

2025

AI AUTOMATION IN THE SMALL BUSINESS INDUSTRY:

A 2025 CANADIAN PERSPECTIVE

This report provides an in-depth analysis of AI automation within the small business sector in Canada, highlighting key areas where automation is transforming operations, current adoption trends, and future outlooks.

It draws on credible sources including recent industry studies, Microsoft Canada's AI research, Shopify's small business insights, and expert analyses to present factual, up-to-date information. The report aims to equip small business owners and stakeholders with actionable knowledge on leveraging AI automation for growth and competitiveness.



The background of the page is a photograph of a shoe store. On the left, there are white shelves filled with various styles of women's shoes, including high heels and loafers. On the right, there is a glass display case containing more shoes. The lighting is warm and focused on the products.

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EXECUTIVE SUMMARY

AI automation is rapidly transforming the small business landscape in Canada. With 71% of Canadian small and medium-sized businesses (SMBs) now actively using AI tools, the technology is no longer reserved for large enterprises¹. AI automation is driving efficiency, reducing costs, and enabling small businesses to compete in a dynamic marketplace.

This report explores which business aspects can be automated, the current and future state of AI adoption among Canadian SMBs, real-world examples, benefits of partnering with AI automation providers, and additional resources for further exploration.



ASPECTS OF SMALL BUSINESS THAT CAN BE AUTOMATED

- Customer Service: AI-powered chatbots and virtual assistants provide 24/7 support, handling common inquiries, order tracking, and simple returns, freeing human staff for more complex issues²³⁴.
- Marketing and Sales: Automated content creation, personalized product recommendations, dynamic pricing, and lead follow-up improve customer engagement and conversion rates²³⁵.
- Finance and Accounting: Invoice processing, expense classification, and sales forecasting can be automated, reducing errors and accelerating financial operations⁵².
- Human Resources: AI streamlines resume screening, interview scheduling, and onboarding processes, speeding up recruitment and improving candidate experience⁵¹.
- Document Management: Automation of document generation, processing, and translation increases compliance and efficiency⁵¹.
- Operations and Inventory: AI-driven analytics optimize inventory management, supply chain logistics, and order fulfillment²³.

AI automation's versatility means that even traditionally manual or creative tasks are now accessible for automation, allowing small businesses to scale their capabilities without proportionally increasing overhead. For example, AI-driven analytics can uncover actionable insights from customer data, enabling more informed decision-making and highly targeted marketing campaigns. This empowers small businesses to compete with larger enterprises by leveraging data and automation to deliver personalized experiences and optimize every customer touchpoint¹.



As AI technologies continue to evolve, the range of automatable business functions will only expand. Small businesses that proactively adopt AI automation are better positioned to adapt to market changes, reduce operational risks, and foster innovation. Embracing these tools not only drives efficiency but also frees up valuable human resources to focus on strategic growth and customer relationships, ensuring long-term competitiveness in a rapidly changing business environment¹.

EXAMPLES OF AI AUTOMATION IN ACTION

- AI Chatbots: Toronto-based Ada provides AI-driven customer service automation, enabling small retailers to offer instant, personalized support and process simple returns without human intervention³².
- Dynamic Pricing: Canadian SMEs use AI to analyze market trends and adjust prices in real-time, maximizing profitability and staying competitive³.
- Automated Lead Management: AI tools follow up with leads, prioritize prospects, and schedule meetings, reducing lost opportunities and boosting sales efficiency⁵.
- Invoice Processing: AI automates the extraction and validation of invoice data, accelerating accounts payable and reducing manual errors⁵.

AI adoption among Canadian small businesses is not only widespread but is also delivering tangible results across multiple business functions. According to recent studies, 97% of Canadian SMEs using AI report clear benefits, including increased efficiency, cost reductions, higher sales, improved customer service, and better management of operations such as sales and inventory³. These outcomes are reflected in business optimism: 68% of AI adopters expect revenue growth in the coming year, and 42% plan to hire more staff, compared to just 55% and 23% among non-adopters, respectively³. This demonstrates that AI is not just a technological upgrade but a strategic asset that can drive both short-term gains and long-term business expansion.



