EU & U.K. 2025 Small Tech Business AI Survey Findings: Adoption, Benefits, and Opportunities

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Introduction

Background & Objectives

This survey gauges the pulse of AI adoption in tech-based small businesses in Europe. We look at where artificial intelligence is being utilized, how much companies are investing, the benefits and roadblocks they foresee, and how AI and government policy are expected to shape their growth in the years ahead.

Survey Sample

- ✓ Online Survey Methodology
- ✓ Sample size - 557 completes
  - TechnoMetrica used its network of panel partners for the sample. The sample distribution: France (110), Germany (118), U.K. (123) and Other EU countries (206)
- ✓ Credibility interval - +/-4.4 percentage points

Methodology

- ✓ Survey Conducted
  - August 26 – September 7, 2025
- ✓ **Median Interview Length**
  - 10 minutes

- ✓ **Qualification Criteria**
  - Technology company owners or senior managers
  - Employee size = 1 to 250
  - Revenue = Under $35 Million

Findings - Overview

Tech leaders are very familiar with AI.

- Nearly all respondents (97%) know at least the basics, and two-thirds (67%) follow developments closely. A small segment (3%) has only heard of AI and lacks detailed knowledge.

AI is firmly embedded in their operations.

- Half the firms (50%) actively use AI in business processes; another 45% are piloting solutions. Half (50%) are developing new products or services. Just 6% report zero adoption.

Firms are both users and builders of AI.

- Nearly four in ten (38%) say they both use and develop AI. A slightly larger share, 44%, are primarily end-users, and 13% focus mainly on development. Six percent report no engagement with AI.

Findings - Overview

AI adoption spans core business functions, led by software, data, and security.

- Among uses, Software Development & QA (56%), Data & Analytics (54%), and Security & IT operations (48%) dominate. Other applications include Customer Service (42%), Internal Productivity (36%), and Marketing & Creative (36%).

- More than a quarter cite adoption in Voice/Agents (29%), Sales & CRM (26%), and Customer Insights (26%). Smaller segments mention Finance & Operations (23%), HR (21%), and Legal/Compliance (12%).

- These same areas top the list of priorities, with 28% citing Software Development and 18% identifying Security as their single most important use case.

ChatGPT is the leading tool by a wide margin.

- It is used by 85% of firms, well ahead of Google Gemini (56%) and Microsoft Copilot (55%). Open-source/local models (20%) and Claude (19%) have fewer takers, while multimedia tools (12%), image generators such as MidJourney or Stable Diffusion (11%), and in-house models (6%) see limited uptake.

Findings - Overview

AI is viewed as critical to business success.

- Nearly three-quarters (73%) of users consider it necessary, with 25% calling it “Extremely Important” and 48% “Very Important.” Just 5% say AI is not important. Most firms have integrated AI into their workflows — 32% fully and 48% partially. Another 19% are still in the pilot stages.

AI spending is significant and growing.

- The median spend projected for 2025 is $20,235. The largest shares are planning to spend $10K–$25K (19%) or $25K–$50K (19%). Another 15% expect to spend $50K–$100K, while 7% anticipate outlays above $100K.

AI is already paying off in cost savings.

- Eighty-five percent of firms report savings, with a median cost reduction of 8.9%. Four in ten (41%) see 5–10% savings, while 38% have achieved reductions of 10–20%, and one in ten report savings of 20% or more.

Findings - Overview

Savings are reinvested in the business.

- Firms channel benefits into other technology or innovation (52%), reinvest in AI (48%), boost profit margins (45%), or pass savings on to customers (32%). About one-third (32%) use savings to expand staff.

Investment momentum is strong.

- Nearly nine in ten (89%) plan to increase AI spending in the next year, with 30% planning a significant increase and 42% a moderate increase. Very few expect flat or reduced spending.

Efficiency, innovation, and competitiveness are the main drivers.

- The top reasons for using AI are improving efficiency/productivity (68%), accelerating innovation (55%), and staying competitive (49%). Four in ten (43%) also point to cost reduction, while others mention curiosity/learning (34%) or client/customer demand (25%).

Findings - Overview

Regulations have a mixed impact.

- About one in six firms (15%) say regulations significantly hinder adoption, while 2% believe they completely block it. Another 35% see a moderate effect; 24% report only a slight effect, and 20% say regulations have no impact at all.

- Concerns focus on slowing adoption (13%), compliance costs (9%), and uncertainty (6%). At the same time, some tech leaders highlight the positives: privacy protections (10%), responsible innovation (9%), and ethical AI use (7%).

Delays in access to AI tools are common in Europe.

- Four in ten firms (46%) report minor delays, and 14% report significant delays in gaining access compared to other regions. Only 29% say they have equal access, and 11% are unsure. These delays have consequences: half (50%) say innovation and product development are slowed, 45% report higher costs, one-third (32%) say they are falling behind competitors, 31% report developing lower-quality alternatives, and 29% have lost clients or revenue opportunities.

Findings - Overview

Developers' priorities center on analytics, consumer apps, and creative tools.

- More than half the developers (54%) are building analytics and data platforms. Nearly half (49%) are developing consumer apps such as chatbots and creative applications, and 46% are working on innovative tools for content, design, audio, video, or image generation. Roughly 44% are developing AI agents, copilots, or assistants, while 43% are designing SaaS applications for business use. Over one-third (38%) are focused on infrastructure or APIs for developers.

Most AI projects are still in early testing or prototype stages.

- The leading stage for developers' most advanced product is pilot testing (30%), followed by prototype or proof of concept (28%). About one in five (19%) have launched products on a limited scale, but only 13% have reached market scaling. Ten percent remain at the early idea stage.

- Many developers juggle multiple products across stages: 43% report prototypes, 43% are running pilots, 35% have limited-scale launches, 30% are developing early ideas, and 18% already have products scaling in the market. Only 4% say they have no AI products in development.

Findings - Overview

SMBs, consumers, and large enterprises are key target markets.

- Three in ten developers (30%) target small and medium-sized businesses, 28% focus on consumers (B2C), and 27% each target large enterprises and internal company use, highlighting the diverse markets for AI products.

OpenAI, Microsoft, and Google dominate developer platforms.

- Nearly seven in ten developers (69%) rely on OpenAI APIs or models, followed by Microsoft (59%) and Google (57%). More than a quarter (28%) use open-source or local models such as Llama or Mistral, 21% use Anthropic's Claude, and 15% employ custom or proprietary in-house models.

Developer spending is substantial and rising.

- The median spend for 2025 is projected at $46,070. Over a quarter (27%) spent between $50,000 - $100,000, and another quarter (25%) between $25,000 - $50,000. Nearly one in five (18%) spent $5,000–$25,000, while 14% invested $100,000–$500,000. Smaller shares spent less than $5,000 (9%) or more than $500,000 (3%).

Findings - Overview

Most developers plan to increase AI investment.

- Nine in ten (90%) expect to increase spending over the next year, including 30% who will ‘significantly increase’ and 37% who will ‘moderately increase’ their investment. Nearly a quarter (23%) will ‘slightly increase’ spending, while just 7% plan to hold steady. None expect to reduce investment.

AI revenue contributions are expected to grow.

- Developers project that a median of 17.3% of company revenue will come from AI products and services within the next three years. More than one-third (36%) expect AI to contribute 10–25% of revenue, 27% anticipate 25–50%, and 5% forecast 50% or more. About a quarter (30%) foresee less than 10%.

High costs, intellectual property, and regulation top the list of barriers.

- Nearly half the developers cite high development costs and compute requirements (47%) as well as intellectual property or copyright concerns (46%). Four in ten (42%) point to model accuracy or reliability, and 38% cite unclear or restrictive government regulation. More than one-third (37%) say they struggle to attract or retain AI talent, and 23% point to intense market competition.

Findings - Overview

Regulations are a source of delay.

- Six in ten developers report delays: 14% say regulations have ‘significantly’ delayed product development, and 45% report ‘somewhat’ delayed timelines. Over one-third (38%) have not experienced delays, while 4% remain unsure. The most frequently cited barriers are compliance and approval processes (21%), data privacy and security rules (18%), regulatory uncertainty (16%), and algorithm transparency and ethics (12%). Documentation and audit requirements (9%) and compliance costs (9%) also contribute. Smaller shares cite fragmented rules, limited features, tariffs, or human oversight requirements. Nearly half (44%) cited other concerns.

Access to AI tools also lags.

- Nearly six in ten developers say they face delayed access to AI tools compared to other regions, including 11% who experience ‘significant’ delays and 47% who report ‘minor’ delays. About one-third (35%) say their access is comparable, while 7% are not sure.

Findings - Overview

One-third of developers have had to remove or downgrade features.

- More than one-third (35%) of developers reported making feature changes to comply with EU regulations. Most (60%) have not had to make such adjustments, while 6% are unsure. Data handling (63%) and safety checks (61%) are the most affected areas, followed by interoperability (36%) and disclaimers (33%).

Findings - Overview

Data security, intellectual property, and accuracy top the list of concerns.

- More than half of firms (56%) cite data security and privacy risks, while nearly half (46%) point to intellectual property and copyright. Reliability and accuracy issues are raised by 42%, and more than a third (36%) highlight the high cost of tools or unclear ROI. Nearly three in ten (29%) cite unclear or restrictive regulation, and 17% note the lack of in-house expertise or training. Asked to choose their top concern, 33% picked data security/privacy risks, 22% reliability and accuracy, 15% intellectual property/copyright, and 9% high costs/unclear ROI.

Many firms still lack a formal AI policy.

- Just over a quarter (27%) say they have a formal written AI policy, while 38% provide only informal guidance. One in five (20%) have no policy but plan to create one, and 13% report no policy at all. Among companies with policies, responsibility for the same most often lies with IT/technology teams (65%), followed by owners or senior leadership (17%) and legal/compliance staff (16%). Only 2% say AI use is unmanaged.

Findings - Overview

Two-thirds of tech leaders expect AI to transform their industry.

- Over four in ten (42%) anticipate a major impact in the next three to five years, and nearly a quarter (24%) predict a transformative impact. Another 27% expect a moderate effect, while only small shares foresee minor (4%) or no impact (1%).

- Most anticipated benefits are efficiency and automation (29%), innovation and growth (18%), and industry transformation (13%). Other expected gains include better decision-making (11%) and improved customer experience (10%), while some point to job displacement (9%), cost reduction (9%), or reskilling (5%).

AI is seen as both creating and reducing jobs.

- Four in ten firms (40%) believe AI will both create and reduce roles, while a quarter (25%) expect net job losses and nearly as many (23%) expect net gains. Only 11% foresee no impact on employment, and 2% are unsure.

Findings - Overview

AI is viewed as critical to future company success.

- Nearly two-thirds (63%) say AI will be ‘very’ or ‘extremely’ important in three years, including 21% who call it ‘extremely important’ and 42% who call it ‘very important’. Another 28% say it will be ‘somewhat important’, while only 6% say it will not be important, and 3% are unsure.

Most expect regulation to accelerate adoption.

- Six in ten firms (61%) believe regulations will speed AI uptake by creating clarity and trust, while 16% say rules will slow adoption. Another 14% expect no effect, and 9% remain unsure.

- Confidence in compliance is generally high: 29% are ‘very confident’ they could comply easily, and 53% are ‘somewhat confident’ they could comply with moderate effort. Only 12% are ‘not very confident’, 2% ‘not confident at all’, and 5% unsure.

Findings - Overview

Compliance is expected to carry moderate costs.

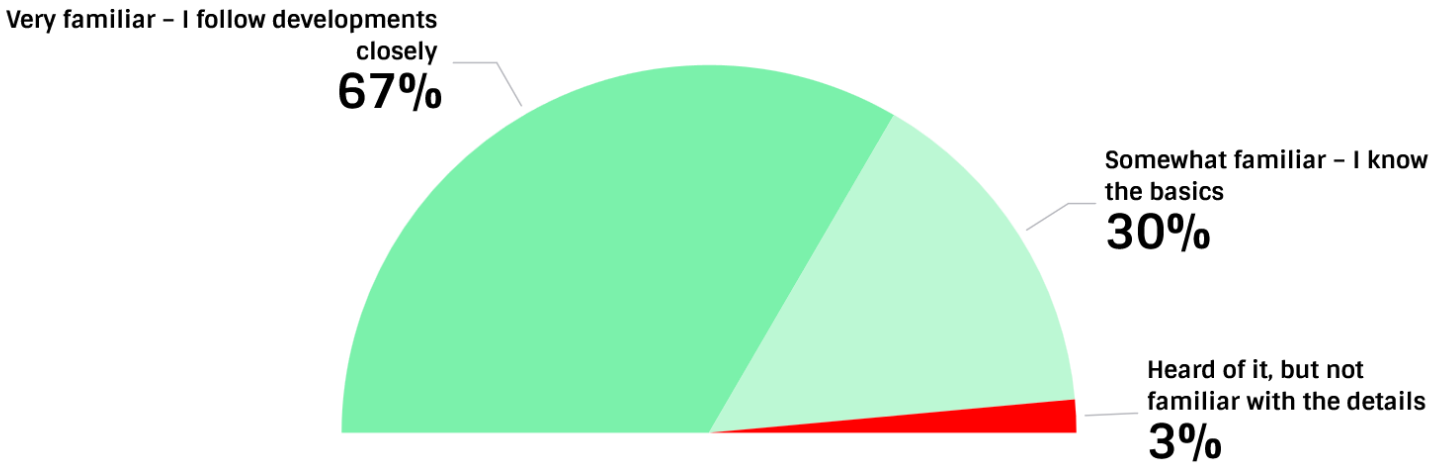
- The largest share of firms (43%) anticipate a moderate burden, estimated at $5,000–$25,000 or 50–200 staff hours annually. More than a quarter (26%) foresee significant costs of $25,000–$100,000 or 200–500 hours, while 5% anticipate a very significant burden above $100,000 or 500 hours. Smaller shares expect minimal costs (16%) or are unsure (10%).

Additional regulations are generally expected to strengthen innovation.

- Two in five firms (40%) believe more rules would ‘somewhat’ strengthen innovation, and 19% say they would ‘significantly’ strengthen it. One in five (21%) expect no effect, while 13% foresee some weakening and only 2% predict ‘significant weakening’. Six percent are unsure.

Detailed Findings

Strong Familiarity With AI Among EU And UK Tech Leaders



A1. How familiar would you say you are with AI and its potential business applications? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- Nearly all respondents are familiar with AI: 97% know at least the basics.
- A strong majority (67%) follow AI developments closely.
- But, 3% have only heard of AI and lack in-depth knowledge.

