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BGF GROWTH GUIDE

Unlocking *value* from AI

How growth businesses are moving from experimentation to impact

SEPTEMBER 2026

BGF | Beauhurst

Introduction

Our work with senior leaders in the BGF portfolio often centres on the foundations of resilient growth. Increasingly, that means AI – and the data that underpins it.

We are actively helping portfolio companies explore how AI can accelerate growth, drive efficiencies and create long-lasting, measurable value as they scale. This process is evolving - from evaluating AI as an emerging technology, to embracing it as a strategic value driver.

In practice, that means most management teams have moved beyond early adoption and risk perception to something harder: how to take pilots into production and build the data foundations for reliable AI, while bringing teams and prospective investors with them through the change. That shift is taking place across our portfolio of more than 350 actively backed companies.

In this report, delivered in collaboration with Beauhurst, we explore how it is playing out across the broader landscape. It draws on independent research among more than 250 SMEs across the UK & Ireland (see full methodology on page 33), commentary from our in-house specialists and wider network, and direct examples from growth companies navigating these challenges, to help others accelerate their AI adoption.

We found that confidence in AI has rarely been higher, but implementation at scale remains the exception. The blockers are identifiable: technical issues such as data quality and governance persist, but alongside human ones too. Skills shortages, change management and crucially, senior leadership buy-in, do not yet match the broader ambition. They are solvable. But closing the gap between intent and delivery requires more than enthusiasm.

Tom Pearson
Head of Data, BGF

Simon Steward
Head of Digital, BGF

What you can expect from this report:

A benchmark against peers

Independent research of hundreds of UK SME management teams, providing a realistic snapshot of AI adoption.

Practical AI insights

Commentary from BGF's in-house experts and wider network, explaining AI best practice from experimentation to meaningful roll out.

Examples from growing companies

Case studies from businesses in the BGF portfolio – what is working, where progress has stalled and the moves that made a difference.

A guide for what comes next

Recommendations for management teams as they build AI capability in their organisations.

01 / AI as a strategic value driver

AI is increasingly shaping how growth businesses think about efficiency, innovation and long-term competitiveness. We look at how leaders are assessing its strategic role, where it can create commercial impact and why AI strategy is becoming more relevant to investment readiness.

AI as a strategic value driver *in numbers*

AI is viewed as strategically important by the majority of UK and Irish SME leaders:

71%
say AI is important to their business today

75%
say AI is important to their long-term growth

84%
have grown more optimistic or trusting of AI in the past 12 months

Leaders expect AI to unlock advantages across four areas:

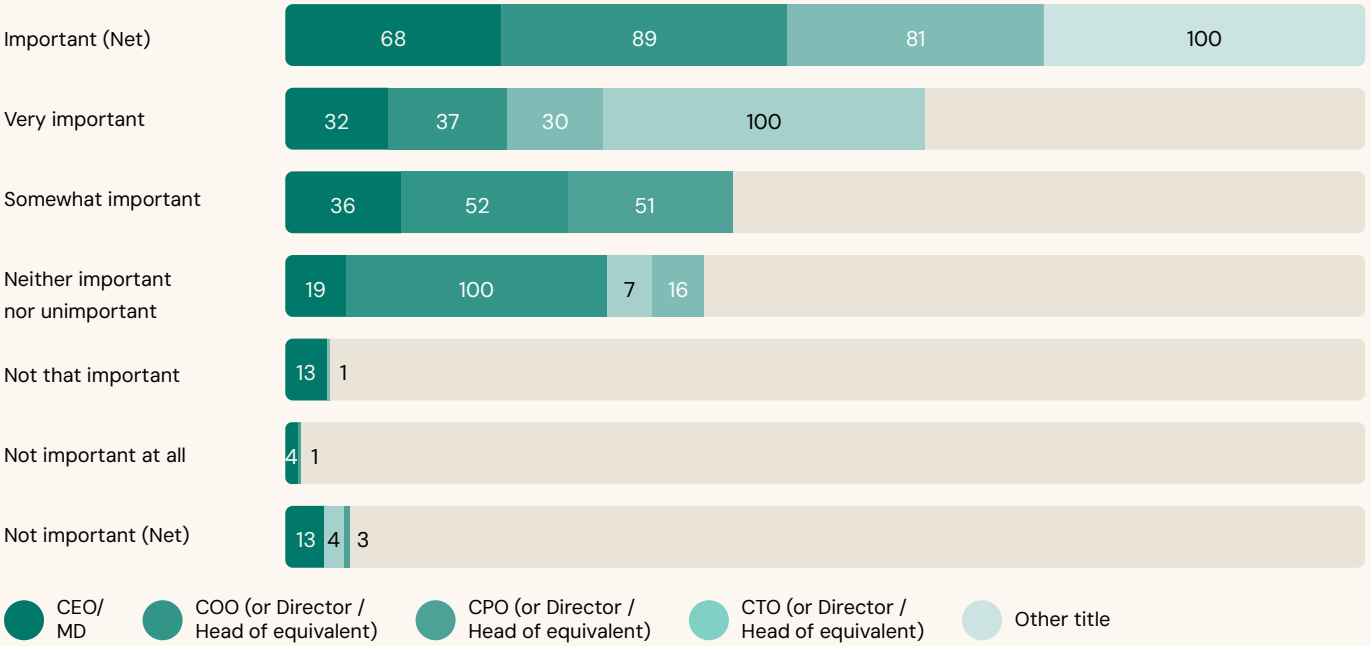
When asked about the role of AI:

41%
see it primarily as a growth driver

34%
see it primarily as a cost saver

25%
see it as both, a share that rises to 82% among BGF portfolio companies

The importance of AI to long-term growth ambitions by job role:



Source: Beahurst | Censuswide

AI as a strategic value driver *key takeaways*

01

Leaders see AI differently

The debate about whether AI matters strategically is largely over. Seven out of ten UK and Irish SME leaders consider AI important to their business today, rising to three-quarters in relation to long-term growth ambitions. Among businesses in the BGF portfolio, that figure reaches near-unanimity.

Conviction is strongest among product and technology leaders: 89% of Chief Product Officers and 81% of Chief Technology Officers believe AI is important to future growth, compared to 68% of CEOs and MDs. That gap tells us something. So long as the most senior leaders are playing catch up to their technical colleagues, the cultural conditions for AI adoption are harder to create.

The lightbulb moment

AI adoption tends to accelerate once senior leadership has genuinely moved from scepticism to belief.

When a CEO has had their own lightbulb moment with AI – a direct, personal experience of what it can do – the pace of organisational adoption tends to shift. That moment is rarely triggered by a transformation programme, but a specific task that used to take hours now done in minutes, a customer insight that would not have been visible before, or a product capability that suddenly becomes possible.

Finding those moments for your senior team is often the most practical first step.

Tom Pearson
Head of Data, BGF

02

AI is becoming aligned to growth

Recognising AI's strategic importance and knowing how to realise its value are different things. When asked to characterise the role of AI, leaders are divided: 41% see it primarily as a growth driver, 34% as a cost saver and 25% as both simultaneously. That last figure rises to 82% among BGF portfolio companies – a meaningful divergence that reflects greater maturity and ambition.

Businesses that approach AI as a cost-cutting tool tend to pursue a different – and often narrower – set of use cases than those treating it as a growth engine. The most sophisticated businesses recognise it as both: AI that drives efficiency also frees up capital and capacity that can be redeployed into growth.

