sandbox environment into a live production workflow. For many SMBs, this is where the reality of limited IT bandwidth sets in. Most internal teams are already focused on keeping the core business running, leaving a massive knowledge gap when it comes to the specialized skills needed to manage AI in production.

However, once the technical hurdle of deployment is cleared, organizations immediately run into the "soft" barriers of leadership. Close behind deployment, 51% of respondents struggle with ensuring compliance and governance, and 50% reported difficulty in driving employee adoption. This creates a compound challenge. Leaders find themselves in a tight spot, where they have to solve a high-level engineering problem with a lean staff while simultaneously trying to convince the rest of the workforce that these new tools are safe, reliable, and actually worth their time.

Challenges in the AI Lifecycle



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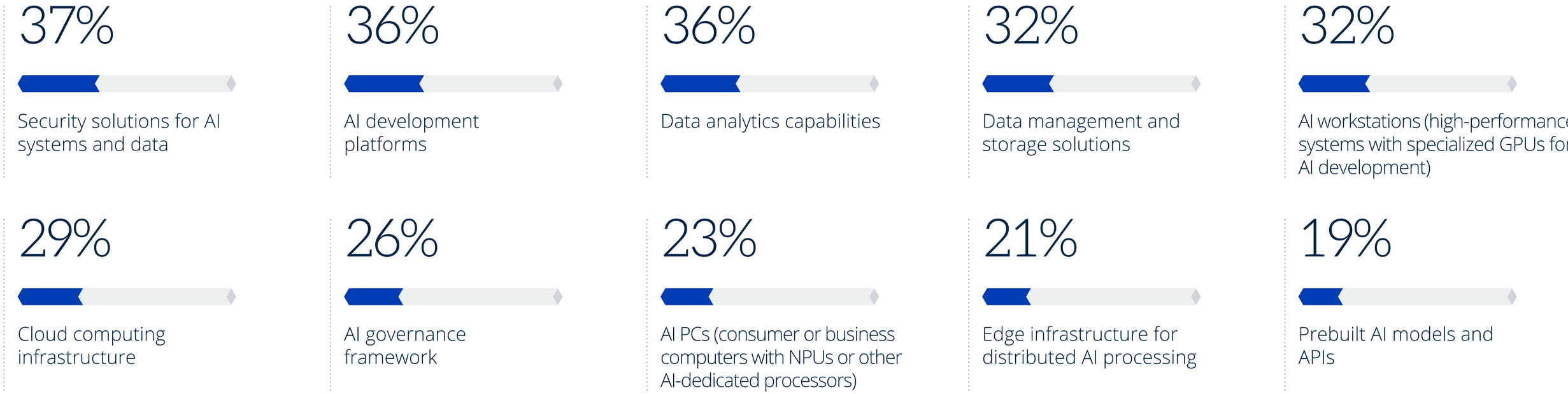
The Need for Security Is Driving a Shift Toward Local AI Compute

While security remains the top technology priority for 37% of SMBs, this demand is directly influencing their entire hardware strategy. We are witnessing the rise of a comprehensive local ecosystem where the AI PC and on-premises server infrastructure work in tandem as critical operational assets. Organizations are moving beyond a "cloud-only" mindset, with respondents stating that their organizations need to invest in high-performance AI workstations (32%) and AI PCs with dedicated NPUs (23%) to establish their AI practice. This shift signals that leaders are looking to bring AI workloads closer to the user, processing data within their own four walls to ensure privacy and reduce latency rather than sending sensitive intellectual property (IP) to the public cloud.

This trend effectively democratizes access to advanced computing power across the organization. By equipping employees with AI-capable hardware and backing them with local server resources, SMBs are putting the tools of innovation directly into the hands of their frontline teams. They are building a hybrid infrastructure where the most intensive data processing might happen on a local server, while the daily inference and application usage happens securely on the client device. The fact that demand for local infrastructure currently outpaces general cloud infrastructure confirms that, for many SMBs, the future of AI is personal, powerful, and local.

Technologies Needed to Best Establish an AI Practice



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AI Is Forcing a Rapid Modernization of End-user Devices

The requirements for running modern AI have triggered a fundamental reset in device strategy. It is now clear that legacy infrastructure cannot support the processing demands of algorithmic workloads. Our research confirms this shift is nearly universal, with a staggering 98% of SMBs reporting that they have increased their hardware requirements for new PCs and laptops to support locally run AI workloads. It's clear that the AI PC is moving from a high-end niche to a standard operational requirement for the broader workforce.