Half The Firms Actively Using AI, Others Piloting Or Developing

A02. In which of the following ways is your company currently engaging with AI? (Select all that apply)? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

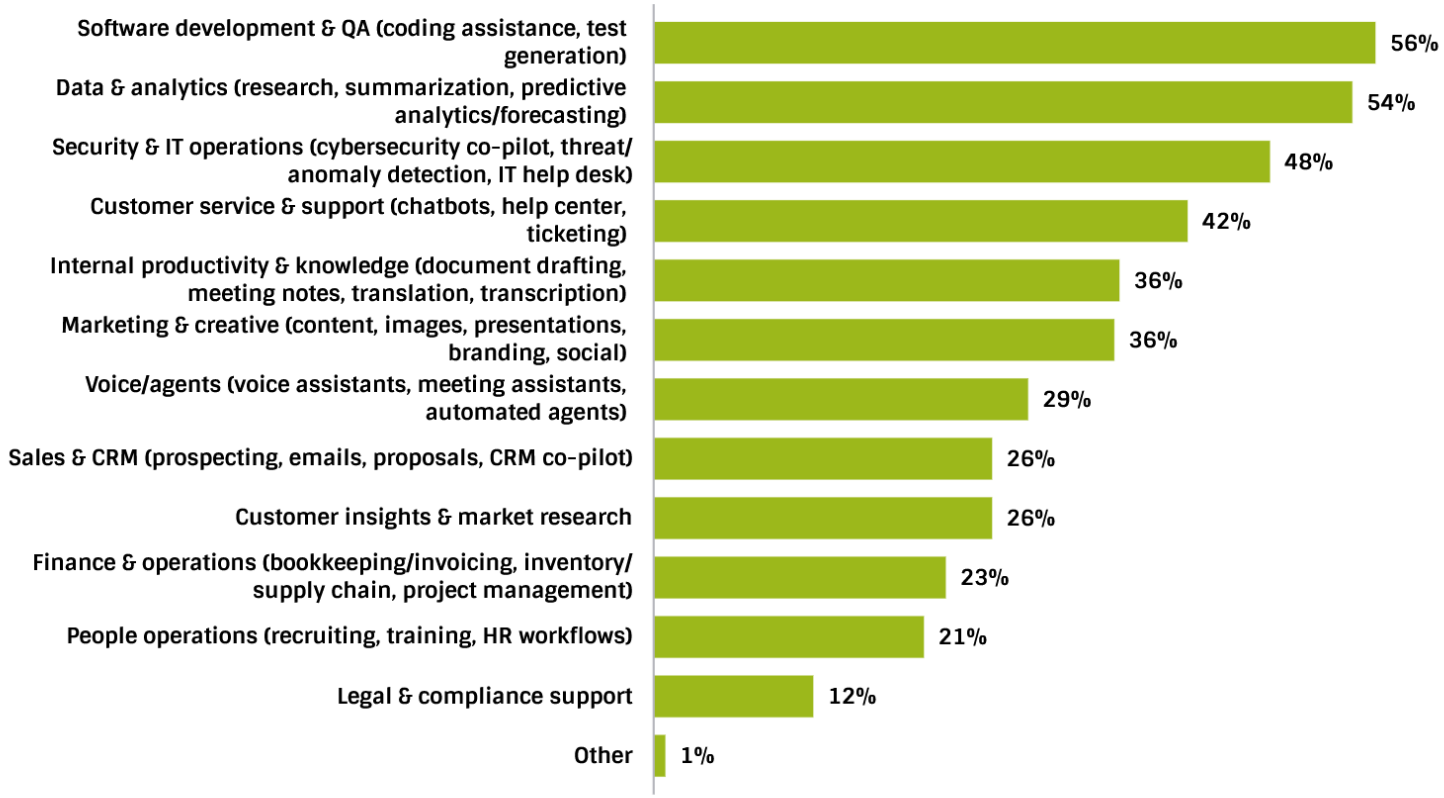
- 50% report using AI actively in their business processes.
- 45% are experimenting with or piloting AI solutions but have not yet reached full implementation.
- 50% are developing new products or services using AI.
- Only 6% are not using AI yet or are unsure.

Firms Engage With AI As Users, Developers, Or Both

Type. Respondent Type, Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- 38% of firms are both users and developers of AI.
- 44% primarily engage as end-users.
- 13% focus mainly on developing AI solutions.
- 6% report zero engagement with AI.

AI Most Common In Software, Data, And Security



U01. Which areas of your business currently make use of AI? (Select all that apply) ? Base=453 users in the EU and UK

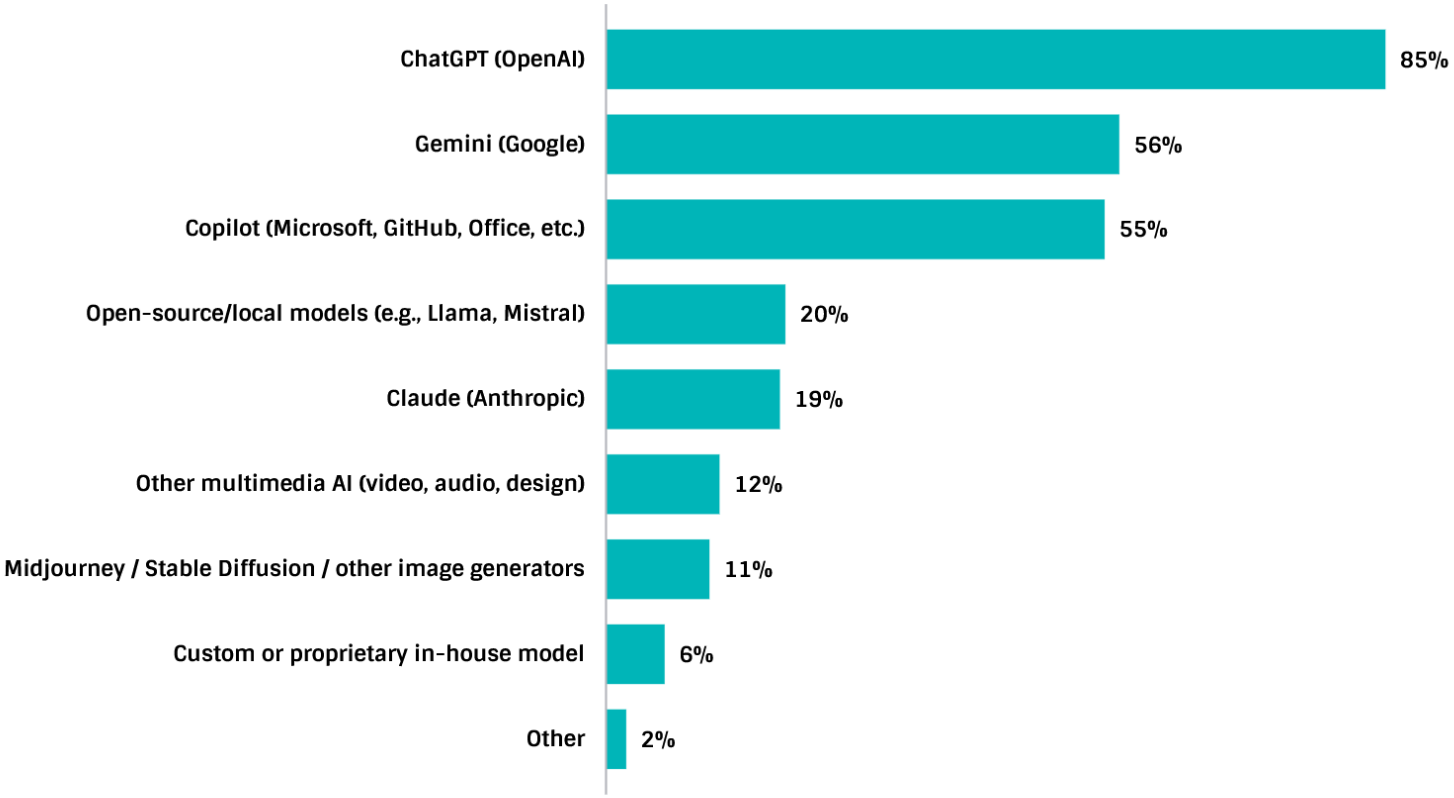
- Among AI users (Base: 453), the top applications are Software development & QA (56%), Data & Analytics (54%), and Security & IT operations (48%).
- Over 4 in 10 (42%) apply AI in Customer service and support.
- About a third use it for Internal productivity (36%) and Marketing & creative (36%).
- One-fourth cite AI applications for Voice/agents (29%), Sales & CRM (26%), and Customer insights (26%).
- Smaller but notable segments mention Finance & operations (23%), HR (21%), and Legal/compliance (12%).

Top AI Priorities: Software Development, Security, And Analytics

U02. Which of these is the most important area where your company uses AI? Base=453 users in the EU and UK

- When asked to pick the single most important use case, AI users (Base: 453) highlight Software development & QA (28%) and Security & IT operations (18%).
- Data & analytics (15%) ranks third.
- Other cited areas include Customer service (13%), Marketing/creative (9%), and Internal productivity (5%).
- Only a few pick Sales, HR, Finance, or Market research as their top AI priority.

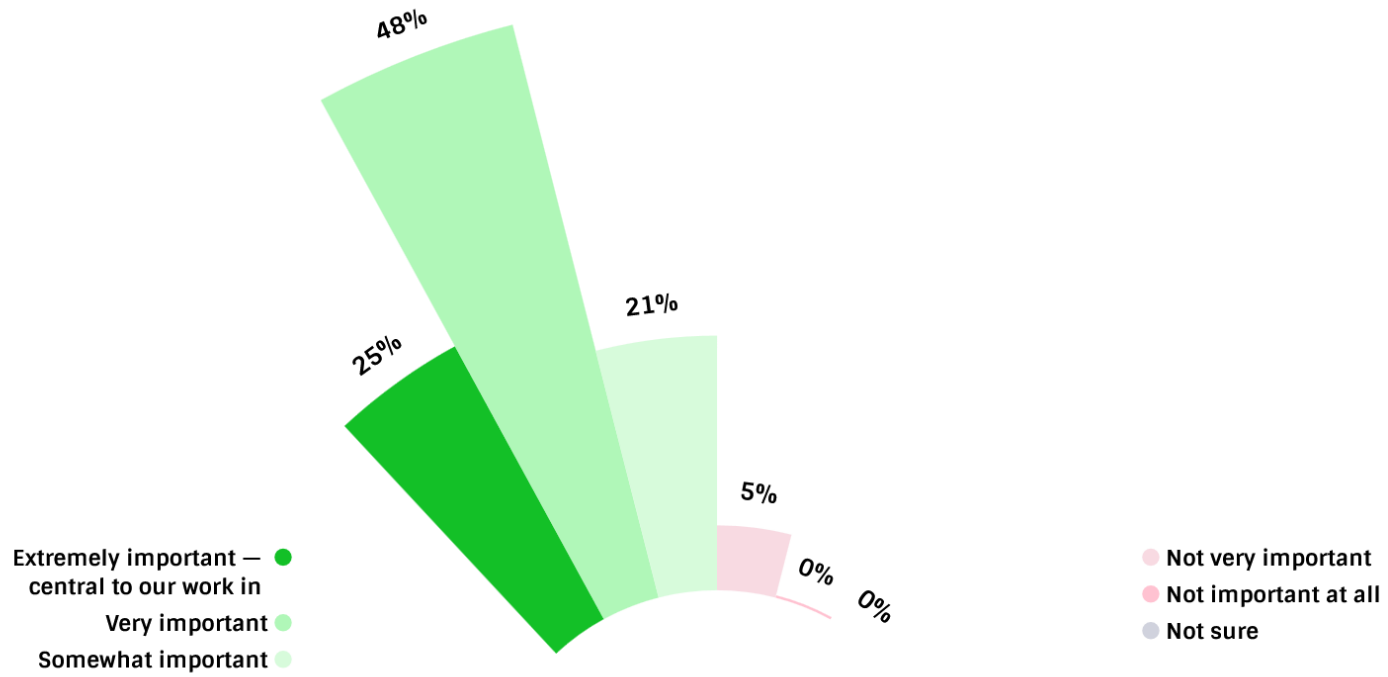
ChatGPT Dominates As The Most-Used AI Tool



U03. Which AI tools or platforms does your company use most often? (Select all that apply)? Base=453 users in the EU and UK

- The majority of AI users rely on ChatGPT (85%).
- Other widely used tools include Google Gemini (56%) and Microsoft Copilot (55%).
- Smaller segments use Open-source/local models (20%), Claude (19%), and other multimedia AI tools (12%).
- Visual AI tools like MidJourney/Stable Diffusion (11%) and Custom in-house models (6%) see limited uptake.

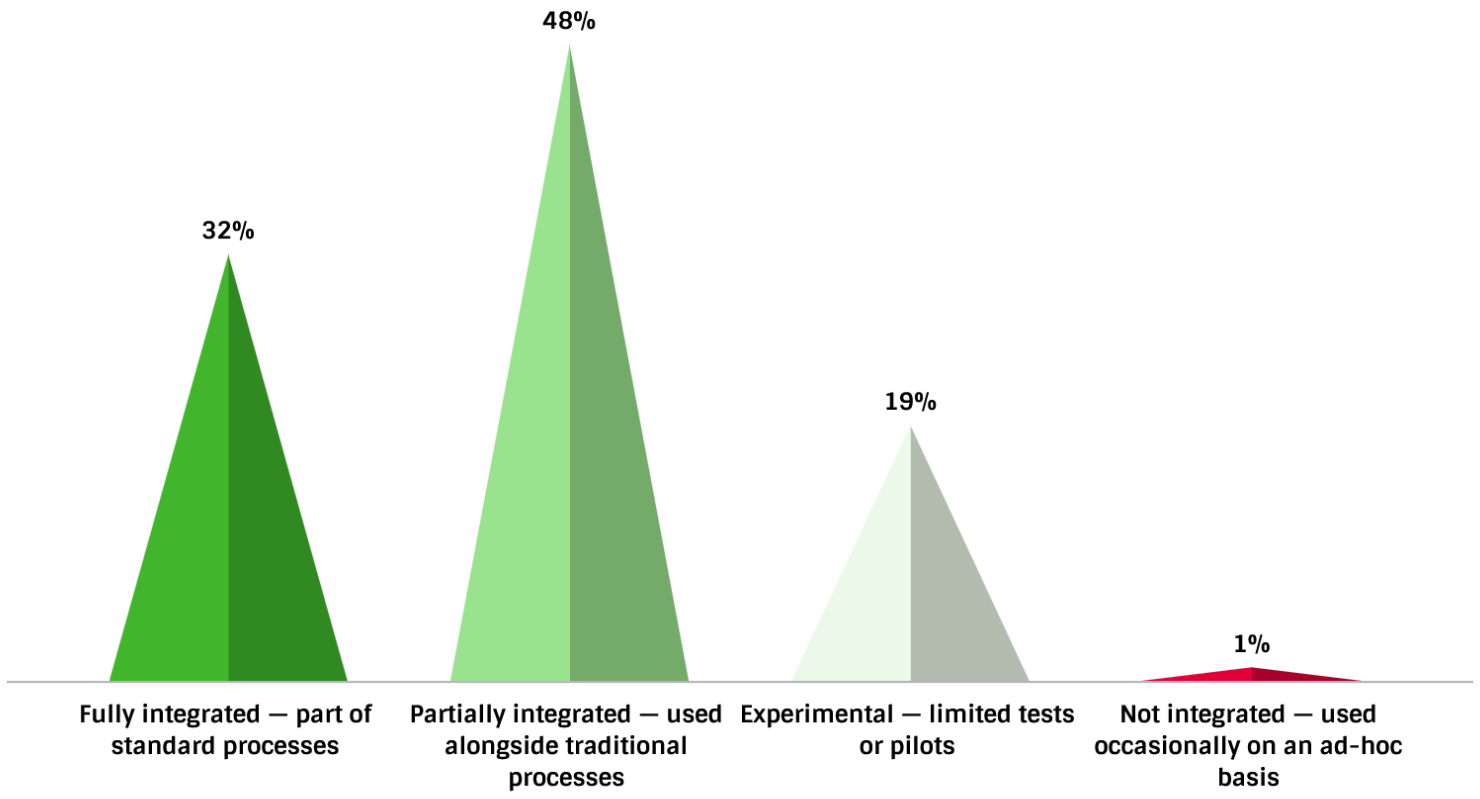
Users See AI As Vital To Company Success



U4. How important is AI to your company today? Base=453 users in the EU and UK

- 73% of AI users consider it important to their company today.
- 25% say AI is *Extremely Important* and central to their work.
- 48% rate it as *Very Important*, while 21% see it as *Somewhat Important*.
- Only 5% consider AI *not important*.

