

Enabling SMEs Adoption of Generative AI

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Small and medium-sized enterprises (SMEs) are increasingly exposed to generative AI tools, including chat-based assistants and systems for creating or summarizing text, images, and code. These tools appear to offer SMEs access to capabilities that previously required specialist staff or substantial investment. Yet trying an AI tool is not the same as adopting it. Regular use may require changes to work processes, employee skills, data practices, and managerial oversight. This thesis will investigate the organizational conditions that help SMEs move from informal experimentation with AI to sustained, useful implementation.

The study will focus on generative AI used in internal business activities, such as marketing, customer communication, document processing, knowledge work, and administrative support. It will examine adoption as a process with distinct stages: awareness and initial experimentation, repeated individual use, integration into a workflow, and continued organizational use. This distinction matters because an employee using a public chatbot occasionally does not necessarily mean that the organization has adopted AI in a durable or managed way.

The main research question is:

Which organizational conditions help SMEs move from experimenting with generative AI to integrating it into routine work?

Three subsidiary questions will guide the investigation:

1. What business problems and expected benefits motivate SMEs to explore generative AI?
2. Which factors support or hinder the transition from individual experimentation to workflow integration?
3. How do managers and employees address concerns about output quality, data protection, skills, and responsibility?

The expected contribution is a practical framework for understanding SME adoption as more than a decision to purchase or permit an AI tool. The thesis is expected to clarify how organizational readiness, employee experience, workflow design, and risk management shape progress between adoption stages. For SME managers, the findings could help identify why pilots stall and what to address before scaling use. For researchers, the study could offer a process-oriented account of generative AI adoption in smaller organizations, where limited resources may make informal experimentation common but formal implementation more difficult.

The project is feasible as a master's thesis if access to several SMEs can be secured early. If access is limited, the scope can be narrowed to one sector or to a smaller number of cases with richer interviews. The study can also be adapted to a specific setting, such as Estonian SMEs or companies in a particular industry, provided the sampling criteria and research question are adjusted accordingly.

Keywords: generative AI, AI adoption, SMEs, organizational readiness, workflow integration, employee use, AI governance