This technical urgency is directly impacting procurement timelines. SMBs are largely ignoring standard depreciation schedules to get these capable devices into the hands of their employees faster. The vast majority of organizations (90%) are refreshing devices earlier than planned. Even more telling is the aggressive pace of this acceleration: Nearly half of all respondents indicated they are advancing their refresh cycles by a full six to twelve months.

The intensity of this investment signals high confidence in the expected return. Roughly a third of these businesses describe the change in their hardware requirements as "significant" rather than just an incremental upgrade. Leaders are making a calculated bet that the immediate cost of new hardware will be outweighed by productivity gains. They recognize that equipping teams with AI-ready devices today is the fastest way to unlock the efficiency and security benefits of local AI processing.

98%

of SMBs have increased their PC and laptop hardware requirements to support locally run AI workloads.

The Impact of AI on Device Refresh Cycles

15%	Accelerating significantly (i.e., refreshing devices more than 12 months earlier than normal)
49%	Accelerating moderately (i.e., refreshing devices six to 12 months earlier than normal)
26%	Accelerating slightly (i.e., refreshing devices less than six months earlier than normal)
5%	Delaying slightly (i.e., extending refresh cycles by less than 6 months)
2%	Delaying moderately (i.e., extending refresh cycles by 6 to 12 months)
0%	Delaying significantly (i.e., extending refresh cycles by more than 12 months)
3%	No change to refresh cycles

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Moving From AI for Acceleration to AI for Autonomy

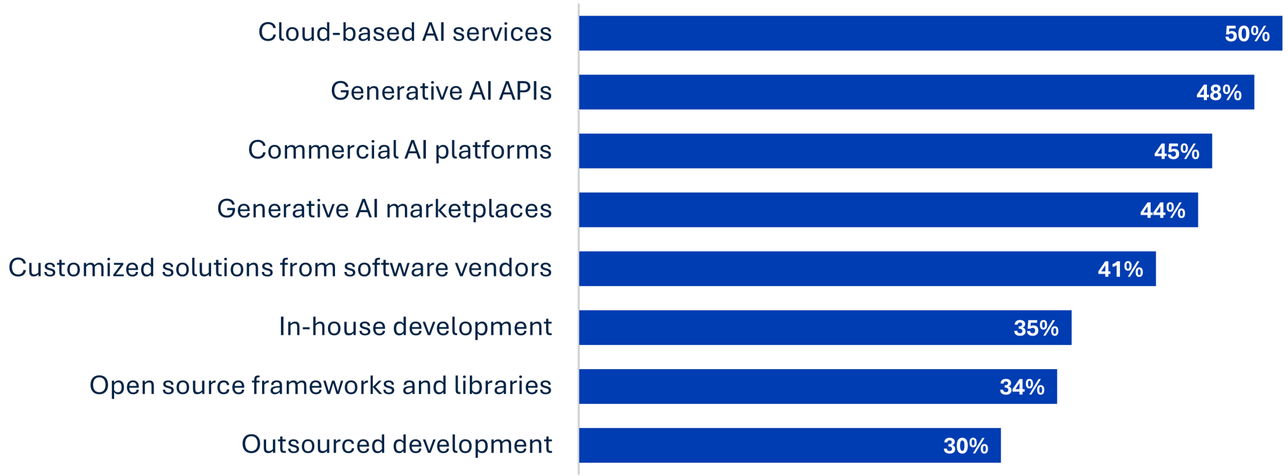
Hybrid Strategies and Private Control Are Defining the GenAI Deployment Standard

The development landscape for GenAI is currently dominated by a heavy reliance on established external providers. When building solutions, SMBs are prioritizing speed and accessibility. Half of all organizations (50%) rely on cloud-based AI services, while 48% leverage GenAI APIs to integrate capabilities directly into their workflows. The heavy usage of commercial platforms (45%) and marketplaces (44%) confirms that few companies are trying to build foundation models from scratch. Instead, they are assembling their AI stacks using best-of-breed components to accelerate time to value while retaining the flexibility to customize solutions from software vendors (41%).