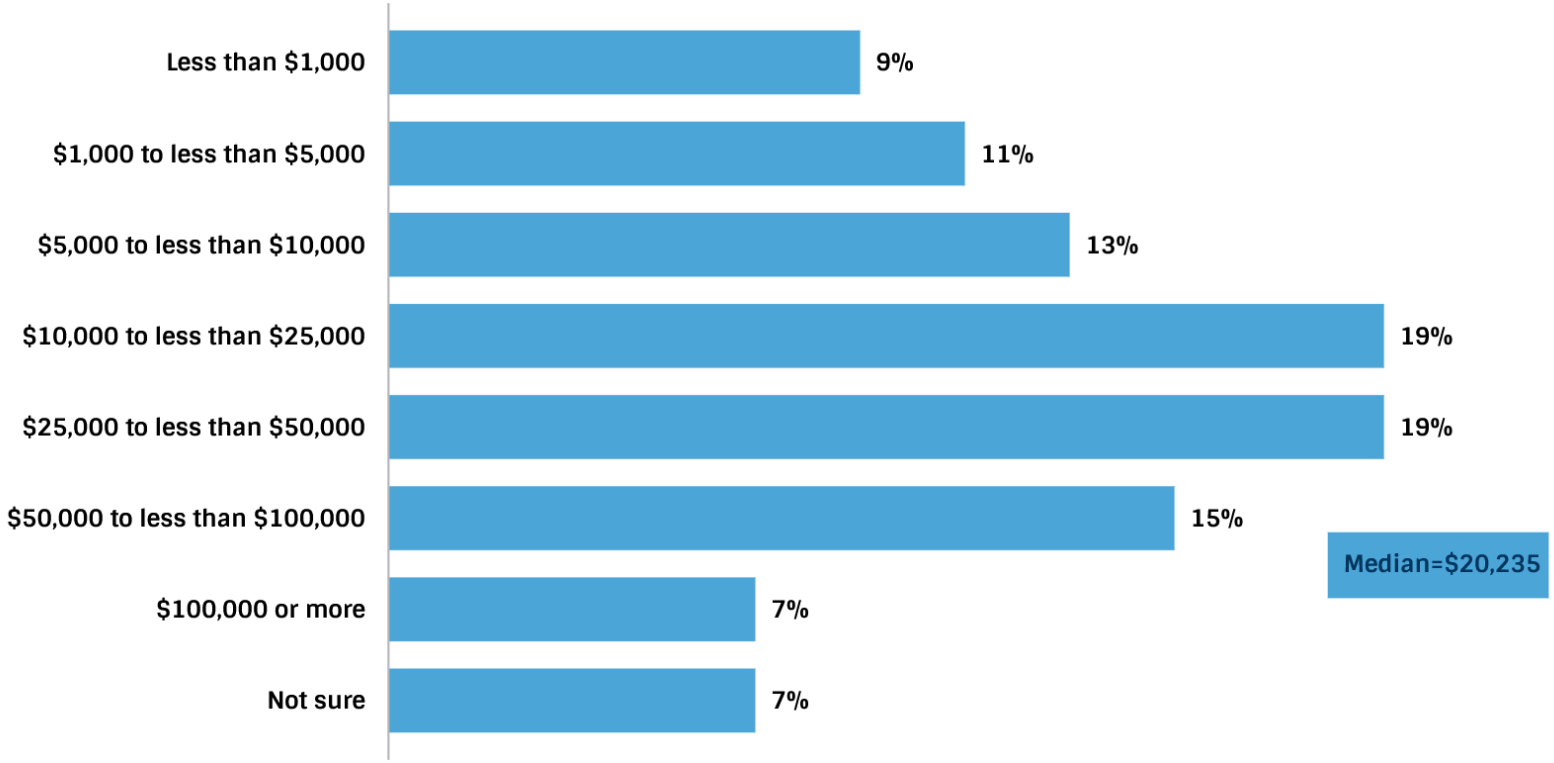
Eighty Percent Of Small Firms Have Already Integrated AI Into Their Workflows



U05. How would you describe the current integration of AI into your business workflows? Base=453 users in the EU and UK

- Among users, 32% report full integration of AI into standard processes.
- Another 48% describe AI as *partially integrated* alongside traditional processes.
- 19% say AI use is still at an experimental or pilot stage.
- Very few report no integration (1%).

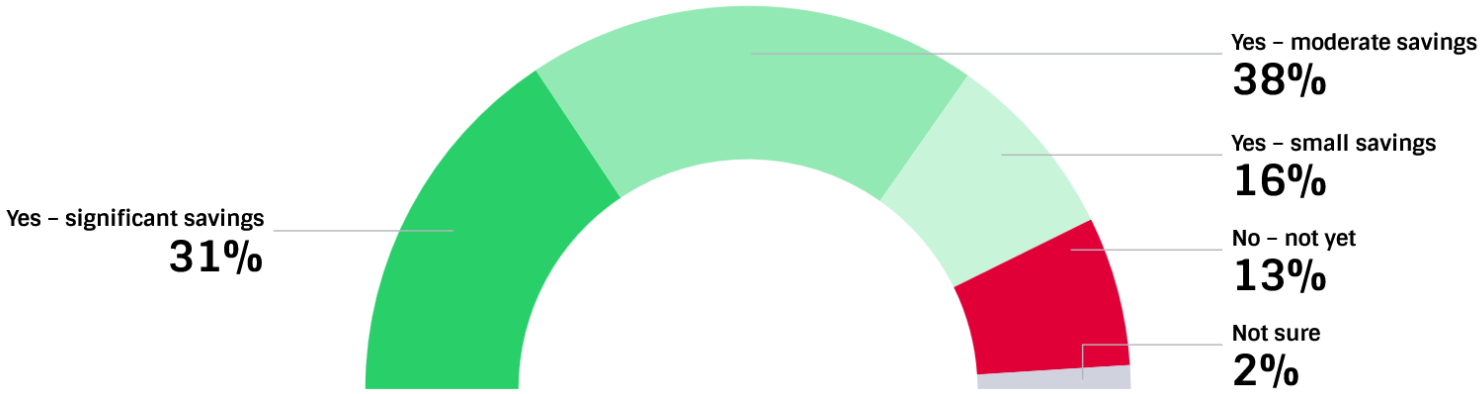
Median AI Spending Among Users Projected at $20,235 in 2025



U06. Approximately how much will your company spend on AI tools, platforms, or services in 2025? Base=453 users in the EU and UK

- Spending plans vary widely: two brackets tied for the largest share at 19%: $10,000–$25,000 and $25,000–$50,000.
- 15% expect to spend in the $50,000–$100,000 range.
- 13% plan to spend only $5,000–$10,000.
- About 1 in 10 expect to spend $1,000–$5,000 (11%) and less than $1,000 (9%).
- 7% anticipate expenses of $100,000 or more.
- The **median projected spend is $20,235.**

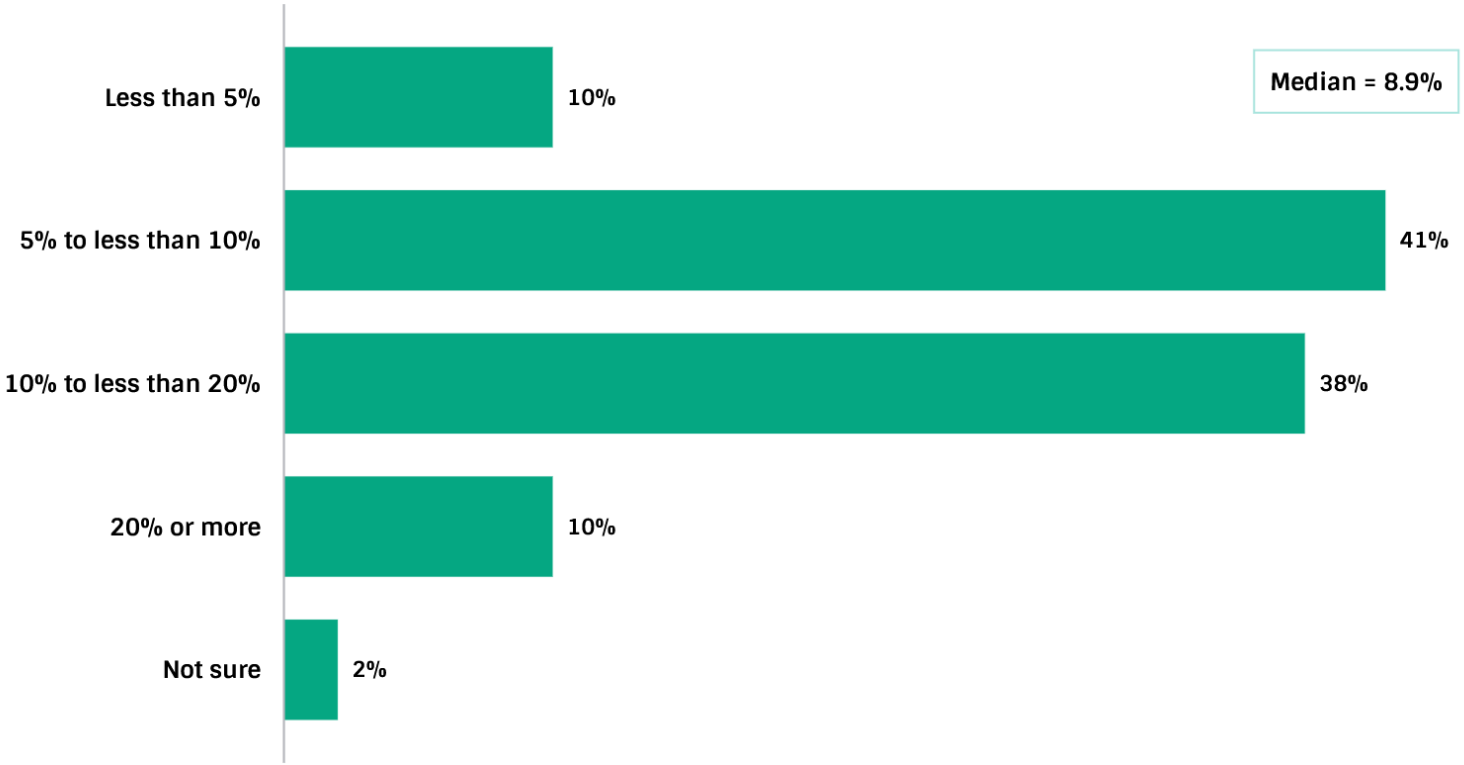
Most Users Report AI-Driven Savings



U7. Has your company realized any cost savings from using AI? Base=453 users in the EU and UK

- A total of 85% of AI users report some level of cost savings from AI.
- 31% cite *significant* savings; 38% report *moderate* savings; 16% note *small* savings.
- Only 13% say they have not yet realized savings, while 2% are unsure.

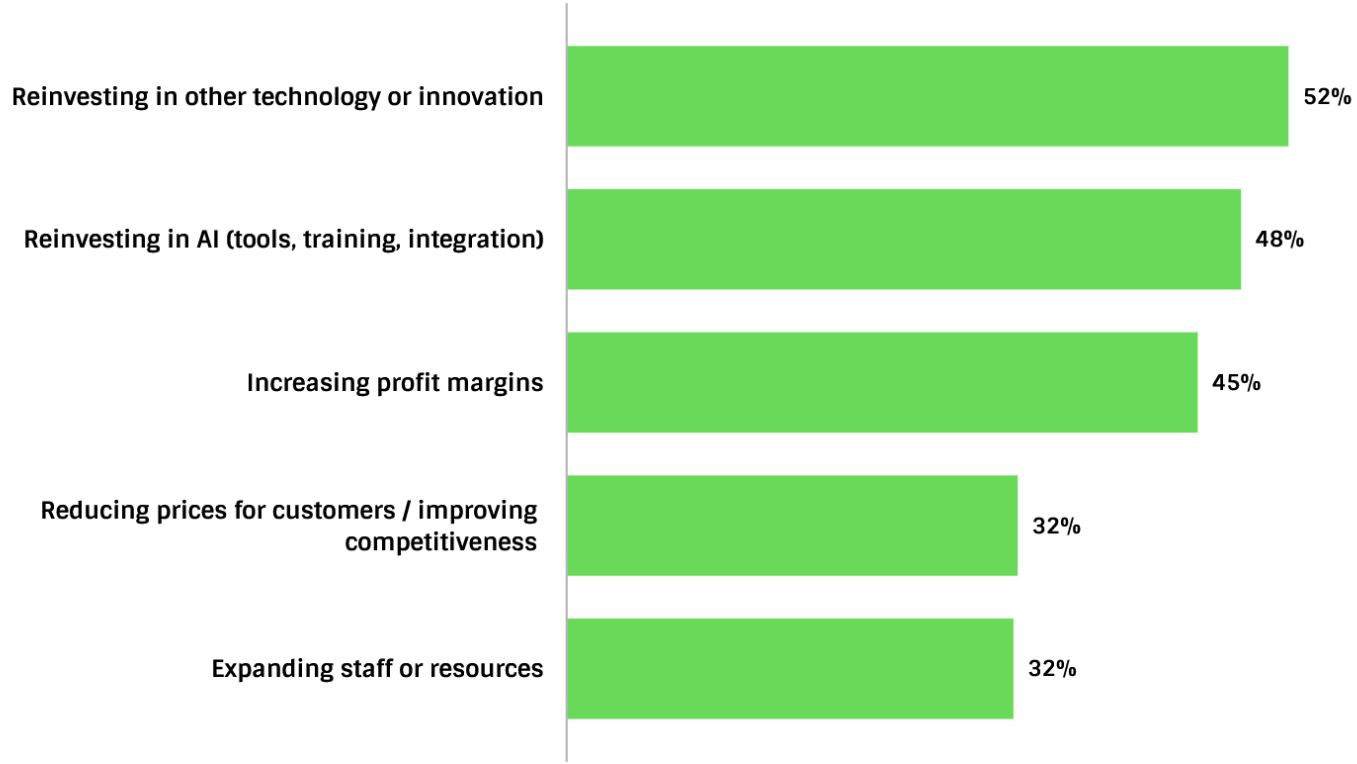
AI Delivers Meaningful Cost Reductions For Many Firms



U8. Approximately what percentage of your company's costs have been reduced due to AI? Base=387 users who have realized savings in the EU and UK

- 38% report savings in the 10–20% range.
- 41% see savings of 5–10%.
- 10% have achieved reductions of 20% or more.
- Only 10% report savings of less than 5%.
- Among firms realizing savings (Base: 387), the **median cost reduction is 8.9%.**