The operationalization of AI is also shifting how small businesses approach strategy and competitiveness. With 71% of Canadian SMBs now using AI tools and 60% having formal AI strategies in place, businesses are moving from experimentation to structured, organization-wide adoption¹. This transition is supported by collaborations with third-party providers and investments in digital skills training, ensuring that businesses can fully leverage AI's potential. As a result, even micro-businesses with fewer than 10 employees are using AI to reduce costs and acquire new clients, while larger small businesses focus on marketing, content creation, and advanced analytics to stay ahead in the market¹.

BENEFITS OF HIRING AN AI AUTOMATION BUSINESS

Partnering with an AI automation provider offers several advantages:

- **Expertise and Customization:** Providers tailor solutions to specific business needs, ensuring optimal integration and impact¹.
- **Faster Implementation:** Experienced partners accelerate deployment and reduce the learning curve for staff¹.
- **Ongoing Support and Training:** Many providers offer continuous support, updates, and training to keep businesses current and secure¹⁶.
- **Access to Advanced Tools:** Providers often leverage the latest AI technologies, including generative AI, to maximize productivity and innovation¹².
- **Risk Mitigation:** By working with experts, businesses can better address cybersecurity, data privacy, and regulatory compliance concerns¹⁶.



Hiring an AI automation business allows small companies to quickly access specialized expertise and advanced tools that might otherwise be out of reach. These providers help identify the most impactful automation opportunities, customize solutions to fit unique business needs, and ensure seamless integration with existing systems. By leveraging external AI experts, small businesses can accelerate their digital transformation, reduce the risk of costly implementation errors, and benefit from ongoing support and training as technologies evolve¹²³.

The benefits extend beyond efficiency and cost savings. AI automation partners empower small businesses to innovate faster, improve customer experiences, and make more data-driven decisions. With AI handling repetitive or low-value tasks, employees are freed to focus on higher-level strategy and creative problem-solving, boosting both productivity and job satisfaction. As AI adoption grows across Canada, businesses that collaborate with automation specialists are better positioned to stay competitive, adapt to market changes, and drive sustainable growth¹²³.

FUTURE STATE

CANADA AND AI AUTOMATION

AI ADOPTION ACCELERATES: CANADIAN SMBs
EMBRACE A TRANSFORMATIVE FUTURE

- **Widespread Adoption:** Nearly 75% of Canadian SMBs plan to increase AI investments, with 63% prioritizing generative AI¹.
- **Productivity Gains:** 70% of SMBs report improved efficiency and productivity, with an average productivity increase of 31% after adopting AI¹⁶.
- **Strategic Integration:** 60% of Canadian SMBs now have a formal AI strategy, signaling a shift from experimentation to structured execution¹.
- **Collaboration and Upskilling:** 67% of SMBs are working with third-party providers, and many are investing in employee training to maximize AI's potential¹⁶.
- **Challenges Remain:** Concerns about data privacy, cybersecurity, and the need for organizational culture shifts persist, but ongoing education and public-private partnerships are addressing these barriers¹⁶.



12.2%

of Canadian businesses
reported using AI to produce
goods or deliver services in
2025

1 in 4

(28%) of Canadian small
business owners have used AI
tools to help run their
business⁵.

73%

of AI-using entrepreneurs
automate time-intensive
tasks like copywriting with
AI⁵.

APPENDIX

SOURCES

1. Statistics Canada. "Artificial intelligence use by businesses in Canada, 2024/2025." [Link](#)
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3. Shopify. "How Canadian Entrepreneurs Are Using AI to Grow Their Businesses," 2024. [Link](#)
4. Canadian Chamber of Commerce. "Digital Economy and AI Resources for Small Businesses," 2024. [Link](#)
5. BDC (Business Development Bank of Canada). "How AI is Transforming Small Business in Canada," 2024. [Link](#)
6. Ada Support. "AI Chatbots for Canadian Retailers," 2024. [Link](#)
7. KPMG Canada. "Small Business Tech Adoption Trends," 2024. [Link](#)





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THANK YOU

FOR MORE INFORMATION ON HOW AI AUTOMATION CAN TRANSFORM YOUR
SMALL BUSINESS, OR TO DISCUSS TAILORED SOLUTIONS FOR YOUR UNIQUE
NEEDS, PLEASE DON'T HESITATE TO CONTACT US. OUR TEAM IS HERE TO HELP YOU
NAVIGATE THE FUTURE OF BUSINESS WITH CONFIDENCE AND INNOVATION.
REACH OUT TODAY TO START YOUR AI JOURNEY!



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