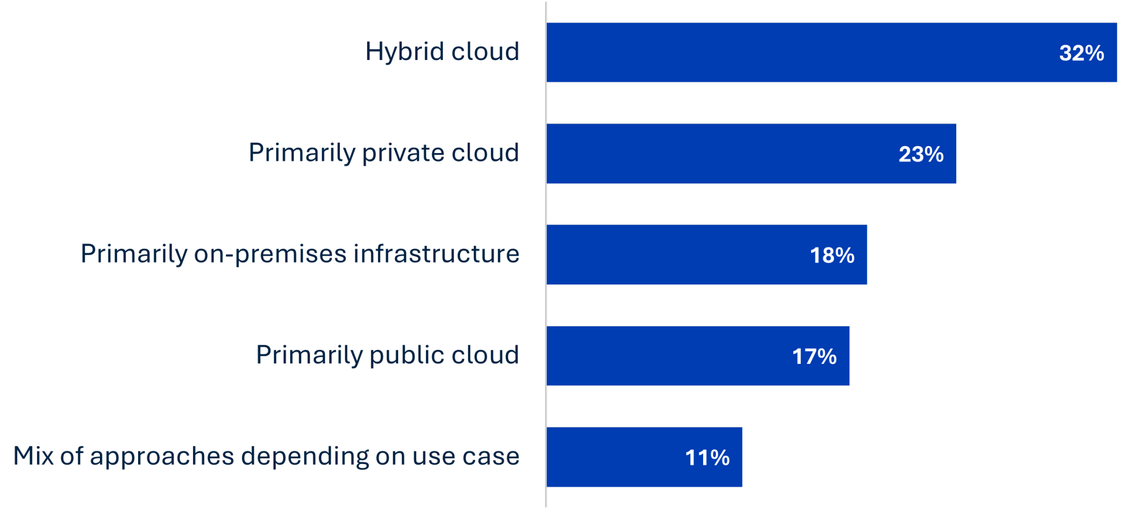
However, how organizations build these tools differs significantly from where they choose to run them. We are witnessing a decisive shift away from a purely public cloud model. Only 17% of respondents stated their primary deployment strategy is the public cloud. In contrast, the market is gravitating toward control and flexibility. The top strategy is now hybrid cloud (32%), followed by primarily private cloud (23%) and on-premises infrastructure (18%). This distribution reveals that, while SMBs are happy to develop in the cloud, they prefer to keep their production workloads in environments where they have greater oversight over the infrastructure and data residency.

There is a near-universal consensus that, as initiatives mature, the need for control will only increase. Eighty-nine percent of respondents agreed that they will require more private or on-premises infrastructure to ensure their compliance, privacy, and cost predictability requirements are met. This concept of greater control suggests that the future of GenAI is not centralized in the public hyperscalers but instead distributed, secure, and increasingly brought in-house to satisfy ongoing governance and compliance mandates.