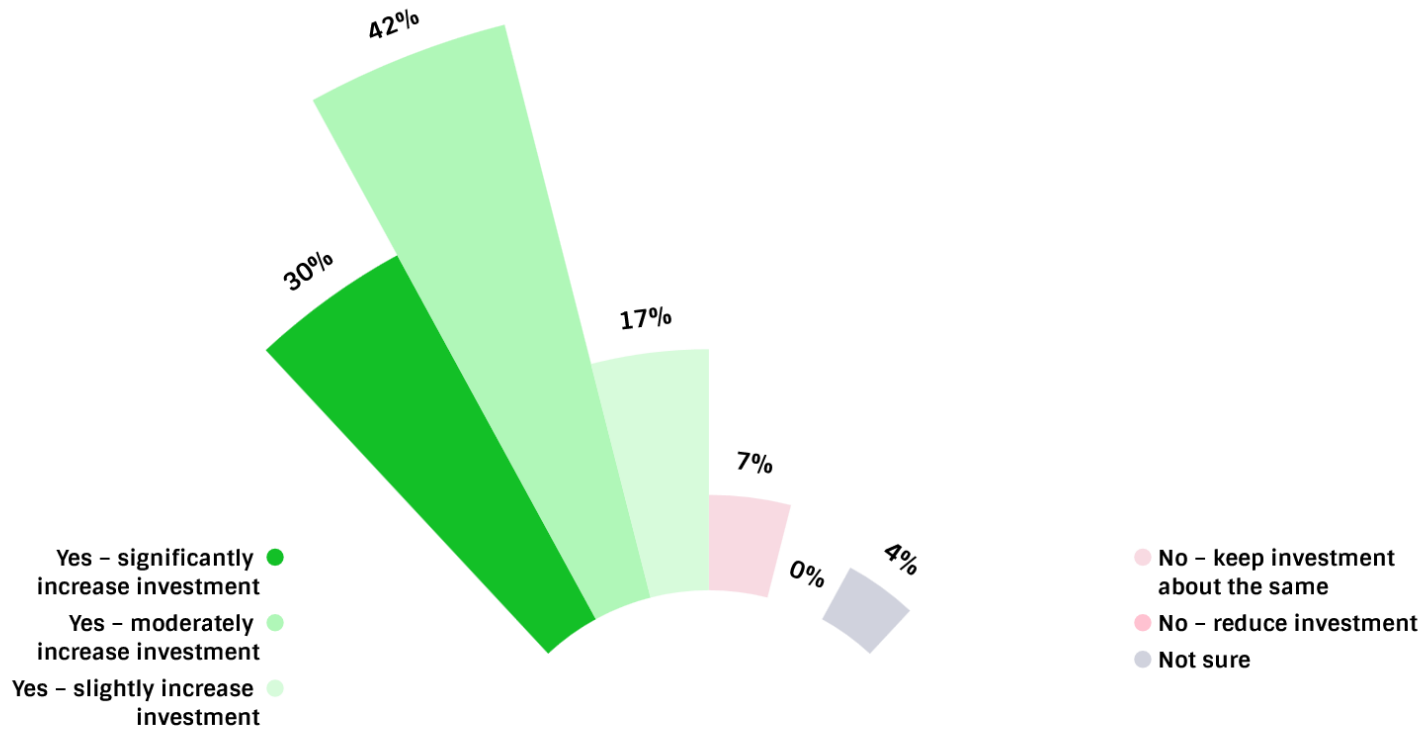
Savings From AI Are Reinvested Back Into Growth



U9. If your company has realized savings from AI, how are those savings being used? (Select all that apply), Base=387 users who have realized savings in the EU and UK

- A majority channel the savings into other technology or innovation (52%).
- Nearly half reinvest in AI tools, training, and integration (48%).
- A similar share (45%) utilizes it to increase their profit margins.
- 32% pass savings on to the customers through lower prices or improved competitiveness.
- An equal share, 32%, use the savings to expand staff or resources.

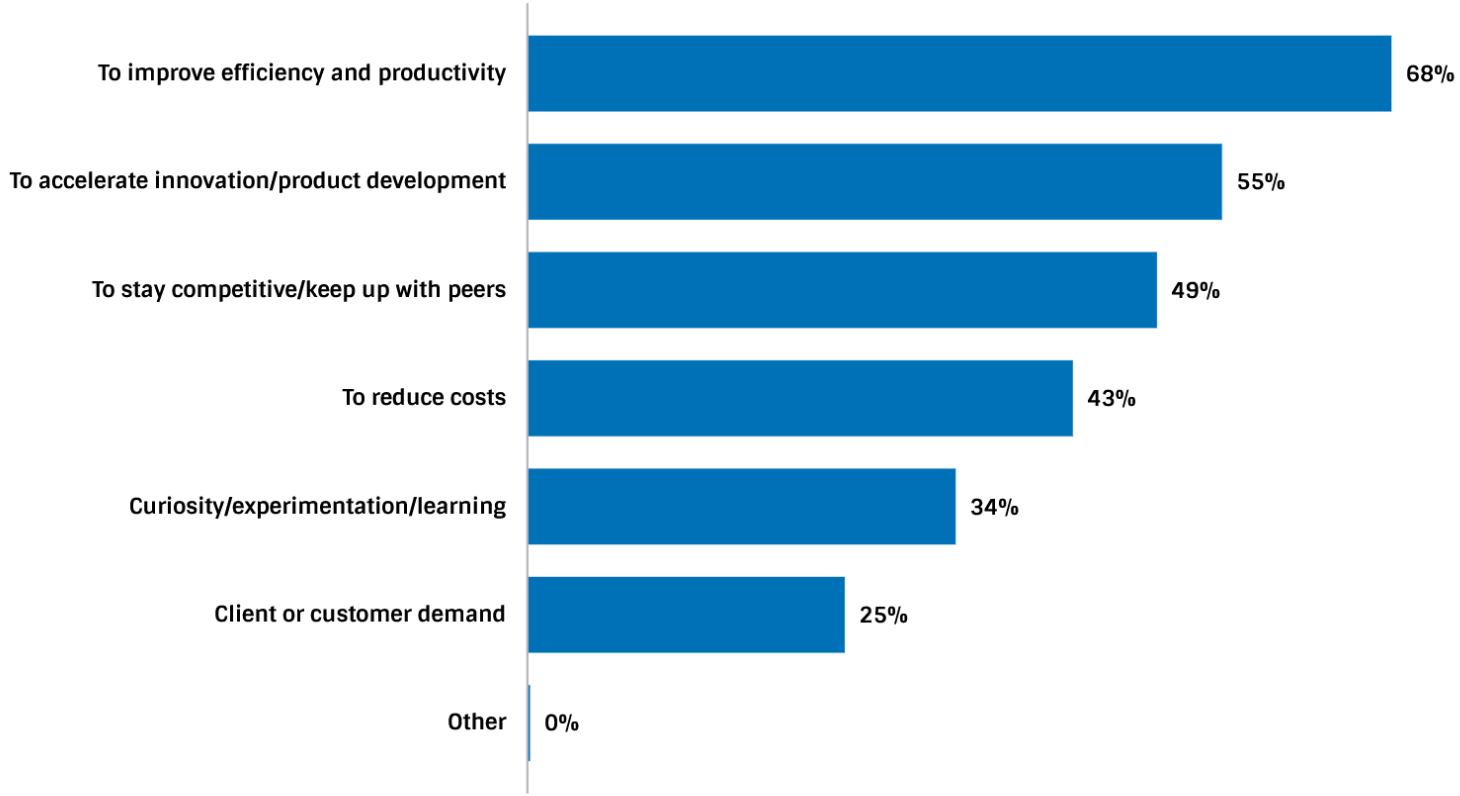
Most Firms Plan To Increase AI Investment In The Coming Year



U10. Does your company plan to increase investment in AI over the next 12 months? Base: 453 users in the EU and UK

- Nearly all users (89%) expect to increase investment in AI over the next 12 months.
- 30% plan to *significantly increase* spending, while 42% anticipate *a moderate increase*.
- Another 17% expect to *slightly increase* their AI investment.
- Only 7% plan to keep spending flat; virtually none plan to reduce it.

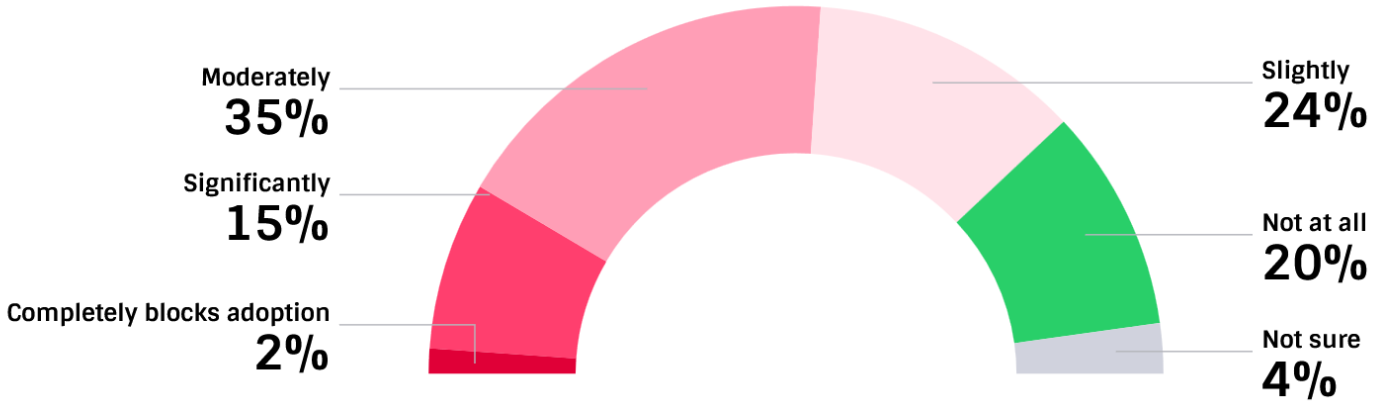
Efficiency, Innovation, And Competitiveness Drive AI Adoption



U11. What are the reasons your company started using AI? (Select all that apply) Base: 453 in the EU and UK

- 68% adopted AI to improve efficiency and productivity.
- Many also cite the need to accelerate innovation/product development (55%) and stay competitive (49%).
- Four in 10 (43%) started using AI to reduce costs.
- Smaller but notable numbers point to curiosity and learning (34%) or client/customer demand (25%).

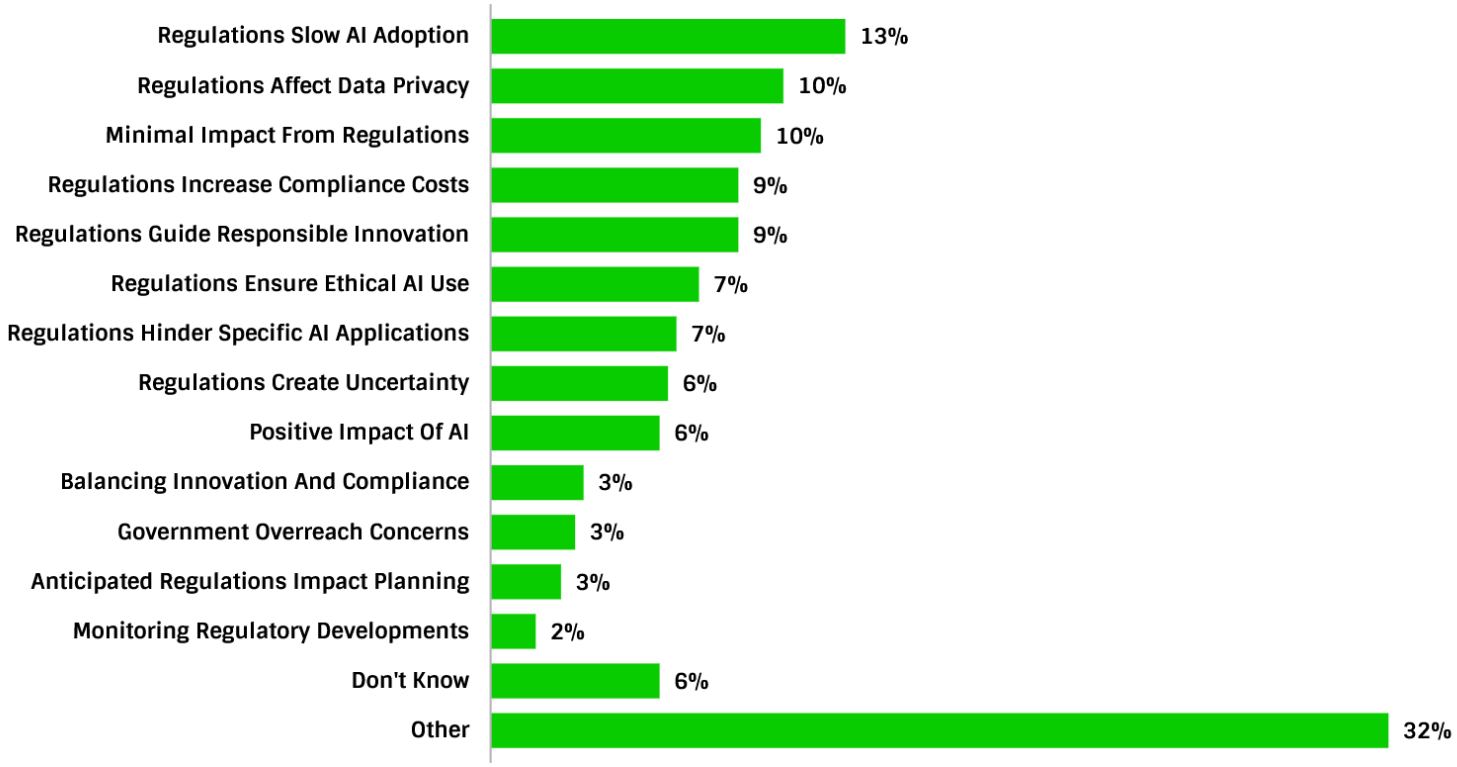
For Every One Small Firm That Sees A Benefit, Nearly Two Report That Regulation Slows Or Blocks Adoption



U12. To what extent do current/anticipated government regulations affect your company's ability to adopt AI? Base=453 users in the EU and UK

- Among AI users, 15% feel regulations *significantly hinder* adoption, and 2% say they *completely block* it.
- Another 35% see a *moderate impact*, while 24% report only a *slight impact*.
- By contrast, 20% say regulations *do not affect* adoption at all and 4% are unsure.

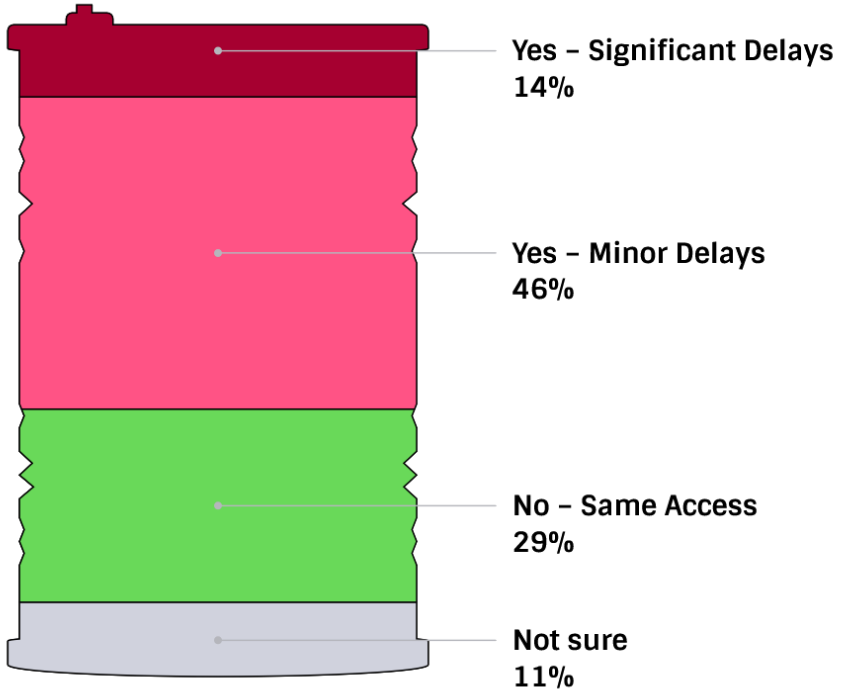
Regulations Seen As Both A Barrier And A Guide To AI Adoption



U13. Please provide any comments on the topic of how current/anticipated government regulations affect your company's ability to adopt AI. Base=364 users who anticipate regulations to impact adoption in the EU and UK.

- Top concerns include slowing adoption (13%) and increased compliance costs (9%).
- Other concerns include hindering specific AI applications (7%) and creating uncertainty (6%).
- 10% anticipate minimal impact from regulations, and 6% look forward to a positive impact.
- Some note positives: privacy protections (10%), responsible innovation (9%), and ethical AI use (7%).
- About one-third, 32%, offered diverse or other responses.