AI as a strategic value driver *key takeaways continued*

03

The AI advantage is broader than efficiency

Growth businesses do not see AI as a single-purpose tool. Expectations are spread evenly across operational efficiency (54%), innovation and product development (52%), customer experience (50%) and faster, smarter decision-making (48%). This suggests leaders are looking beyond isolated productivity gains and towards a broader role for AI across the organisation.

This breadth is positive; businesses looking only at cost reduction are susceptible to overlooking areas where AI could have greater strategic impact, particularly in product development and customer experience. But recognising a wide range of opportunities does not mean pursuing them all at once. There is no single dominant use case across the market, and the right starting point will depend on each company's business model, data maturity and growth priorities.

For growth businesses, the implication is to think broadly but start focused. Begin with the commercial challenge rather than the technology, identify where AI can create the clearest advantage and use early results to inform where to scale next.

Extracting value from marketing spend

Even for believers like us, the speed and scale at which AI is having a positive impact on value creation for SMEs is staggering. Every week, we are learning more about what's possible, as the capabilities of LLMs advance in tandem with our desire to innovate and create new products.

We've been able to codify the entire marketing stack and turn it into a language LLMs can read - allowing us to rate the efficiency of a marketing system for a company or its competitors.

The average efficiency score for businesses is around 70%, which sounds acceptable until you realise it means, on average, 30% of marketing budgets are wasted. We can identify the growth blockers and the elements that need fixing to unlock that growth.

If a business moves its marketing efficiency from 70% to 90%, that's a huge real-terms increase in capital deployment – and these changes can take effect within months or even weeks.

Will Harris
Founder, Bridge F61
(Part of BGF's expert network)

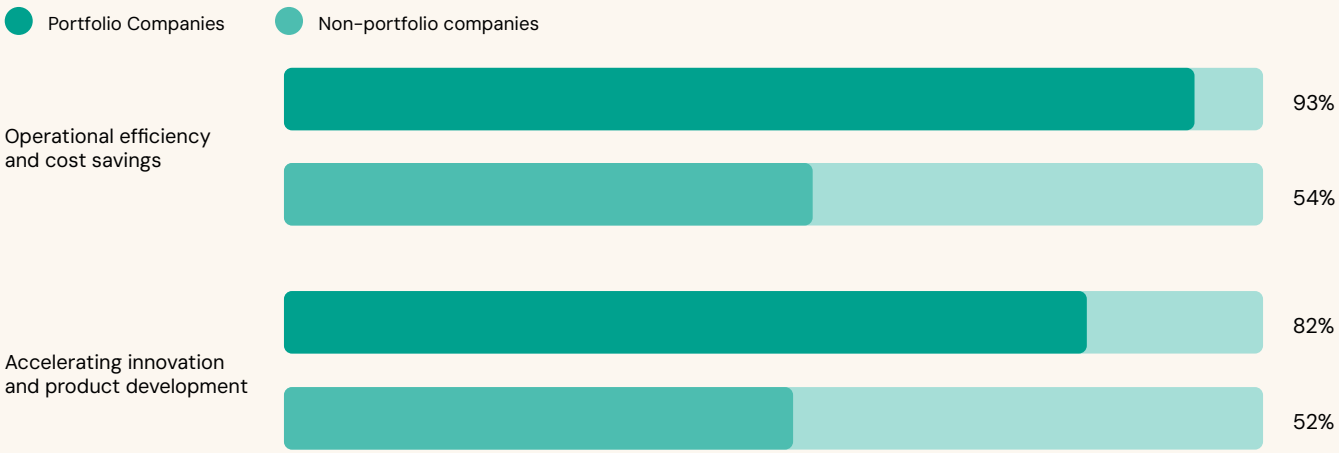
The portfolio view *the AI journey is accelerated by investment*

While growth companies acknowledge the strategic benefits of AI, equity-backed businesses have a clearer view on its long-term value.

Just 4% of BGF portfolio respondents see AI as purely a cost-cutting tool, suggesting that for businesses that have received investment, the ceiling on value creation sits much higher than operational efficiency alone.

Portfolio companies are significantly more likely to see AI as a source of advantage through operational efficiency and cost savings (93% vs 54%) and through accelerating innovation and product development (82% vs 52%). For leaders earlier in their AI journey, some of this gap may simply reflect what becomes visible once you have started deploying.

See AI as a source of advantage through:



Source: Beahurst | Censuswide

The BGF view *delivering a scalable AI playbook*

BGF's AI support model will continue to evolve as portfolio company needs mature. Some need a light touch workshop to identify the right use cases; others need hands-on help with data foundations, governance, or capabilities they do not have internally.

Our approach is therefore deliberately layered, combining reusable playbooks, sector-specific frameworks and a curated third-party ecosystem. The playbook model gives us scale. Across the portfolio, many companies face similar growth challenges around go-to-market, M&A, defining ideal customer profiles, identifying and enriching leads, scoring prospects, screening acquisition targets and embedding outputs into CRM or operating workflows. These can be rolled out quickly, but customised to specific markets, data and commercial priorities.

Using specific sector frameworks, we are also translating AI into practical use cases for business models such as care providers, software companies or services businesses. Where required, we can supplement BGF's internal team with trusted consultancies, fractional specialists and, increasingly, a central outsourced delivery model. We want to give portfolio companies access to hands-on AI capability at a cost and speed they could not achieve alone, while BGF provides the scoping, quality control and governance wrapper.

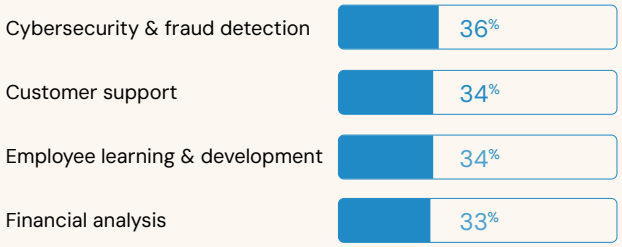
This reflects a wider market need: external AI support is in high demand, but most businesses still struggle to move from experimentation into production.

02 / AI adoption

For many businesses, the primary AI challenge is moving from experimentation into scaled deployment. We examine how adoption varies by sector and growth stage, and the importance of choosing focused use cases that build confidence and demonstrate results.

AI adoption *in numbers*

The most common areas of deployment are:



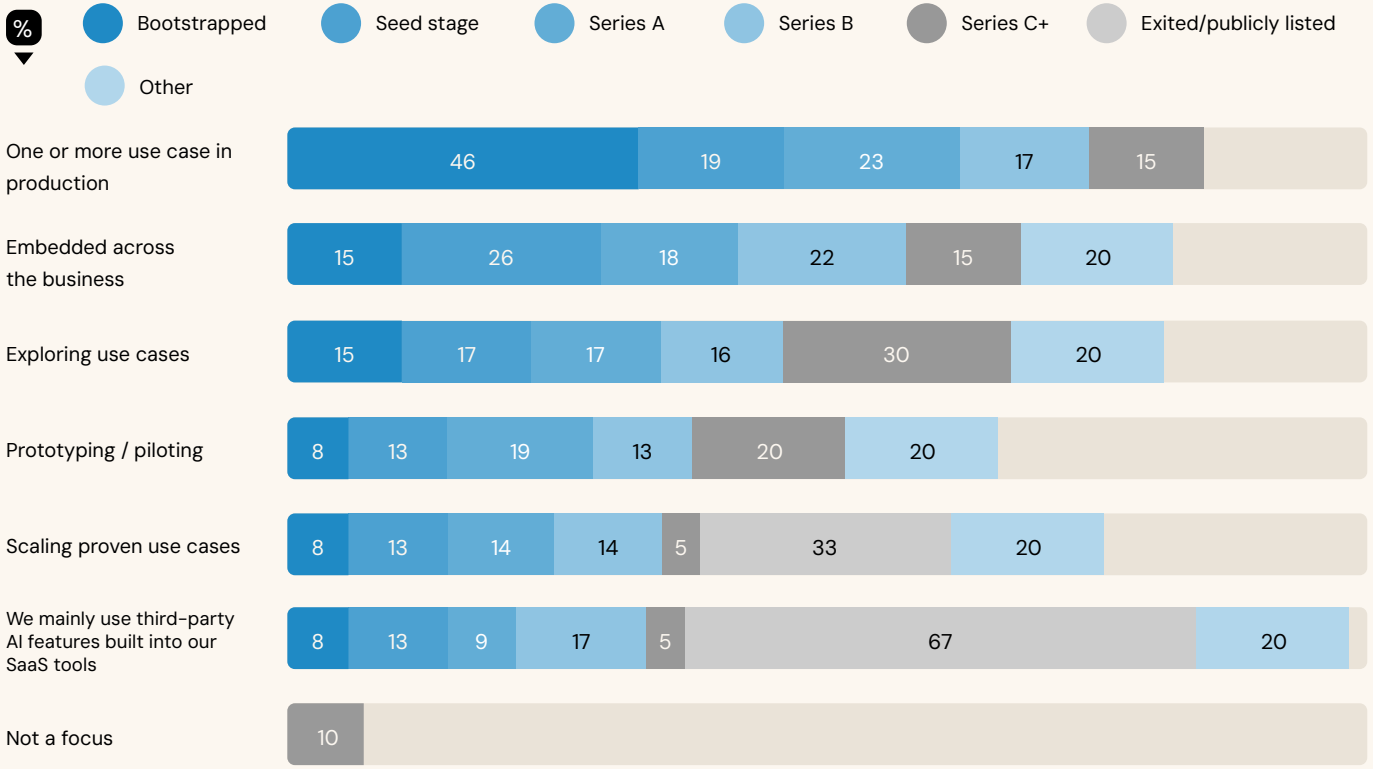
Investment maturity does not mean greater AI adoption:

46% of bootstrapped businesses have more than one AI use case in production, compared to the cross-stage average

30% of Series C+ businesses are still at the exploration stage

26% of seed stage businesses have embedded AI across the organisation, the highest proportion of all stages

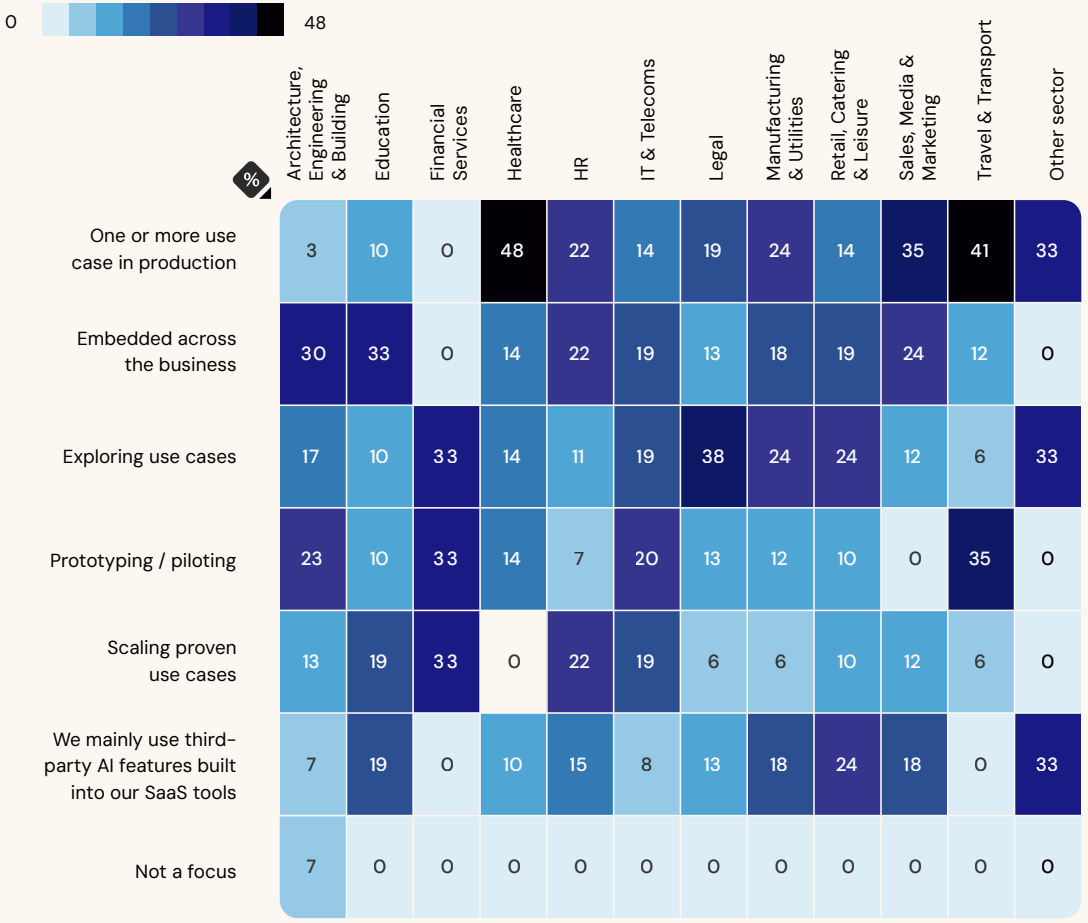
Current position on AI by investment stage:



Source: Beahurst | Censuswide. *One answer option, "Other", was not selected at all.

AI adoption *in numbers continued*

Current position on AI by sector*:



Source: Beahurst | Censuswide. *One answer option, "Other", was not selected at all.

Most businesses are still in the early stages of the journey:

10% describe AI as fully integrated across their organisation

24% have minimal integration across their organisation

21% have at least one use case in production

17% are still exploring where AI could add value

13% are actively scaling proven use cases

15% are prototyping or piloting

AI adoption *key takeaways*

01

Growth businesses are stuck in the 'messy middle'

Despite near-universal intent, the majority of UK and Irish SMEs are caught in a 'messy middle' – a segment of businesses exploring AI use cases or running pilots that are not yet in production. Only one in ten have fully integrated AI across their organisation.

The distribution of adoption stages tells its own story. Around 17% of leaders say they are still exploring where AI could add value and 15% are prototyping or piloting. A further 13% are scaling proven use cases, and 20% say AI is already embedded somewhere across their business. While HR and IT & telecoms businesses appear to be making good progress with embedding or scaling AI use cases, others such as healthcare and travel & transport are still focused on production, piloting and prototyping.

What is striking is how few have made the jump from experimentation to production at scale, and how varied the picture is depending on sector and funding stage.