Approaches to Building GenAI Solutions



Primary Deployment Strategies for GenAI Solutions



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The Rise of Agentic AI

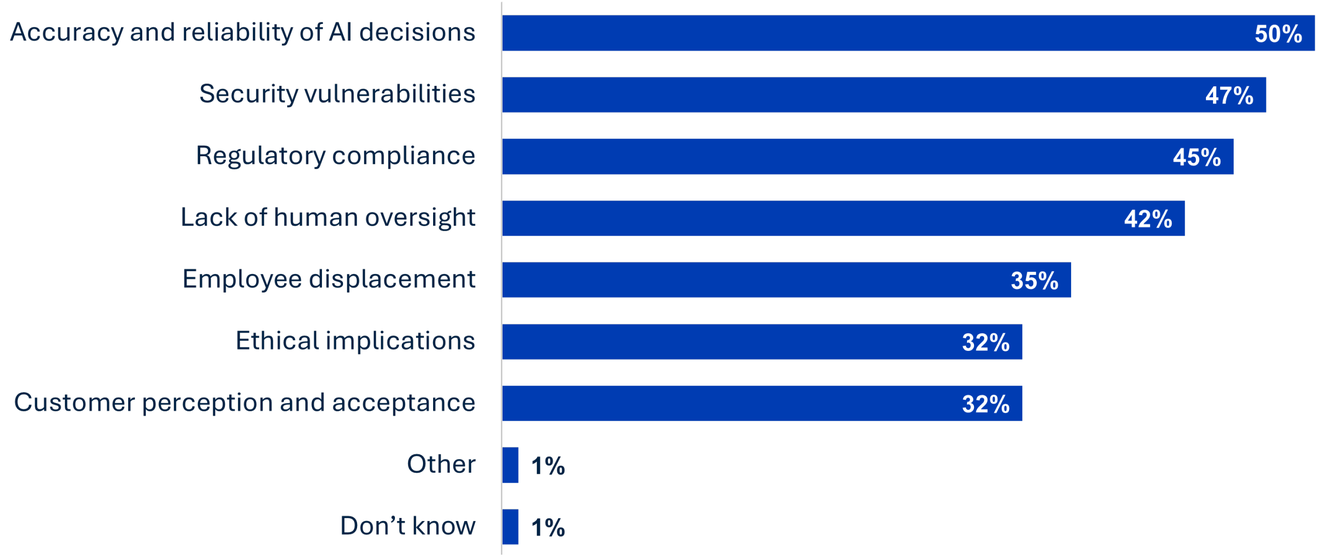
The conversation around AI is shifting rapidly from static content generation via GenAI to autonomous action with agentic AI. A remarkable 58% of SMBs are currently engaged with agentic AI, with projects either already in production or actively being piloted. This aggressive adoption is fueled by a near-universal belief in the technology's potential impact. The vast majority of respondents (86%) agreed that, within three years, agentic AI will significantly transform how their business operates. This high level of conviction suggests that leaders view AI agents not as an incremental upgrade but as a fundamental shift in their operating model. While it is tempting to focus AI solely on primary revenue drivers like sales or product development, the real imperative for SMBs often lies in their internal processes. These back-office workflows, such as vendor onboarding, complex scheduling, or multi-step financial reconciliations, are usually where lean teams feel the most friction. Agentic AI is uniquely suited for these areas because it does not just suggest a response. It follows the process through to completion.

However, the path to full autonomy is paved with significant trust barriers. As systems become more independent, the fear of errors becomes critical. Half of all organizations cited the accuracy and reliability of AI decisions as one of their top concerns regarding agentic AI, followed closely by security vulnerabilities (47%) and regulatory compliance (45%). These figures confirm that, while the appetite for autonomous agents is high, widespread deployment will depend on the ability to prove that these systems are safe, accountable, and auditable.

86%

of SMBs agreed that agentic AI will significantly transform their business within the next three years.

SMB Concerns About Agentic AI



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How Dell and AMD Are Empowering SMBs to Operationalize AI

Dell AI PCs With AMD Processors Are the Engine of Workforce Modernization

As AI adoption spreads to the wider workforce, the device strategy becomes just as critical as the data center strategy. Dell AI PCs powered by AMD Ryzen™ AI PRO processors deliver the necessary performance to handle local AI workloads while addressing the paramount need for mobile productivity. These systems are engineered to be the industry's most secure and manageable AI PCs, featuring advanced NPUs that process sensitive data locally to reduce latency and security risks. They are also built for the reality of modern work, boasting up to 16.1 hours of battery life and an incredible 33 times better impact resistance than previous generations.

For developers and innovators, this partnership goes beyond hardware to provide a unified software platform. The Dell Pro AI Studio is designed to streamline the complexity of building on-device AI applications. By offering pre-validated models and cross-silicon optimization, it enables teams to adopt AI workflows with confidence and ease. This combination of durable, long-lasting hardware and simplified development tools ensures that SMBs can equip their employees with the "edge" capabilities they need to drive innovation from anywhere, effectively extending the AI Factory from the server rack to the laptop bag.

Dell and AMD Deliver the Scalable Foundation Required for Hybrid AI

For SMBs, moving AI projects from concept to reality requires infrastructure that is powerful, practical, and scalable. The Dell AI Platform with AMD addresses this need with a cohesive ecosystem designed to simplify deployment and accelerate time to value. At the core are PowerEdge servers engineered to balance efficiency, flexibility, and real-world results.

The PowerEdge R7715 offers strong value in a streamlined single-socket design, supporting robust storage options and flexible accelerator configurations (up to 3 double-wide or 6 single-wide) to handle data-intensive AI and analytics workloads with minimal operational overhead. Its architecture is well suited for organizations seeking to deploy inferencing and mixed workloads efficiently while maintaining a straightforward infrastructure footprint.