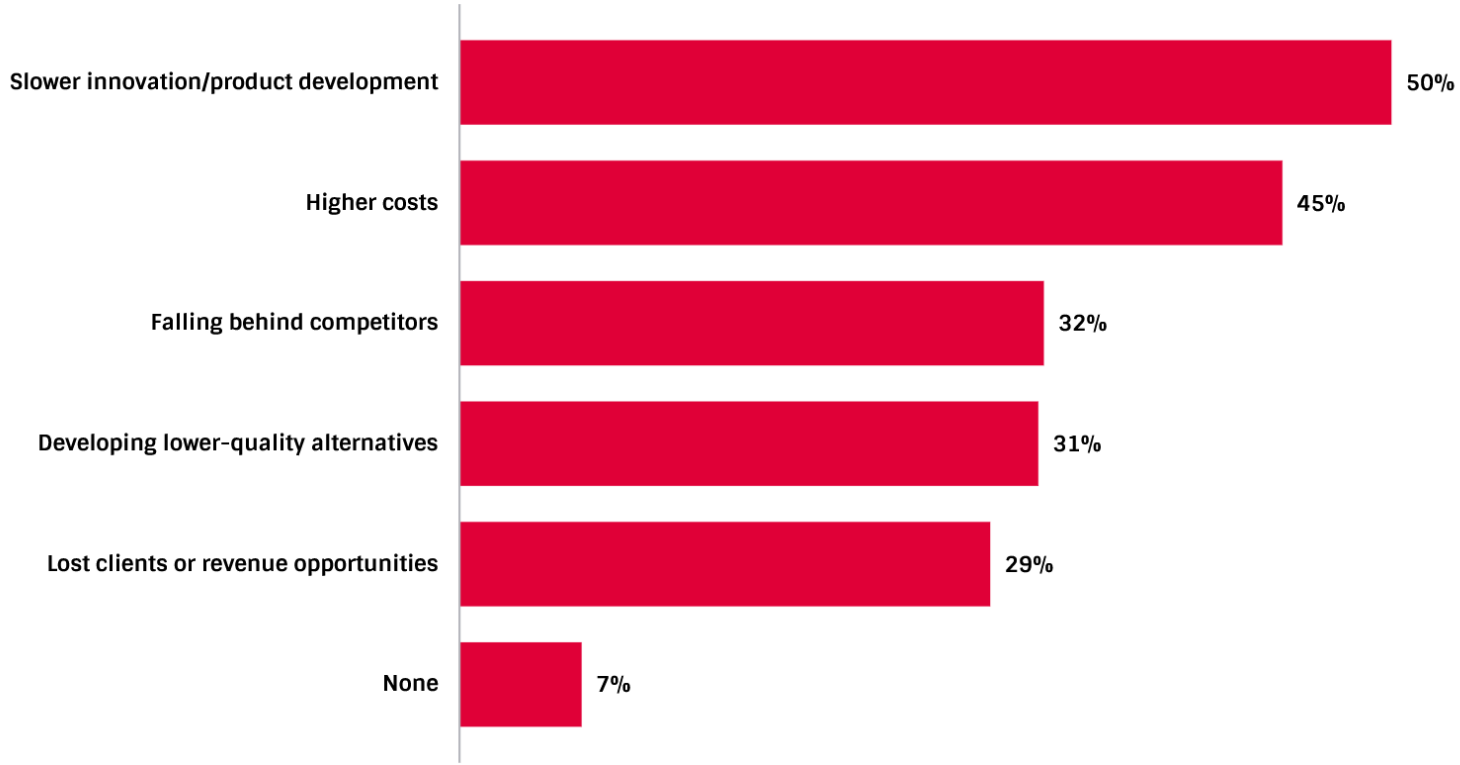
Sixty Percent Of Firms Face Delayed Access To AI Tools In EU/UK



U14. Has your company experienced situations where AI tools/models were launched later in the EU/UK than in the U.S. or other regions? Base: 453 users in the EU and UK

- About one in seven (14%) report *significant delays*.
- Four in ten firms (46%) say they experience *minor delays* in gaining access to AI tools compared with the U.S. or other regions.
- Nearly three in ten (29%) say they have the same access as peers elsewhere.
- One in ten (11%) are not sure.

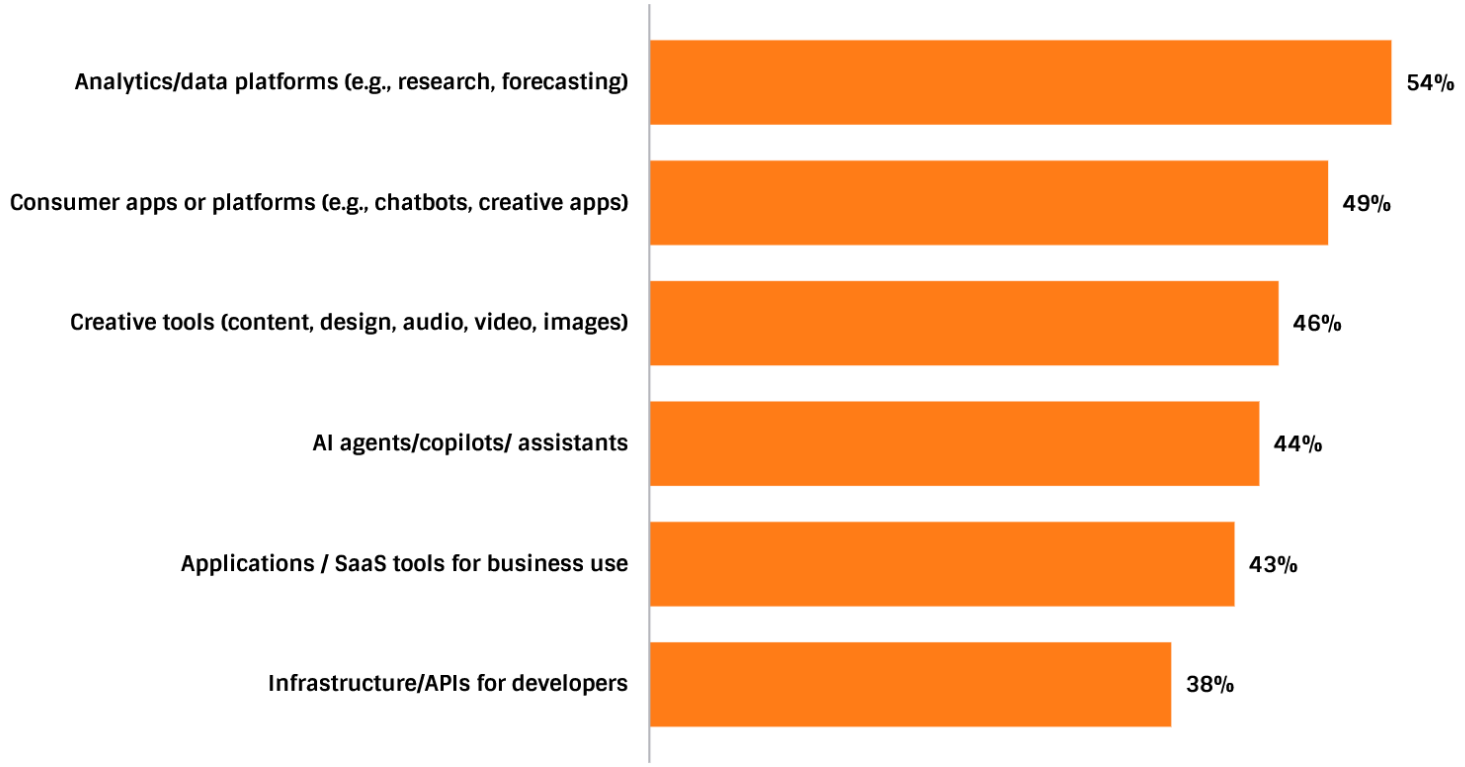
Delays Translate To Slower Innovation And Higher Costs



U15. What consequences has this had for your business? (Select all that apply) Base: 272 users who later than the U.S. in the EU and UK

- Half the firms (50%) report that delays result in slower innovation and product development.
- Nearly as many (45%) state delays lead to higher costs.
- About one-third (32%) say they are falling behind competitors.
- Three in ten (31%) report developing lower-quality alternatives.
- Nearly as many (29%) say they have lost clients or revenue opportunities.
- Only 7% report no impact from delays.

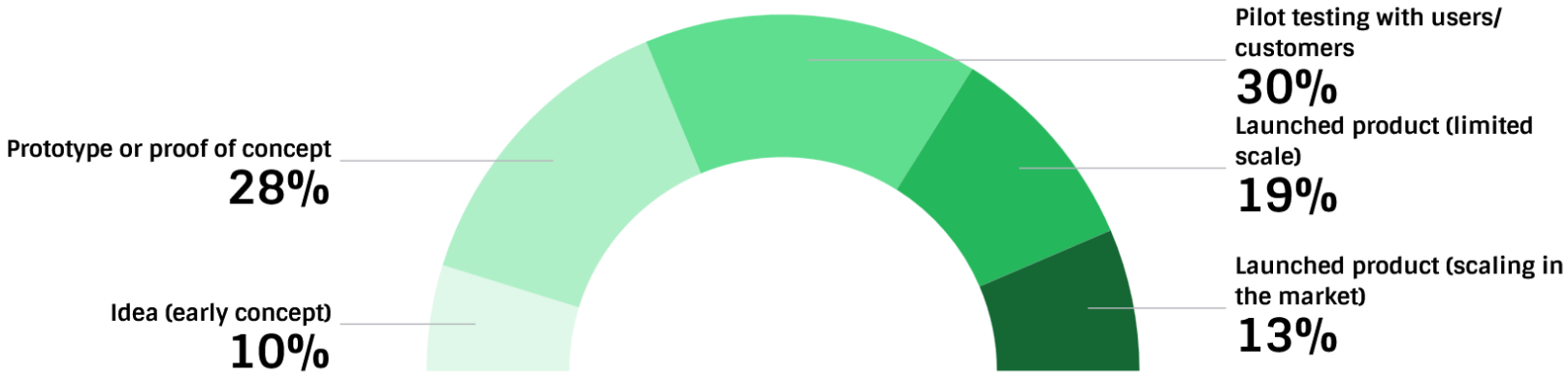
Developers Focus On Analytics, Consumer Apps, And Creative Tools



P01. Which types of products or services is your company developing using AI? (Select all that apply) Base: 280 developers in the EU and UK

- More than half the developers (54%) are building analytics and data platforms.
- Nearly half (49%) are developing consumer apps such as chatbots and creative applications.
- 46% are working on creative tools for content, design, audio, video, or image generation.
- 44% are building AI agents, copilots, or assistants.
- Four in ten (43%) are creating SaaS applications for business use.
- Over one-third (38%) are focusing on infrastructure or APIs for developers.

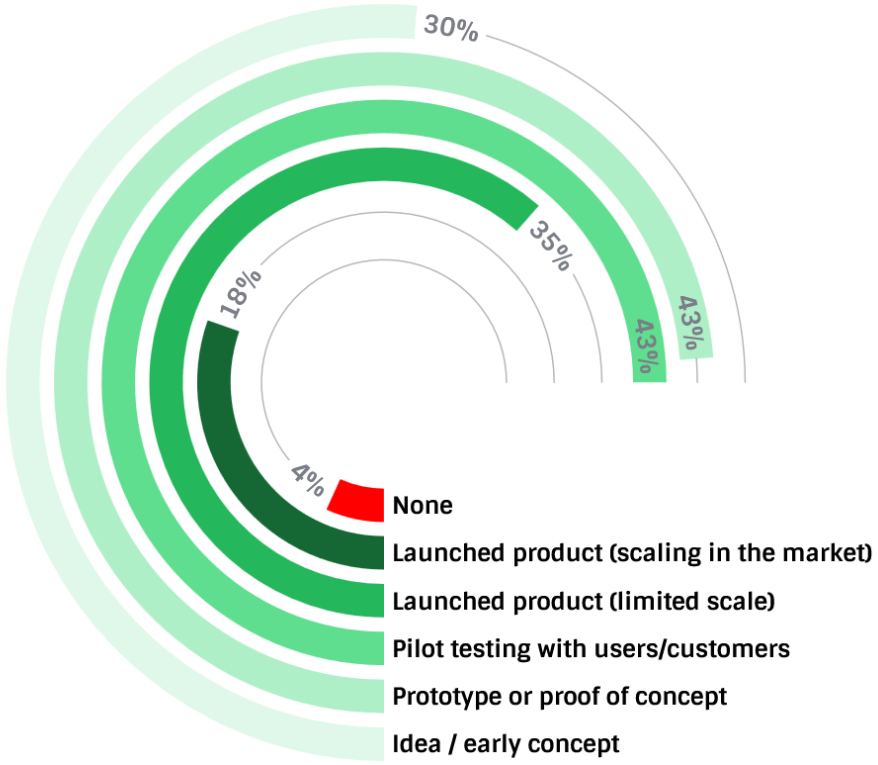
Few AI Products Have Reached Market Scale



P2. At what stage of development are your AI products or services overall? (Choose the stage that best represents your most advanced product/service)? Base: 280 developers in the EU and UK

- Three in ten projects (30%) are in pilot testing with users or customers.
- Over a quarter (28%) are at the prototype or proof-of-concept stage.
- One in five (19%) have been launched on a limited scale.
- Only 13% have reached market scaling.
- One in ten (10%) remain in the early idea stage.

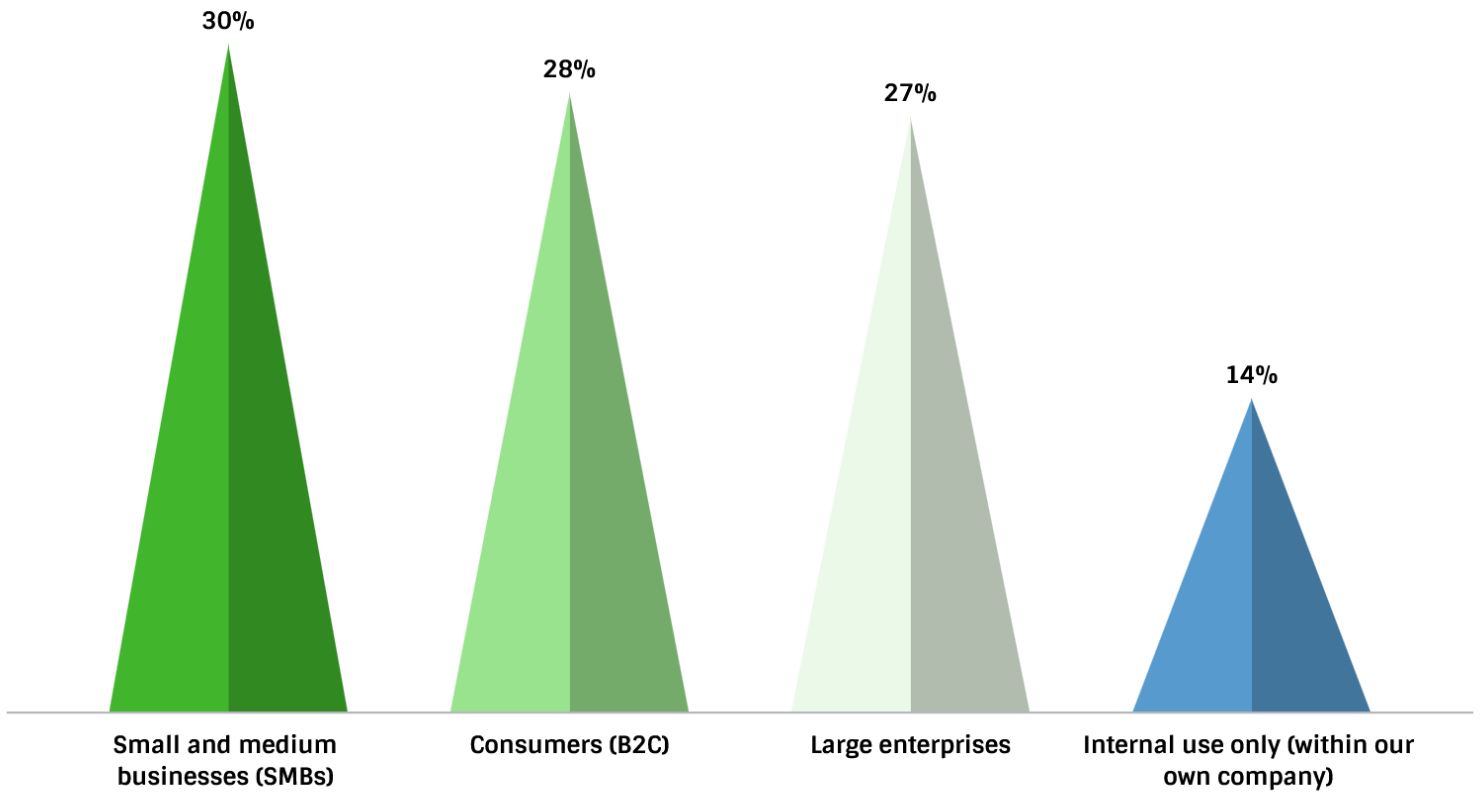
Many Firms Run AI Products Across Multiple Stages



P3. Do you also have other AI products or services at different stages of development? (Select all that apply) Base: 280 developers in the EU and UK

- About 43% of developers report products at the prototype stage.
- A similar share (43%) has products in pilot testing.
- More than one-third (35%) have launched products on a limited scale.
- Three in ten (30%) have early-stage ideas in development.
- Nearly one in five (18%) report products already scaling in the market.
- Only 4% say they have no AI products in development.