02

AI challenges mirror growing pains

AI adoption challenges evolve as businesses grow. Bootstrapped businesses (46%) are significantly more likely to have at least one AI use case in production than the cross-stage average (21%). This may reflect leaner teams using AI to do more with less, or a culture of experimentation unconstrained by organisational complexity. The gap closes when it comes to scaling and embedding; only 23% of bootstrapped businesses have moved beyond initial production into genuine scale, compared to 33% across the sample. Self-funded businesses appear more willing to start but face constraints when building on early progress.

At the other end of the spectrum, businesses at Series C stage and beyond show a more cautious profile. Among those still focused on AI, 30% are at the exploration stage and only half have moved beyond that point, compared to 70% across the full sample. For highly capitalised businesses, the barriers appear less financial and more organisational: leadership alignment, internal complexity and difficulty driving change across larger teams.

03

Deployment is taking multiple forms

Our analysis shows that deployment is spreading across a range of business functions, but the starting points vary. Cybersecurity and fraud detection is the most common adoption area, pursued by more than a third (36%) of SME leaders. This was followed closely by customer support (34%), employee learning and development (34%) and financial analysis (33%).

That relatively even distribution reinforces that the best use case will depend on the business in question. What works as an AI launch pad for one company may be too complex, data-intensive or removed from strategic priorities for another. It can be tempting to pursue the most visible application, but early initiatives are more likely to get buy-in when they address a clearly defined problem and have measurable outcomes.

The portfolio view *codifying the buy and build process*

For buy-and-build lettings business, My Property Box, the investment thesis rests almost entirely on acquisition: buying and integrating independent agencies to build national scale.

Historically, sourcing those deals relied on external corporate finance advisers and the judgement of the CEO, CFO and internal team. Rather than layer AI onto day-to-day operations, My Property Box rebuilt its origination process around data.

Working closely with the senior team, BGF helped codify what made a good acquisition – the hallmarks of a strong location, the signals of a well-run agency, the circumstances in which an owner becomes ready to sell – into a structured signals library. Every lettings agency in the country was then scored against those criteria – around 7,000 agencies across some 23,000 branches – producing a ranked, prioritised longlist.

Each business was profiled from a wide base of information: company financials, website and property-listing data, local demographics, competitors and nearby co-locators. Layered signals such as succession planning and indicative scale turned that raw data into a genuine read on each target's quality and readiness to transact.

The output was not a spreadsheet but a secure, hosted web application, accessed through Microsoft authentication and functioning as a dedicated M&A CRM, kept deliberately separate from the sales system so it never disrupted operations. It was delivered quickly and iteratively: agree the profile, sit with the business, and return within a week with a first version to refine.

The value works on two levels. Operationally, it advances the buy-and-build thesis directly, replacing an adviser-led process with a capability the management team owns and a live, prioritised pipeline. At exit, it strengthens the equity story, evidencing a business that can source, diligence and integrate acquisitions itself rather than one dependent on outside advisers.

Importantly, this was the first use of AI by My Property Box. Because it sat away from core operations and mapped so cleanly onto the thesis, it reset the internal conversation, showing the senior team that AI need not be a daunting, wholesale transformation but a single, well-chosen tool that moves the business towards goals it already holds. That shift in confidence is often what makes the next, more ambitious use case possible.

The BGF view *focusing your AI deployment*

At BGF, we frame AI use cases around four distinct categories:

01
Go-to-market

Finding, converting and retaining customers. These use cases tend to offer faster, more measurable ROI because the feedback loop is commercial and direct. They can be built from the outside in, without significant changes to internal systems or infrastructure.

02
Internal efficiency

Automating or improving internal processes. The ROI can be significant, but the path less linear. 'Doing more with less' is a compelling objective, but often means breaking existing workflows before rebuilding them, creating a change management overhead.

03
Product

High potential, but high complexity. Product-embedded AI typically demands the strongest data foundations, the clearest understanding of edge cases and failure modes and the closest attention to customer trust. These are rarely starting-point initiatives.

04
Strategic

Supporting decisions at a business model level: M&A targeting, exit preparation, competitive positioning and market sizing. Often underexplored, but increasingly relevant as AI tools make certain forms of analysis more broadly available.

Where to start:

Businesses should begin where the feedback loop is fastest, the data is cleanest and the change required is manageable.

They need to get comfortable with shorter cycles and accepting some things they build will be superseded quickly. That is not a reason to slow down – it is a reason to capitalise on new technology and be ready to pivot

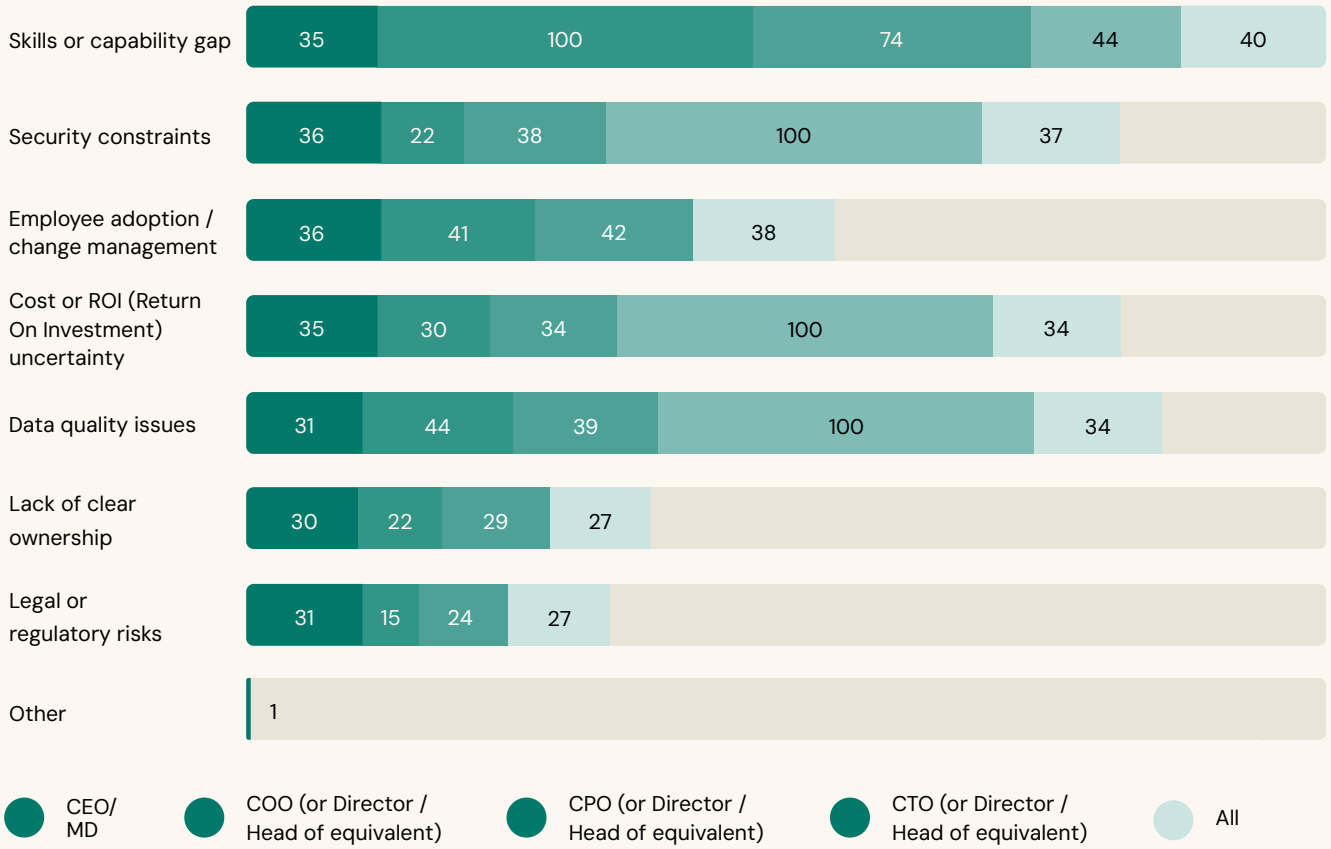
Perhaps counterintuitively, this means identifying smaller, impactful and higher-learning bets rather than multi-year transformation.