For organizations ready to expand their AI ambitions, the PowerEdge R7725 combines dual AMD EPYC™ processors with high memory capacity and broad expansion flexibility, making it a solid platform for both AI training and inferencing use cases. Designed to scale with growing data and model complexity, it enables teams to pursue faster insights while maintaining consistency across their infrastructure strategy. As AI requirements continue to scale, Dell is expanding its PowerEdge XE portfolio, including the latest XE9785 optimized for next-generation AMD Instinct™ accelerators, giving growing organizations a clear path to higher-performance AI when needed.

Together, these PowerEdge systems enable small and midsize businesses to manage investment deliberately, scale at their own pace, and confidently support AI-driven innovation without overcommitting to unnecessary complexity.

DELL Technologies

AMD

ABOUT

Innovation is essential, but the path forward can be complex. Dell Technologies partners with you to turn technology into outcomes that drive your long-term success, faster and with less risk, so you can stay a step ahead. Dell helps SMBs succeed by focusing on the capabilities they need to modernize their organization and be prepared for what's next.

Through Dell's partnership with AMD, the high-performance and adaptive computing leader, the companies work together to simplify your AI journey, making it easier to scale from pilots to production with measurable ROI, as they've done for thousands of organizations. With the Dell AI Factory, you can prepare and safeguard data, modernize infrastructure, integrate AI solutions, and deliver repeatable outcomes.

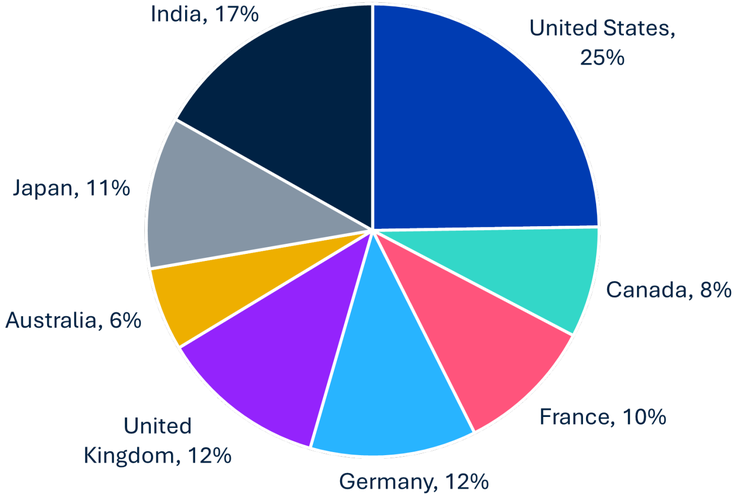
Learn More

RESPONDENT DEMOGRAPHICS AND FIRMOGRAPHICS

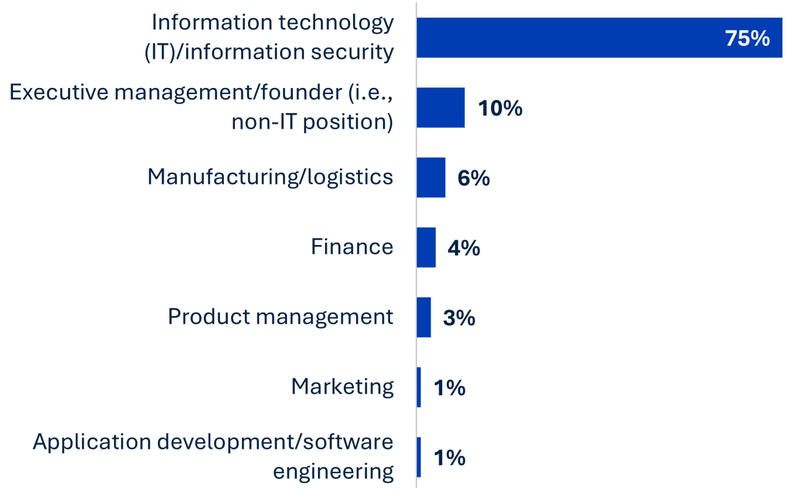
In preparing to create this report, Dell and AMD commissioned Omdia to conduct a comprehensive online survey, which was fielded between August 8, 2025 and August 28, 2025. All respondents represent SMB organizations with 500 or fewer employees. The 600 respondents represent IT and business decision-makers that have influence over their organizations' purchasing decisions related to devices, compute, storage, and AI solutions.