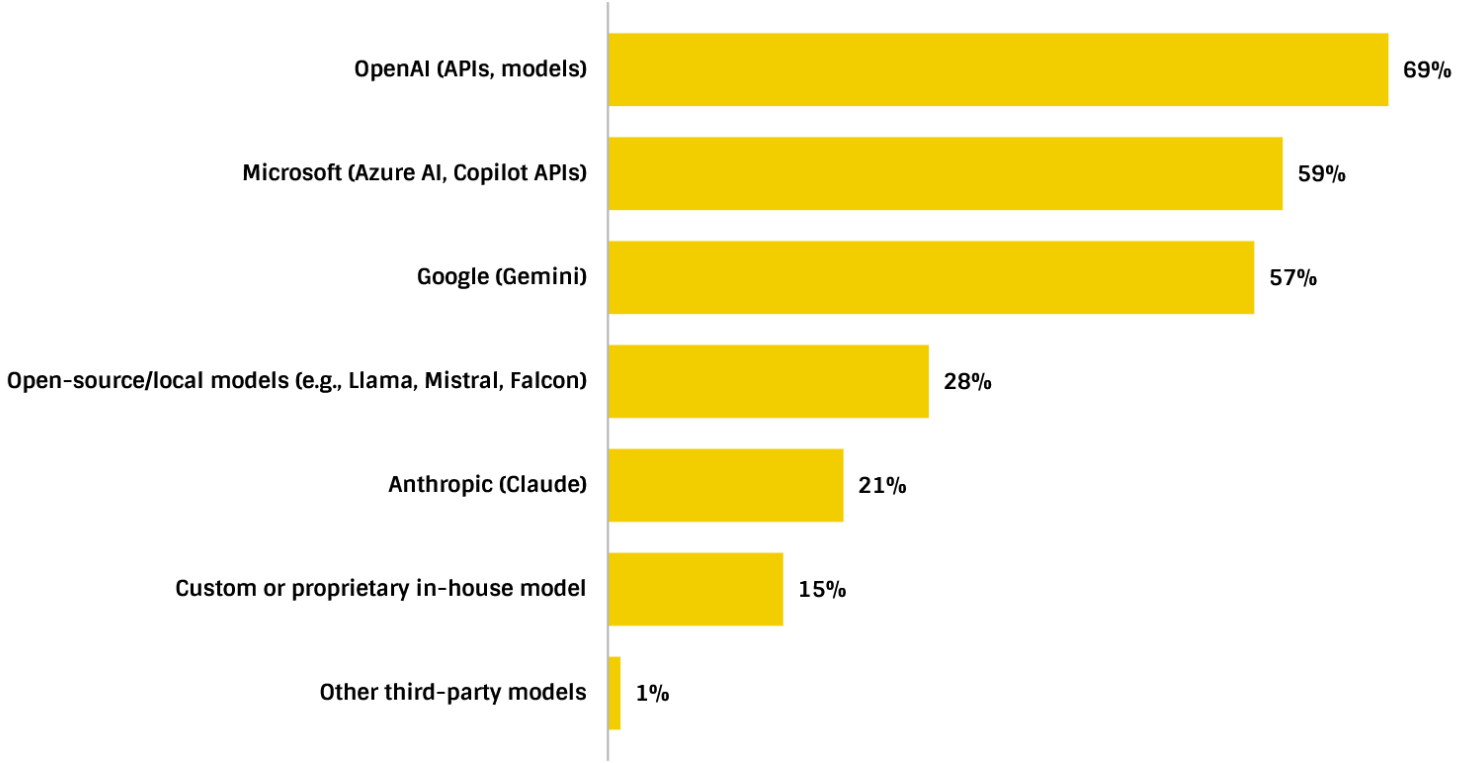
SMBs, Consumers, and Large Enterprises Are Key Targets



P04. Who is the primary target customer for your AI products or services? Base: 280 developers in the EU and UK

- 30% of developers target small and medium-sized businesses.
- 28% focus on consumers (B2C) and 27% on large enterprises.
- One in seven (14%) say their AI products are built primarily for internal company use.

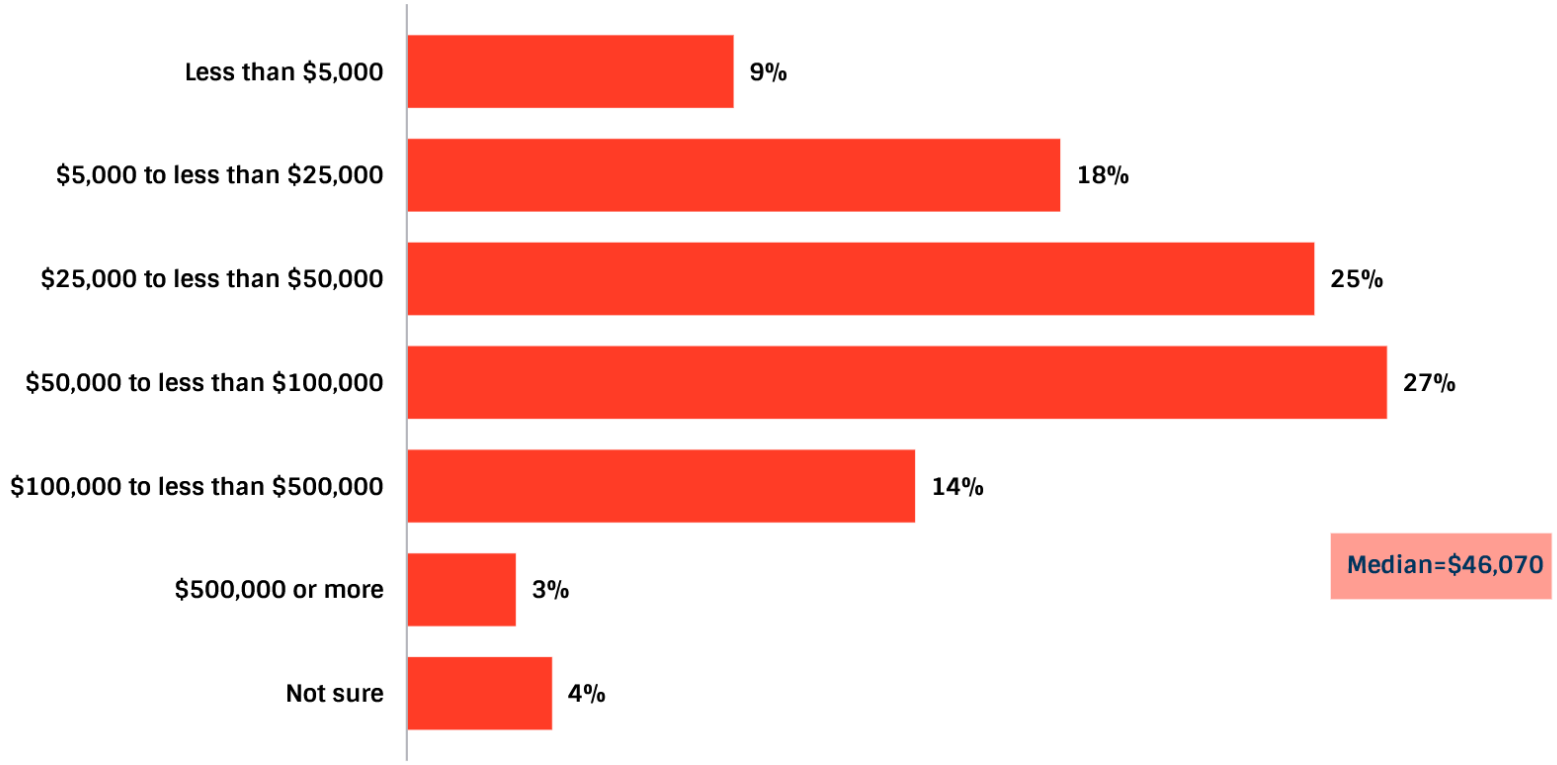
OpenAI, Microsoft, And Google Dominate Developer Platforms



P05. Which tools or platforms does your company use most often to develop AI products? (Select all that apply) Base: 280 developers in the EU/UK

- Developers most often rely on OpenAI APIs/models (69%), Microsoft (59%), and Google (57%).
- 28% use Open-source/local models such as Llama or Mistral.
- 21% use Anthropic's Claude.
- 15% use custom/proprietary in-house models.

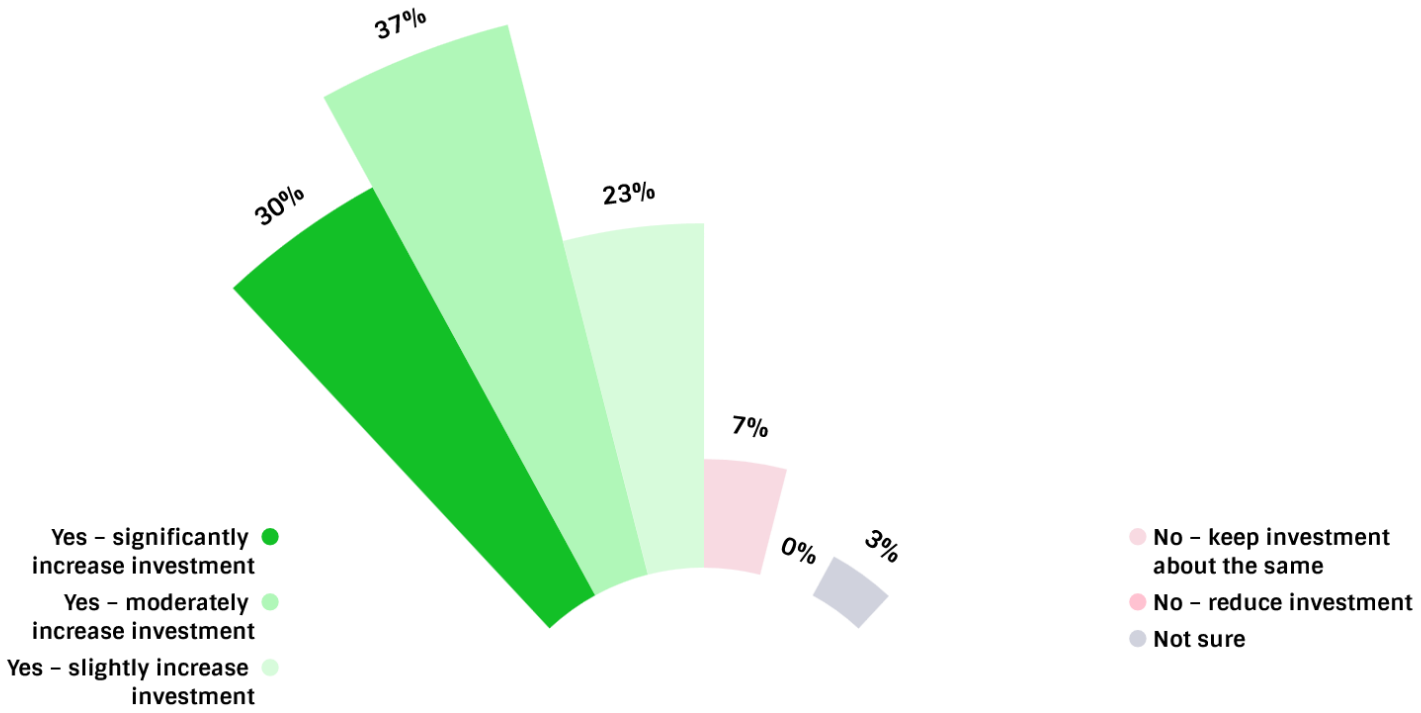
Median Developer Spend Reaches $46,070 In 2025



P6. Approximately how much has your company spent on AI product development in 2025? Base: 280 developers in the EU and UK

- Over a quarter (27%) spent between $50,000 and $100,000 in 2025.
- Another quarter (25%) spent $25,000 to less than $50,000.
- Nearly one in five (18%) spent between $5,000 and $25,000.
- 14% invested between $100,000 and $500,000.
- 9% spent less than $5,000, while 3% spent $500,000 or more.
- 4% were not sure of their spending.
- The **median spend is $46,070**.

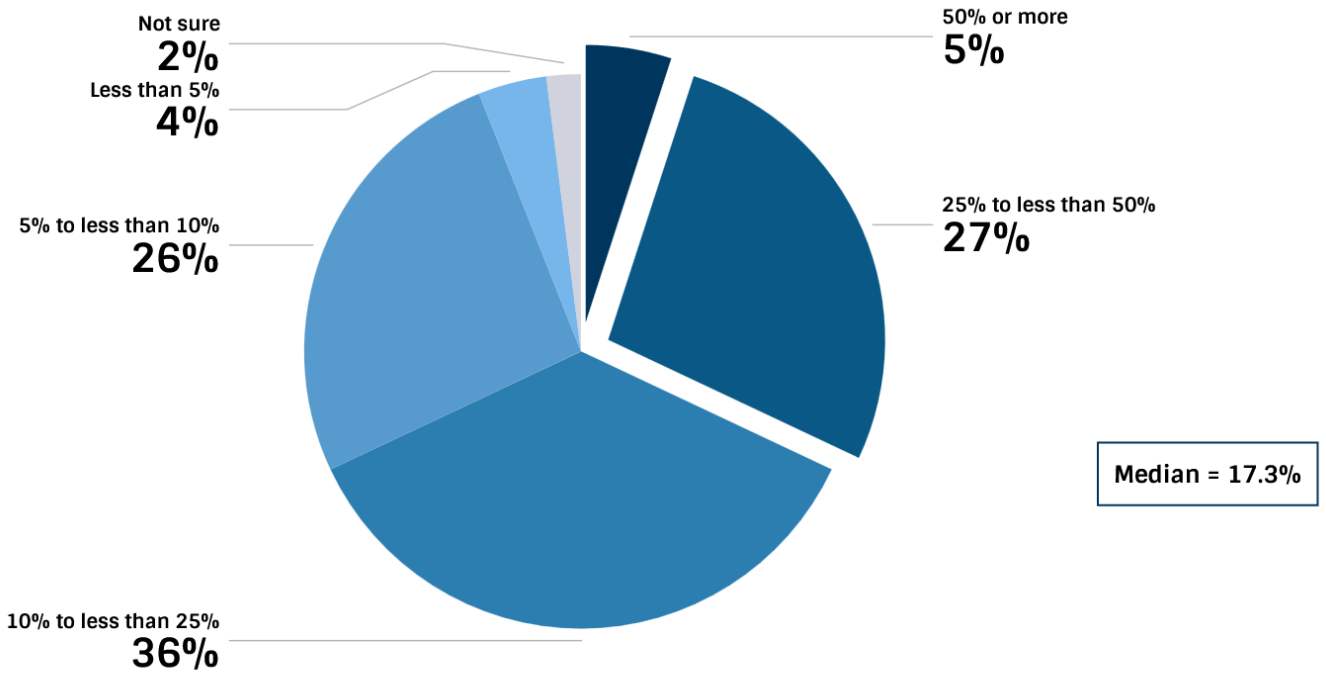
Most Developers Plan To Increase Investment In AI



P7. Does your company plan to increase investment in AI product development over the next 12 months? Base: 280 developers in the EU and UK

- 90% plan to increase AI product development spending in the coming year.
- 30% will *significantly increase;* 37% will *moderately increase;* and 23% will *slightly increase* their spending.
- Just 7% plan to hold steady, none expect to reduce.