03 / Barriers to implementation

The biggest hurdles to AI adoption are not always technical. Skills, culture, change management and data quality all influence whether businesses can move beyond pilots. Read on to explore why organisational readiness is just as important as access to the technology itself.

Barriers to implementation *in numbers*

Biggest challenges to implementing AI by job title*:



Source: Beahurst | Censuswide

*Two answer options, "We're not facing any challenges" and "We;re not trying to adopt AI", were not selected at all.

Skills gaps, data quality and organisational readiness are primary blockers keeping businesses stuck between experimentation and production:

40% cite an AI skills or capability gap

38% cite employee adoption and change management

37% cite security constraints

34% cite data quality issues

Leaders vary in their perception of workforce readiness:

74% of CPOs cited a skills gap as a prominent challenge

44% of CTOs cited a skills gap as a prominent challenge

35% of CEOs and MDs cited a skills gap as a prominent challenge

Showcasing ROI remains a critical barrier to AI adoption:

34% say uncertainty about ROI is holding them back

Only 6% say they can measure AI ROI with confidence

Barriers to implementation *key takeaways*

01

The obstacles are varied

For most businesses, it is a combination of blockers rather than any single constraint that slows down adoption. Skills or capability gaps are the most cited barrier, named by 40% of leaders, but the variation by role is revealing. More than twice as many CPOs report this barrier compared to CEOs and MDs (74% vs 35%), and significantly more than CTOs too (44%).

Product leaders sit at the intersection of AI capability and commercial application, acutely aware of the gap between what AI can theoretically do and what their teams can build, deploy and translate into customer value. These varied responses point to a real skills challenge in the product function specifically.

Data quality, security constraints and change management are all blocking progress for between 34% and 38% of businesses – a cluster of barriers with no dominant issue. Legal and regulatory risk, as well as a lack of clear ownership are next in line, cited by around 27% of leaders. The sector in question shapes the barrier profile significantly. In manufacturing and utilities, 65% name security constraints as a top blocker. Legal businesses, by contrast, report no concerns about security at all, reflecting the very different regulatory and data environments these sectors operate in.

02

The hidden cultural factor

The gap between ambition and integration is not primarily a technology problem. The tools are accessible, the models are capable, and the barrier to getting started has never been lower. What is holding most businesses back is often organisational, cultural and foundational.

Change management and employee adoption are cited by 37% of leaders as a significant barrier; that figure almost certainly understates the true scale of the challenge, because cultural resistance is harder to name than a technical constraint.

Navigating this requires something other than a technology rollout. It puts emphasis on leadership to visibly use AI themselves and talk about it in terms of business outcomes rather than technical capability, while creating the protected time and psychological safety for teams to experiment and learn.

Barriers to implementation *key takeaways continued*

AI and change management

Everyone is prototyping, but very few have scaled. Roundtable discussions at our recent CTO Forum highlighted that this is as much a change management challenge as a technical one - progress around AI adoption requires cross-skilling, protected time to learn, clearer ownership, and leaders actively modelling new workflows.

Sophie Day
Head of Community, BGF

03

Proving value is challenging

For many growth businesses, the barrier is not just identifying where AI could be useful, but demonstrating that betting on it is delivering a measurable return. More than a third of leaders (34%) say uncertainty around ROI is holding back adoption, while only 6% say they can measure AI ROI with confidence.

That indicates many businesses are still struggling to connect AI activity to clear commercial or operational outcomes. Without that link, it becomes harder to prioritise investment, build internal support or decide which initiatives should be scaled.

It also reinforces the importance for management teams of defining success measures at the outset. Starting with focused use cases tied to specific outcomes – whether revenue, efficiency, customer experience or decision-making – creates a clearer basis for evaluating impact and determining where further investment is justified.

The portfolio view *building a team around LQ*

01

Think about building your AI-first organisation around three key cohorts.

At Makers we train for three skill sets:

01 An AI-fearless leadership team that sets the pace, identifies high-value bets and prepares the organisation to act.

02 An AI-enabled technical team that builds the infrastructure and uses AI tools to ship faster.

03 An AI-native wider team that automates low-value work, multiplies high-value work and redesigns workflows.

02

If you focus on one key skill in the age of AI, build a team of people who are really, really, good at learning.

Intelligence used to mean IQ, then EQ. At Makers, we believe LQ – learning intelligence – is now critical in a world of constant change. It requires the humility to become a novice, the confidence to know you are not stupid – just inexperienced – and the grit to persist when learning gets hard.

Founders must recognise two common barriers to learning: people may associate learning with past failure, or fear looking incompetent after years of success. Organisations therefore need psychological safety, visible experimentation and leaders who actively role-model learning.

Hire for a true desire to learn. Don't ask candidates to tell you they are funny; ask them to tell you a joke.
Build learning into the recruitment process.

03

Understand that AI adoption is a complicated psychological journey.

Many people will feel resistant, and reasonably so. People feel fear and exhaustion when faced with the skills shift AI requires and the perceived devaluation of hard-earned expertise.

Leaders must acknowledge this and create space for discussion. Ideally, show people that you understand. You may not have all the answers, but you have a sensible way of thinking about AI-related concerns – from job security and retraining through to the real and stretching ethical challenges.

Claudia Harris
Chief Executive Officer,
Makers

The BGF view *robust data foundations are non-negotiable*

> Of all the blockers cited by growth businesses, data foundations stand out because an investment in them retains its value regardless of how the AI layer above them evolves.

At BGF, we see strong data foundations as one of the most important enablers of successful AI adoption. Models and tools will continue to change, while individual applications may quickly become obsolete. But clean, well-governed and accessible data remains the bedrock that future AI initiatives depend on.

That is fundamentally important for growth businesses. Decisions made around data architecture can either accelerate what is possible in two or there years, or create constraints that become difficult to unwind with scale. Our approach is therefore to help portfolio companies understand the maturity of their existing data estate, identity the gaps that matter most and prioritise improvements that will support both current use cases and future AI adoption.

Not every business will have the capability to do that internally. Where specialist expertise is required, BGF can help management teams across its portfolio access trusted partners who can provide guidance on improving data infrastructure and governance, in a way that is aligned to broader commercial priorities.

04 / Risk, governance and outlook

As AI adoption grows, so too does the need to manage risk without slowing progress. We consider the issues that SME leaders are most concerned about, how governance can support confidence and adoption, and why policies need to evolve alongside use cases.