Note: The margin of error for this sample size is +/- 4 percentage points at the 95% confidence level, and the totals presented in figures and tables throughout this report may not add up to 100% due to rounding.

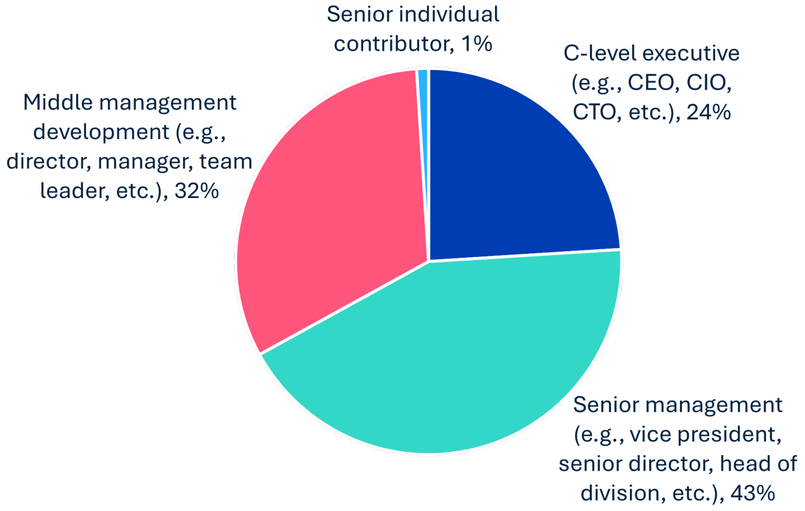
Respondents by Country



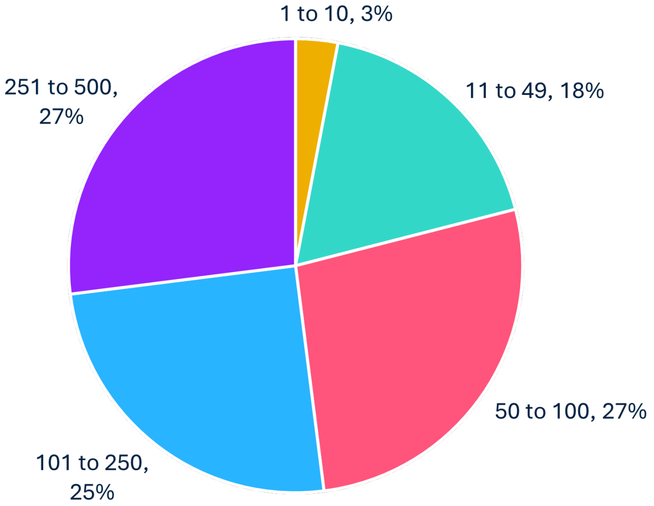
Respondents by Job Function



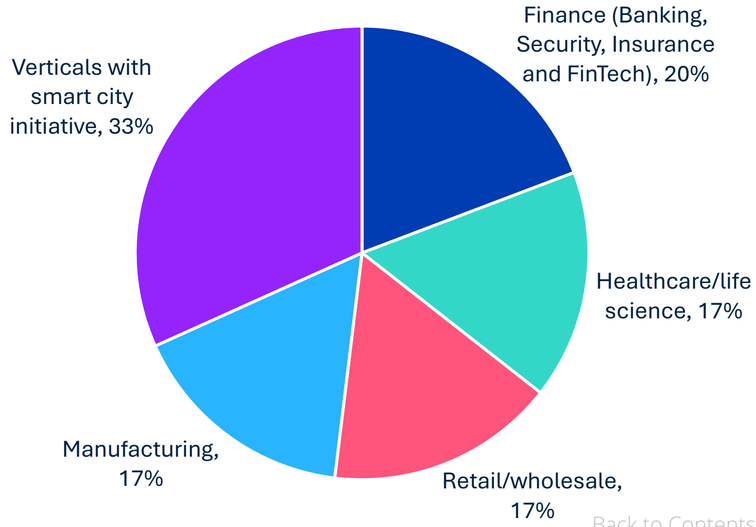
Respondents by Seniority



Respondents by Company Size



Respondents by Industry



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