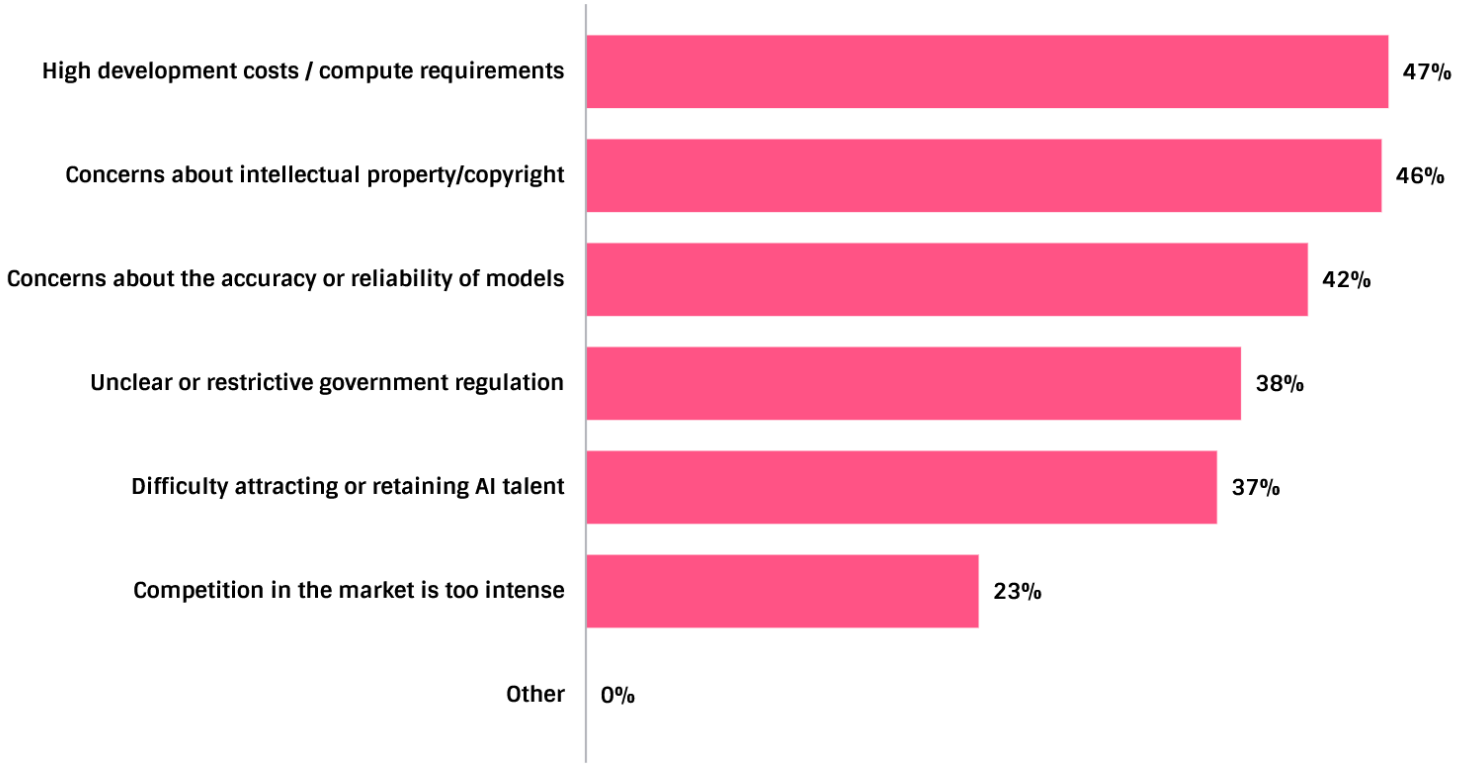
AI Products Expected To Contribute 17% Of Revenue



P8. What percentage of your company's revenue do you expect will come from AI products/services in 3 years? Base: 280 developers in the EU and UK

- 36% expect AI products to bring in 10–25% of revenue.
- 27% expect 25–50% and 5% anticipate 50% or more revenue from AI.
- A quarter (26%) foresee less than 10%.
- Developers project a **median of 17.3%** of revenue will come from AI products/services in the next 3 years.

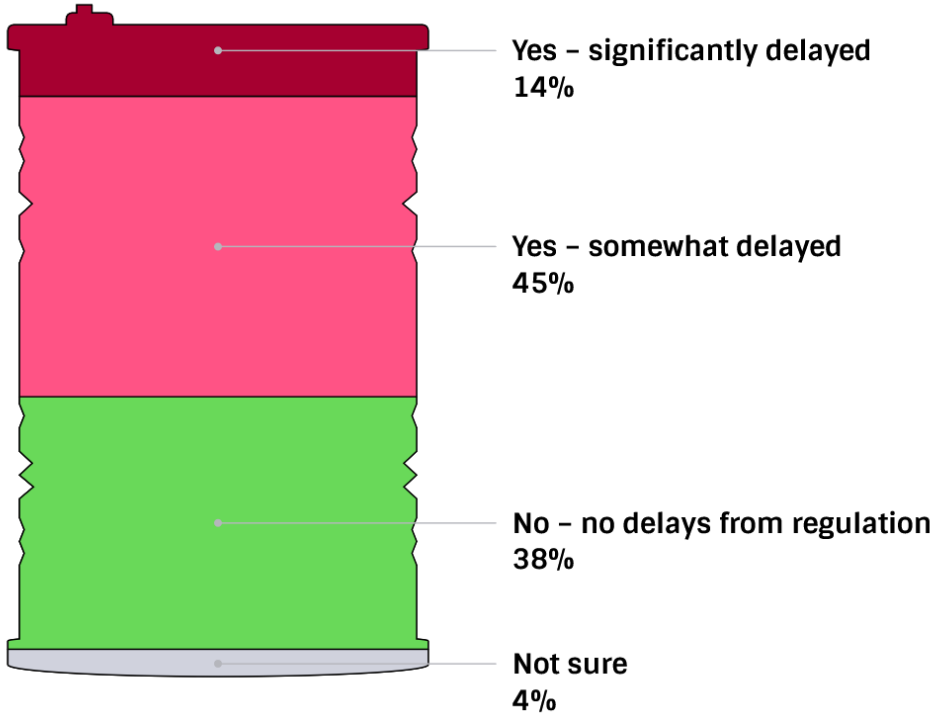
Developers Cite High Costs, IP Concerns, And Regulation As Barriers



P09. What are the main barriers your company faces in developing AI products or services? (Select all that apply), Base: 280 developers in the EU and UK

- Nearly half (47%) cite high development costs and compute requirements.
- An equal share, 46%, are concerned about intellectual property and copyright.
- 42% point to concerns about model accuracy or reliability.
- 38% mentioned unclear or restrictive government regulation.
- More than one-third (37%) say they struggle to attract or retain AI talent.
- Nearly a quarter (23%) say market competition is too intense.

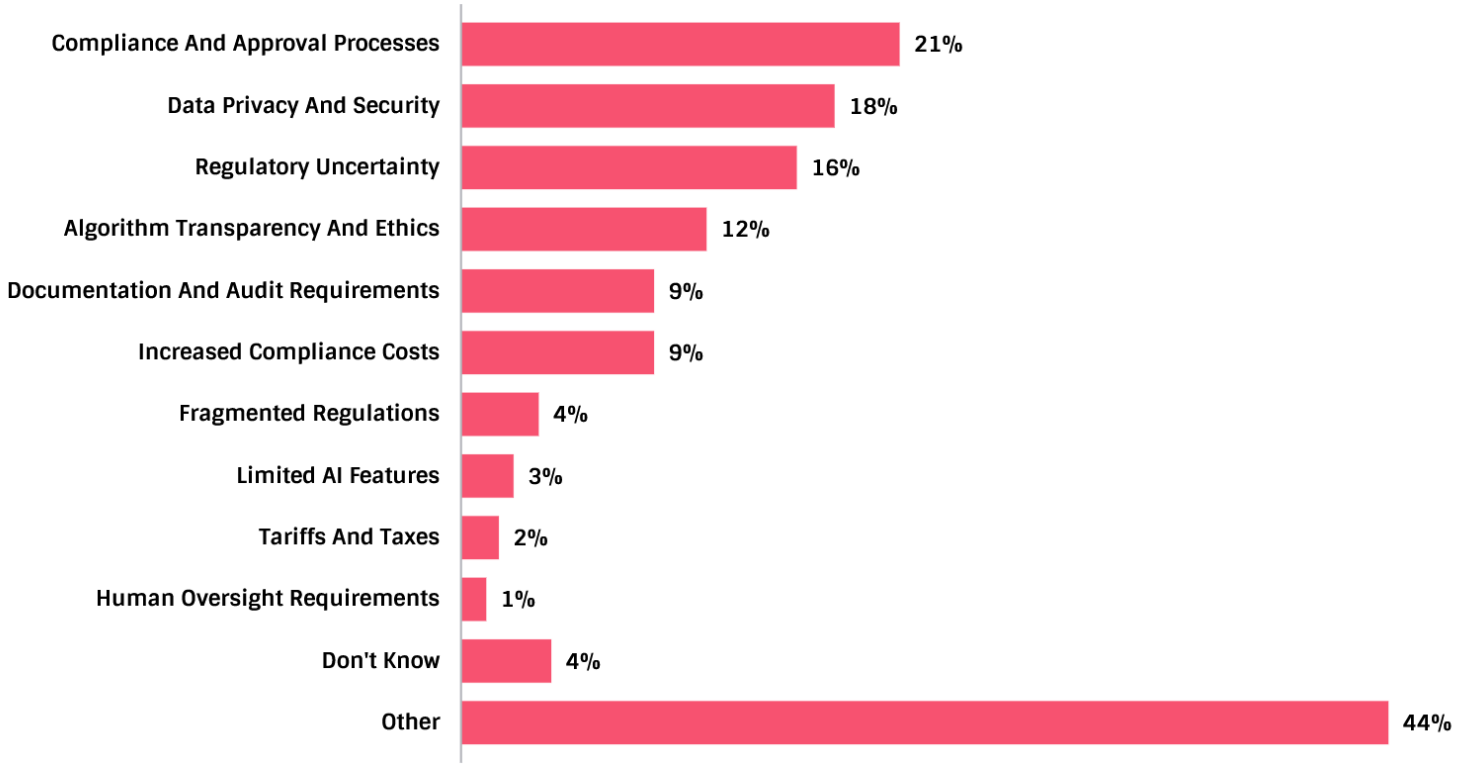
Six In Ten Developers Report Regulation Delays



P10. Have government regulations delayed your company's AI product development or launch? Base: 280 developers in the EU and UK

- 14% say regulations have *significantly delayed* product development.
- 45% report *somewhat delayed* timelines.
- Over one-third, 38%, say they have experienced *no delays*.
- 4% remain unsure.

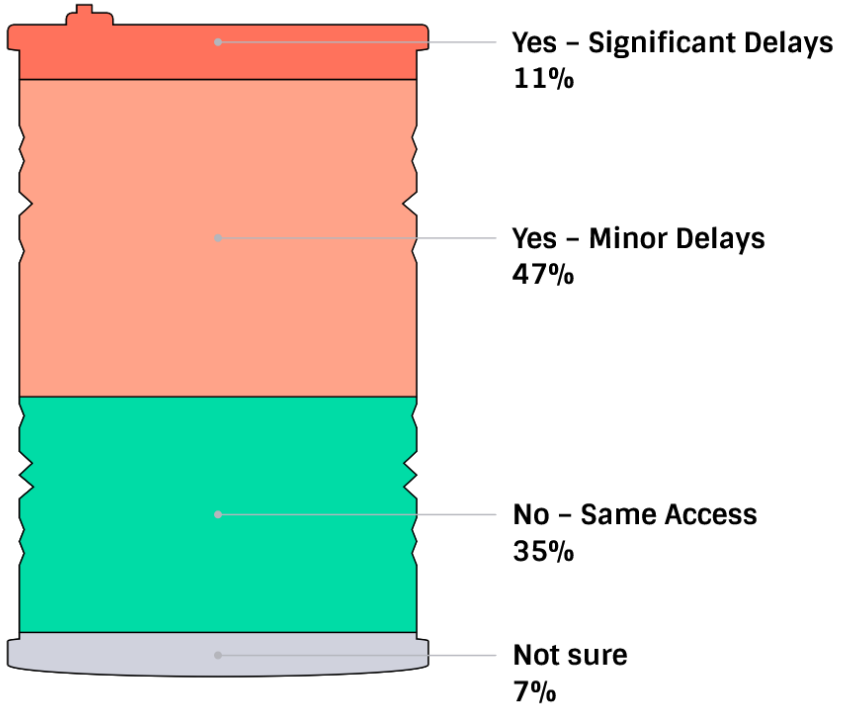
Compliance, Privacy, And Uncertainty Top Regulatory Delays



P11. Please elaborate on how government regulations have delayed your company's AI product development or launch.
Base=163 developers who report delays in the EU and UK

- The most frequently cited regulatory barrier is compliance and approval processes, noted by 21% of developers.
- Data privacy and security rules were flagged by 18% as a source of delay.
- Regulatory uncertainty created challenges for 16% of developers.
- Concerns around algorithm transparency and ethics contributed to delays for 12%.
- Documentation and audit requirements (9%) and increased compliance costs (9%) also slowed development.
- Few cited fragmented regulations (4%), limited AI features (3%), tariffs and taxes (2%), or human oversight requirements (1%).
- A large share, 44%, pointed to "other" factors, while 4% were unsure.