Risk, governance and outlook *in numbers*

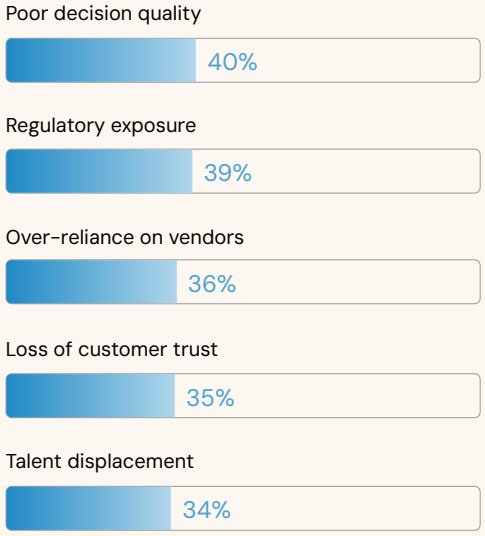
Governance infrastructure is more developed than most assume, but the gap between creating a policy and embedding it remains significant:

90%
are aware of the EU AI Act

64%
have a responsible AI policy in place; 31% are developing one

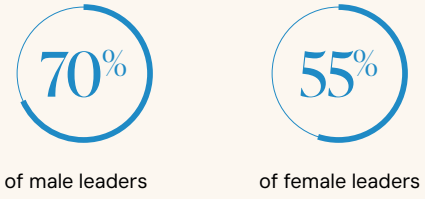
64%
have a senior leader responsible for AI strategy; a further 31% plan to appoint one

The most cited long-term risks are:

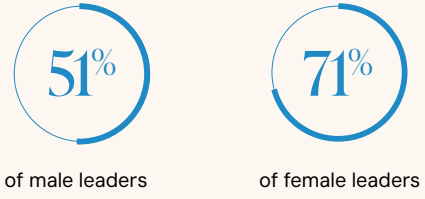


Risk perception diverges sharply by gender:

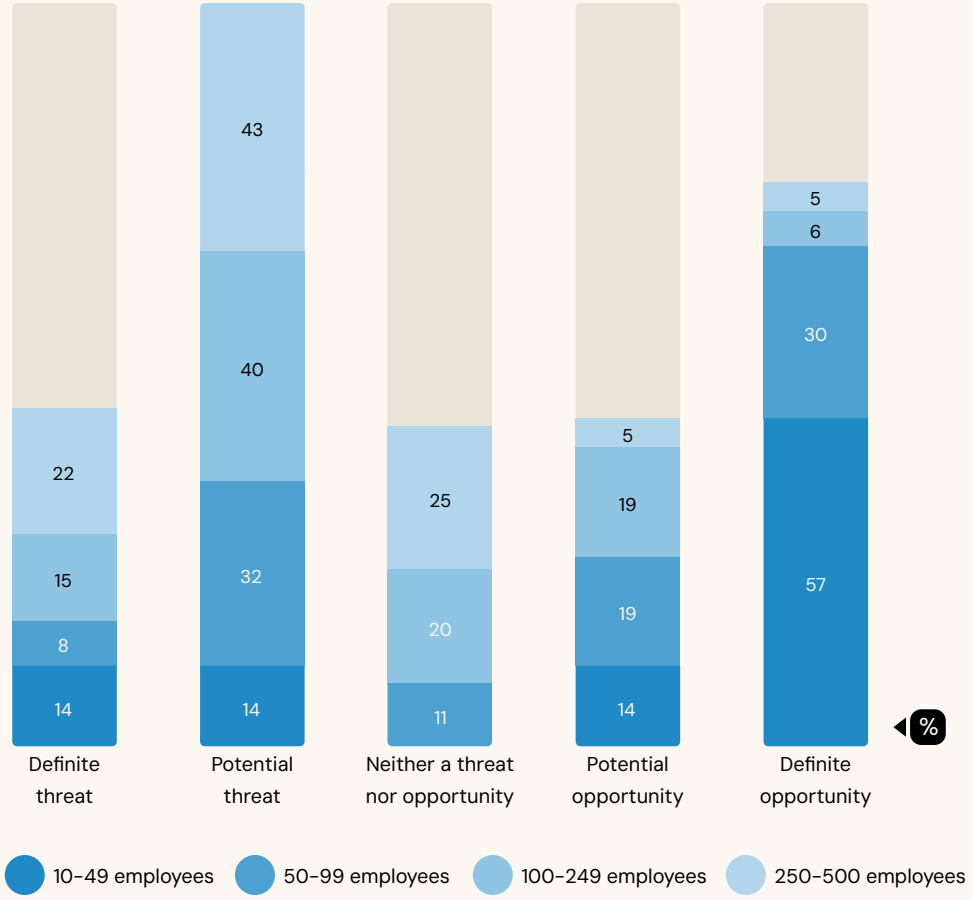
See AI as a threat



Have a responsible AI policy in place



AI concern vs company size:



Source: Beahurst | Censuswide

Risk, governance and outlook *key takeaways*

01

There is tension between trust and caution

Despite the all-consuming buzz around AI, attitude to the associated risk remains mixed. According to our research, more than half of UK and Irish SME leaders still perceive AI as a threat. Yet against this backdrop, optimism has risen – 84% say they are more optimistic or trusting of AI than they were twelve months ago.

The shift is broad and consistent across sectors, sizes and leadership roles. In part, this is likely driven by direct experience: businesses that have run successful pilots or deployed use cases, even modest ones, develop a more grounded and less fearful relationship with technology. But the tension between these two findings is real. AI anxiety has not gone away - if anything, as businesses get closer to deployment, the risks feel more concrete.

02

Risk perception grows with the business

Poor decision quality is the most cited risk, named by 40% of leaders. This is the risk that AI assisted decisions in pricing, hiring, credit, customer service and product turn out to be systematically wrong in ways that are hard to detect and slow to correct. This suggests leaders are thinking carefully about where AI sits in their decision-making processes, not just where it sits in their cost base. Regulatory exposure follows closely at 39%, then vendor over-reliance (36%), loss of customer trust (35%) and talent displacement (34%).

The relationship between company size and risk perception is striking. Among businesses with 50–99 employees, 41% view AI as a threat. That rises to 55% for businesses with 100–249 employees, and to 65% for those with 250–500 employees. Larger businesses have more complex operations, more regulatory exposure, more employees whose roles could be affected, and more to lose from a reputational misstep.

03

AI policy is taking shape

The governance picture across UK and Irish SMEs is more developed than many might expect. Awareness of the EU AI Act sits at 90% across the respondent pool, while nearly two thirds of leaders have a responsible AI policy in place. A similar proportion have appointed a senior leader with responsibility for AI strategy. And another 31% of the sample are developing a policy or planning to appoint a senior leader to look after it.

This shows that many are putting the basic structures for responsible AI in place. The next step will be ensuring those frameworks evolve alongside adoption – particularly as businesses move from everyday productivity tools towards combining AI with proprietary data, customer-facing applications and higher-risk decisions.

Risk, governance and outlook *key takeaways continued*

Building AI trust

Effective AI governance is what gives organisations the confidence to scale adoption. Trust is built when AI is designed to support professional judgement rather than replace it, with clear accountability, appropriate oversight and robust data governance embedded from the outset. Alongside that, the quality of the technology and support also earns trust, which in turn drives adoption. Getting both right is the key to extracting maximum value from AI.

As organisations integrate AI systems, they should understand how they reach their outputs and ensure humans remain accountable for important decisions – working with partners that place security, regulatory compliance and transparent governance at the heart of their products. In healthcare, where expectations around clinical AI governance are constantly evolving, these foundations are vital to building confidence among clinicians, patients and regulators.

That's why SME leaders should look for suppliers that treat governance and regulation as a central part of what they do, as an enabler of innovation rather than part of a compliance exercise. Organisations that embed responsible practices early are better placed to build trust, accelerate adoption and realise the long-term benefits of AI.

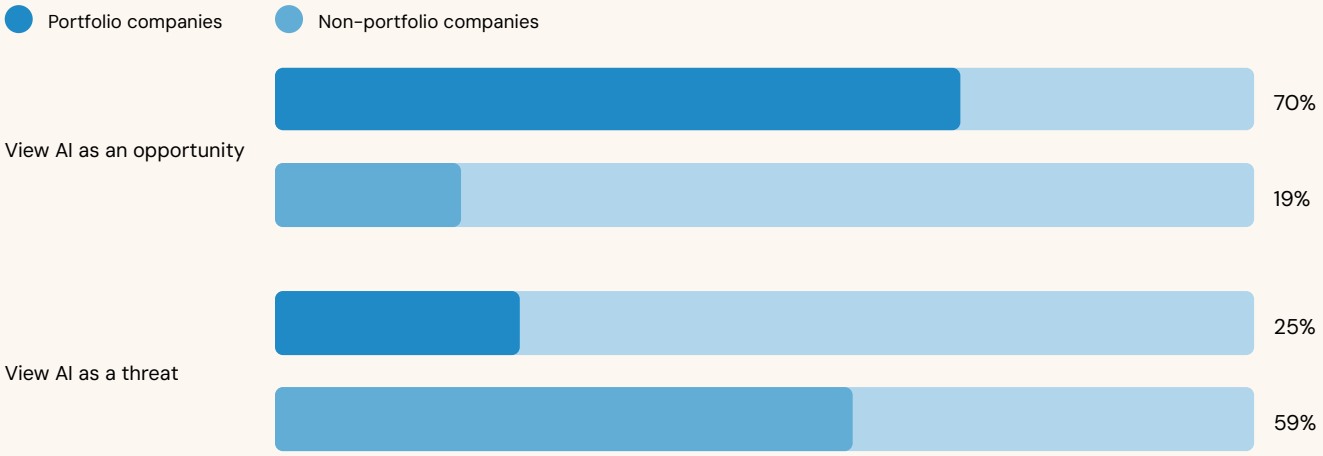
Dr. William Cook
Commercial Partnerships (UK&I), Tandem Health

The portfolio view *opportunities vs risks*

> When it comes to the perception of AI, the divergence between BGF portfolio companies and the broader market is the largest gap in the entire dataset.

Portfolio companies are nearly four times more likely to view AI as an opportunity than the broader sample (70% vs 19%). Growth ambition is part of the explanation, as businesses with significant capital and ambitious growth plans have both more incentive to find AI's upside and more tolerance for managed risk. But maturity plays a role too.

Perception of AI:



Source: Beahurst | Censuswide

The BGF view
governance that evolves with adoption

> What research data cannot tell us is how many governance policies are genuinely embedded in operational practice rather than sitting in a shared drive.

Effective governance doesn't mean setting a policy to tick a box and leaving it to gather dust. It needs to develop alongside the technology itself. Policy guardrails can provide a useful starting point, but the real test is whether they are embedded in day-to-day decision-making and can adapt as use cases become more sophisticated.

At BGF, we see a wide variety of approaches across the hundreds of businesses in our portfolio. For businesses at an earlier stage, this may mean clear principles for using off-the-shelf tools, simple rules around data handling and clarity over who is responsible for AI activity. As a business scales, those policies need to mature. It's an important balance to strike; although growth businesses are unlikely to need the same governance parameters on day one as they will several years later, they should not lag behind deployment.

Once AI begins to interact with proprietary data, customer-facing applications or significant business decisions, stronger governance is critical – including clearer ownership, more robust controls and appropriate human oversight. The growth businesses furthest ahead don't just have a 'set and forget' AI policy, but treat governance as a living framework that mirrors how AI is actually being used across the organisation

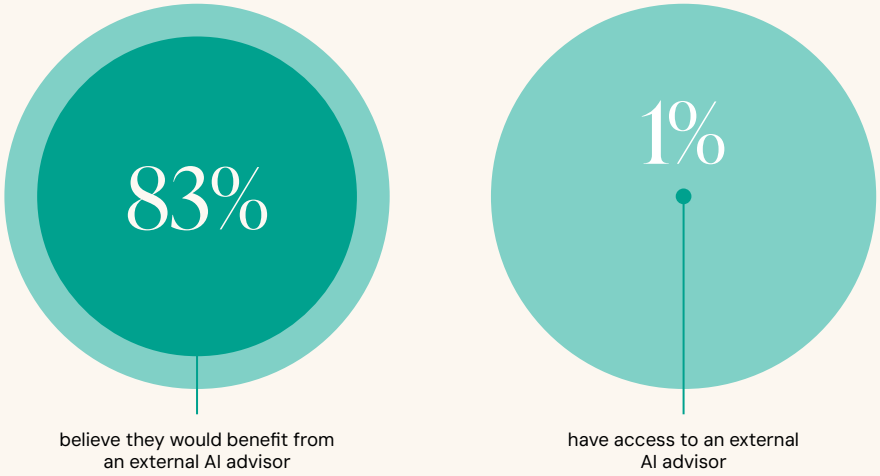
05 / Access to expertise and support

Few businesses expect to navigate AI adoption in isolation, but what type of support is most helpful? We look at what leaders value most, the role investors can play alongside management teams and how access to practical expertise, peer learning and specialist networks can build momentum.

Access to expertise and support *in numbers*

Appetite for practical support is high, and leaders are clear what they need:

Demand for external advisers far outstrips supply:



When asked about the role investors should play:

30% want practical operating support

24% want an active strategic partner

24% want governance input

Access to expertise and support *key takeaways*

01

Businesses are looking for guidance

Demand for external support on AI strategy is clear, but the supply – or at least the uptake – is essentially absent. We found that 83% of SME leaders believe an external advisor would be beneficial – fewer than 1% have one.

Whether that reflects a shortage of available support, a lack of prioritisation, or simply a difficulty knowing where to start, is not entirely clear. However, the implication is that most businesses are navigating one of the most significant operational and strategic transitions in living memory, largely without external guidance.

Perhaps part of the problem is that businesses want different things from AI support, creating choice paralysis in the absence of a one stop shop. Peer-to-peer learning comes out marginally ahead (47%), but capital investment (44%), shared tools and resources (43%) and practical expertise (43%) all follow closely.

The appetite for peer-to-peer learning deserves particular attention, called out by nearly half of business leaders as something that would accelerate AI progress. This is demand for practical knowledge exchange: what worked, what did not, what the journey looks like from the inside. That kind of knowledge does not sit in reports or vendor documentation. It sits in founders and operator experience.

02

Investors have a role to play

Almost every business leader surveyed (95%), regardless of whether they have raised external capital, believes investors should play a role in driving AI adoption. In a landscape moving this fast, access to an investor who brings relevant expertise versus one who does not is increasingly material to outcomes.

What that role looks like is more nuanced. More than half of leaders want a hands-on approach - either as an active partner (24%) or through practical operating support (30%). A further 24% want governance input and challenge, while only 17% think investors should limit themselves to acting as a sounding board. This is a clear mandate for investors to show up with substance, not just capital.

For BGF, this aligns directly with how we think about value creation alongside investment. The businesses in our portfolio making fastest progress on AI do not necessarily have more capital than their peers. Instead, they have access to a team that has seen these challenges across hundreds of businesses, can make introductions to specialists and can help them avoid costly mistakes.

Investment readiness and the AI question

For businesses considering future fundraising or exit, AI strategy is increasingly part of the conversation in growth-stage transactions. Investors and acquirers don't just want to understand if a business uses AI, but whether its data foundations are sound, its AI initiatives are tied to measurable commercial outcomes, and its leadership can articulate a path to scaled deployment.

This does not mean businesses need to be AI-mature to be investable. But it does mean that demonstrating where AI creates value in the business model, and a realistic plan for getting there, is a component of investment readiness in a way it was not just two or three years ago.

The portfolio view

AI as the starting point for scaled value creation

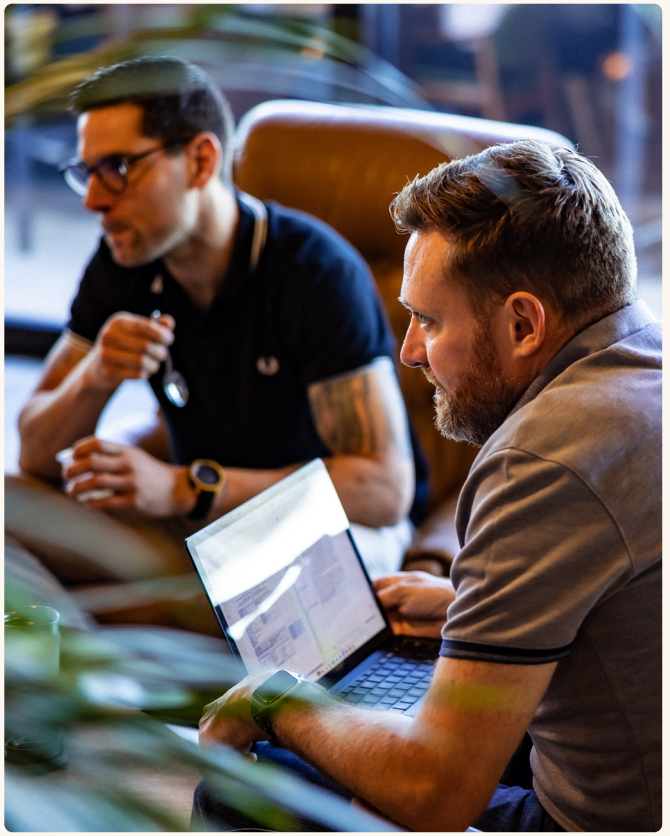
BGF is continually evolving how it supports portfolio companies on their AI journeys.

Increasingly, the model is built around repeatable frameworks that address common growth needs across the portfolio — particularly go-to market, product development and operational efficiency – but can be quickly customised to each company. This aligns with BGF's view that AI adoption is most effective when businesses start with focused, high-feedback use cases before expanding into broader transformation.

Citrus Lime is a strong example. A key part of the investment thesis is international expansion, particularly in the US. BGF applied its AI-enabled ICP and lead-scoring framework to accelerate that journey: within days, c.3,500 potential customers were scored against Citrus Lime's ICP and loaded into Dynamics CRM, with frequent refresh cycles built in.

Around 1,000 were net new leads, while the remaining c.2,500 records saw materially improved data quality, enabling the team to tier prospects and translate insight into sales prioritisation, marketing activity and territory strategy.

Importantly, this became more than a single GTM intervention. It was the first AI use case beyond software development and triggered follow-on conversations around CRM automation, campaign scoring, natural language querying and broader operational AI opportunities.



The BGF view *getting the first use case right*

The misconception most businesses carry into their first AI initiative is that the complexity lies ahead: building robust infrastructure, scaling a proven use case and managing organisational change. In practice, one of our most consistent observations is that the hardest point in an AI adoption journey is knowing where to start.

Businesses can see a wide range of potential applications for AI, but that breadth creates its own problem – too many options, too little certainty and too much pressure to invest in the right use case first time. That doesn't mean those first choices should be made without due diligence. A well-chosen use case can build confidence, create internal buy-in and give management teams a clearer basis for deciding where to invest next. Poorly defined pilots that fail to convert into production can have the opposite effect, making subsequent adoption harder.

External support is most valuable at this stage. At BGF, our approach is to help portfolio companies narrow that field and identify opportunities that map clearly to an existing business priority. That might mean a workshop to surface the strongest use cases, an introduction to a specialist with relevant sector experience, or a connection to another founder or operator who has solved a comparable problem. The objective is to create an early intervention that is practical enough to test, but meaningful enough to demonstrate what AI can do.

The businesses we work with that have moved fastest from experimentation to production have typically built momentum in this way. Start with a specific problem, learn quickly and use the evidence from that first application to inform the next stage of adoption.

BGF

value beyond investment

BGF's value creation team provides businesses with practical support alongside capital, helping management teams address the opportunities and challenges that come with scaling. Drawing on the experience gained from more than 650 investments, we connect portfolio companies with specialist expertise, networks and resources tailored to their priorities.

As an increasingly important growth driver, our specialists work with portfolio companies to strengthen their technology and data foundations, while encouraging them to translate emerging technologies into value in their businesses. This includes strategic support across the tech stack including data infrastructure, advanced analytics, AI development, cyber security, enterprise systems and digital transformation. We also provide access to specialist partners and technology providers, alongside workshops and peer learning opportunities.

Looking for funding?

Get in touch

BGF provides value creation support across three main pillars:

Talent Network
building effective boards

Access our unparalleled Chair & Non-Executive network.

Assistance and advice around Board-level hiring and people strategy.

Forward looking initiatives to develop high potential, diverse candidates and future Chairs.

Operating Specialists
delivering the plan

Access to expert, complimentary in-house support in key functional areas – such as technology & cyber; data & AI; go-to-market; and ESG.

Connections to selected external individuals and consultancies.

Support around value creation planning.

Access to proprietary tools in key areas.

Community
accelerating your growth journey

Use the size and scale of the BGF portfolio to benefit from preferential rates and support.

Access our Scale app and Community events to network with peers and attend curated in-house workshops.

Maximise cross-sell opportunities across a 350+ business portfolio.

Methodology

This report is based on a survey of 285 business leaders. Fieldwork was conducted by market research consultancy Censuswide, on behalf of BGF and Beauhurst, between 25 March 2026 and 24 April 2026.

The survey was limited to founders, owners, CEOs, MDs, CPOs and CTOs at businesses headquartered in the UK and Republic of Ireland. At the time of surveying, they all had 50-500 employees and annual turnovers of £5m-£50m. More than half of respondents identified as women.

Their businesses operate in a wide range of industries, with the sample comprising a minimum of 15 respondents per sector. Where sector level findings are used to illustrate variation across the sample, these should be treated as directional, rather than statistically representative. The same is true for investment stage, due to a relatively small number of bootstrapped businesses (13).

The sample is made up of two distinct groups: 258 respondents sourced through Censuswide's external panel and 27 respondents from within the BGF portfolio (typically privately-owned, profit-generating SMEs that have raised significant funding from BGF to accelerate their growth). Where differences between these two groups are material to our findings, they are noted throughout the report. Findings attributed specifically to BGF portfolio company respondents should again be treated as directional only, and not statistically representative of BGF's wider portfolio.

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