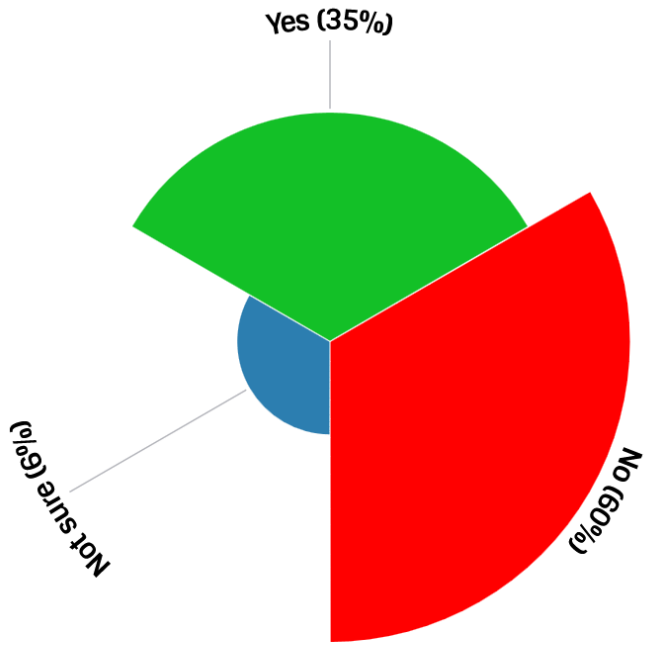
Nearly Six In Ten Developers Report Delayed Access To AI Tools



P12. Has your company experienced situations where AI tools/models were launched later in the EU/UK than in the U.S. or other regions? Base: 280 developers in the EU and UK

- Fully 11% said they faced *significant delays* in accessing AI tools or models compared to the U.S. or other regions.
- Further, nearly half of developers (47%) reported experiencing *minor delays*.
- About one-third (35%) indicated they had the same level of access as their peers in other regions.
- 7% were not sure whether delays had occurred.

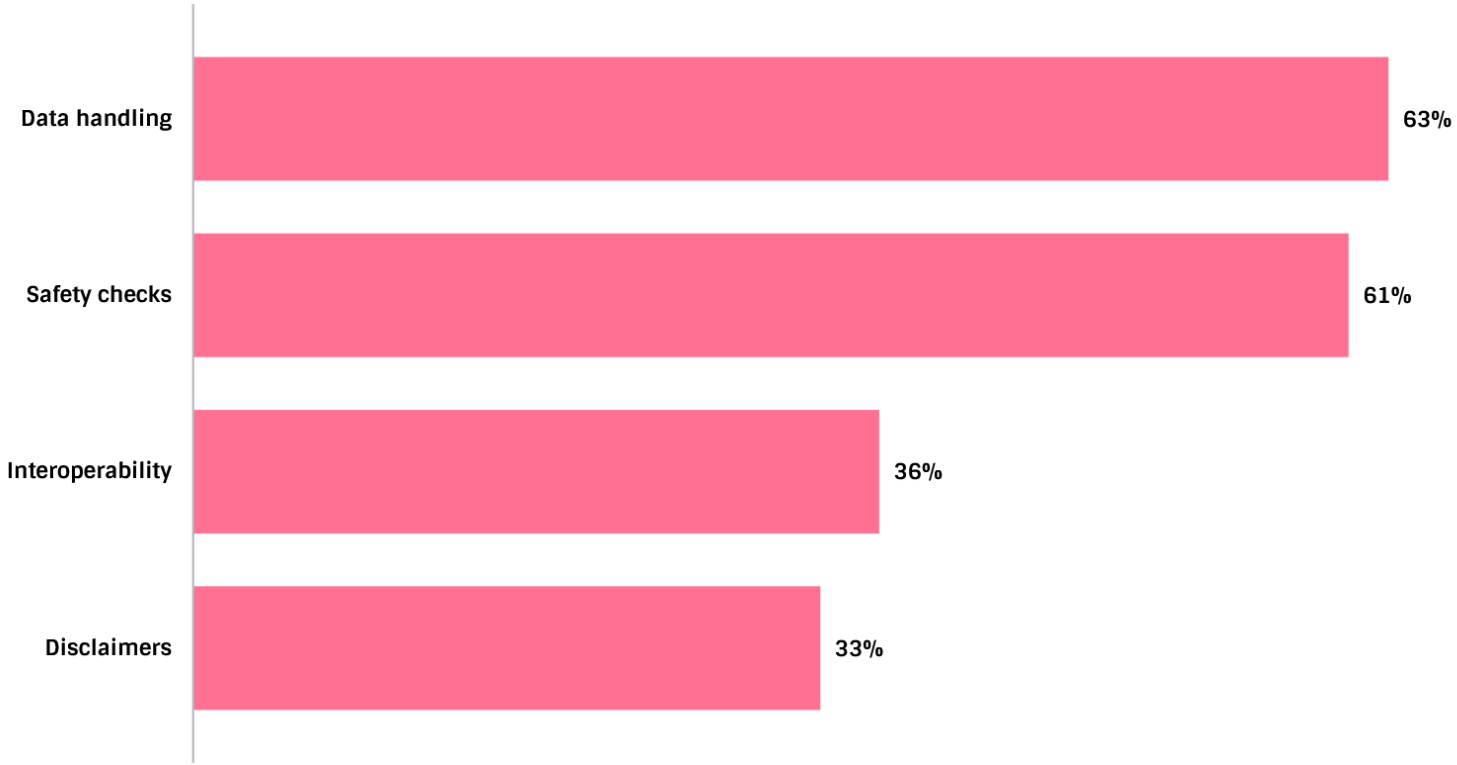
One-third Of Developers Have Had To Remove Or Downgrade Features



- More than one-third (35%) of developers reported having to remove or downgrade features to comply with EU regulatory requirements.
- A majority, 60%, said they had not needed to make such changes.
- 6% were unsure whether features had been modified due to regulations.

P13. Have you had to remove or downgrade features to meet EU regulatory requirements? Base: 280 developers in the EU and UK

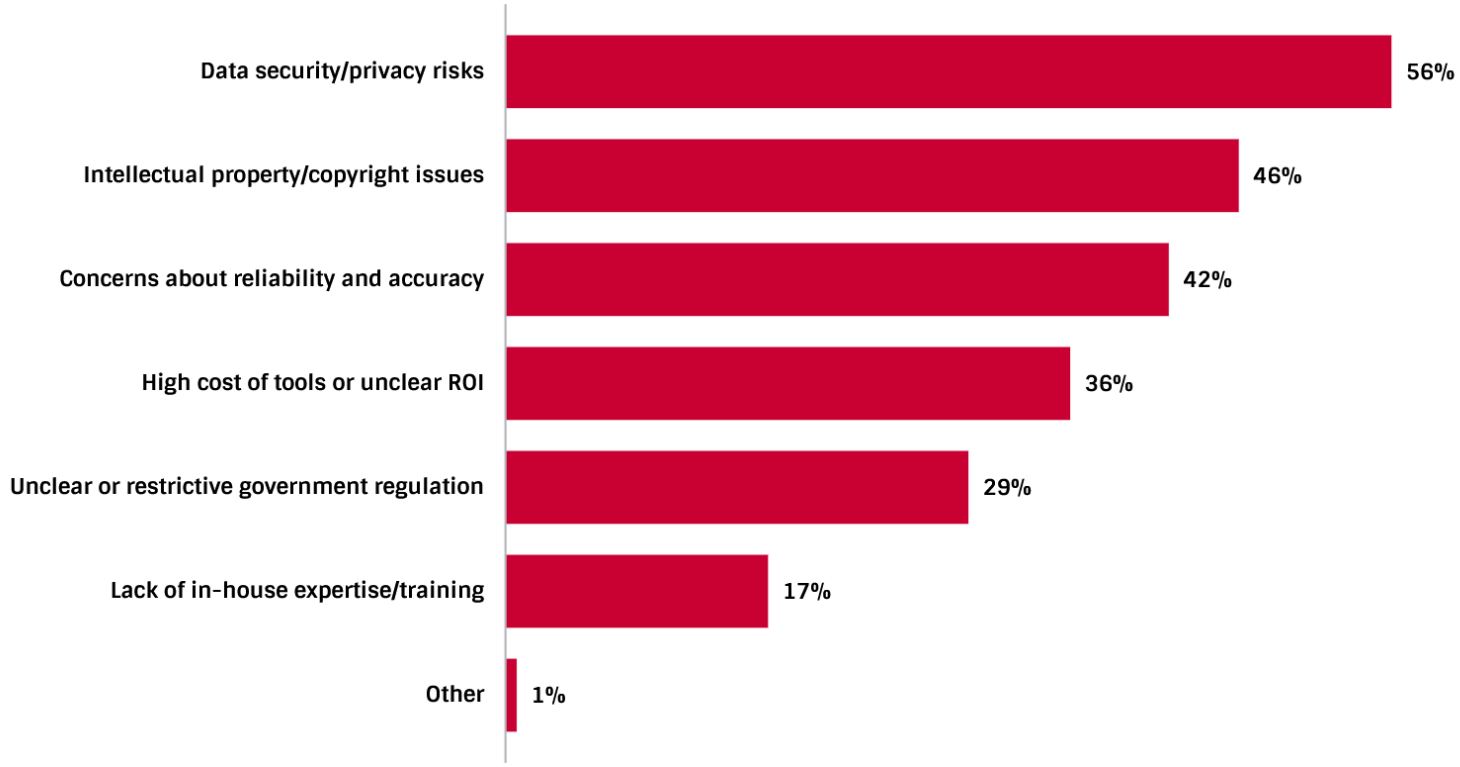
Data Handling And Safety Checks Most Affected By EU Rules



P14. Which features did you have to remove or downgrade to meet EU regulatory requirements? (Select all that apply), Base: 97 developers who had to remove or downgrade in the EU and UK

- The most common changes involved data handling (63%) and safety checks (61%).
- Interoperability was scaled back by 36% of developers.
- Disclaimers were added or expanded by 33%.

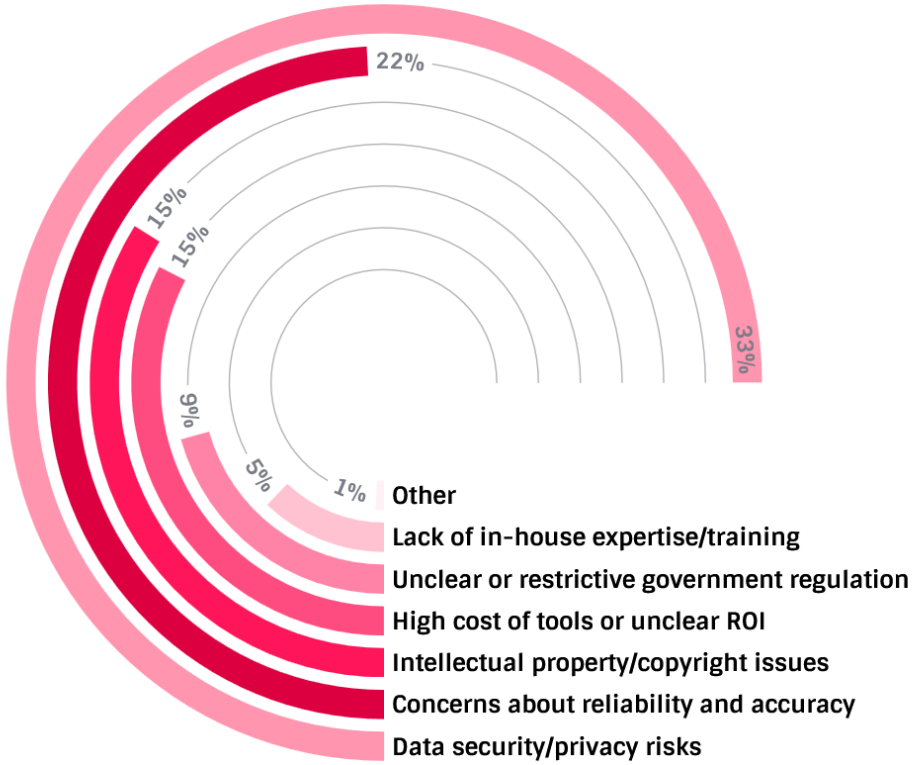
Data Security, IP, And Accuracy Are Top Concerns



G01. What are your company's main concerns about using AI? (Select all that apply), Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- Over half the firms (56%) cite data security and privacy risks as the main concern.
- Nearly half (46%) worry about intellectual property and copyright issues.
- Reliability and accuracy concerns are raised by 42% of respondents.
- More than a third (36%) point to the high cost of tools or unclear ROI.
- Nearly three in ten (29%) cite unclear or restrictive government regulation.
- A smaller share (17%) highlights the lack of in-house expertise or training.

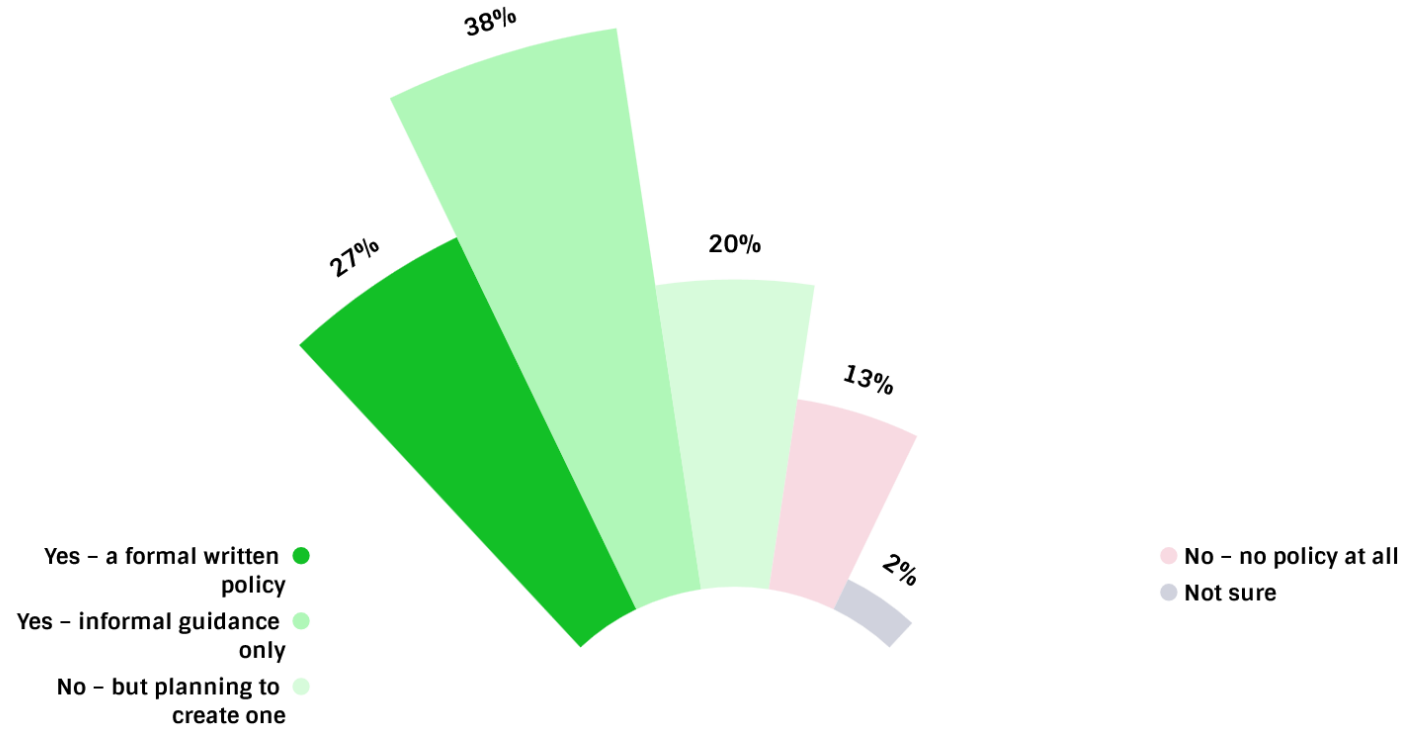
Top Single Concern: Security, Followed By Reliability and Costs



G02. Which of these is your company's biggest concern about using AI? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- Asked to highlight their top concern, 33% cited Data security/privacy risks.
- 22% are concerned about Reliability and accuracy.
- Intellectual property/copyright issues (15%) and High costs and unclear ROI (15%) are also leading issues.
- 9% point to Unclear or restrictive government regulation.

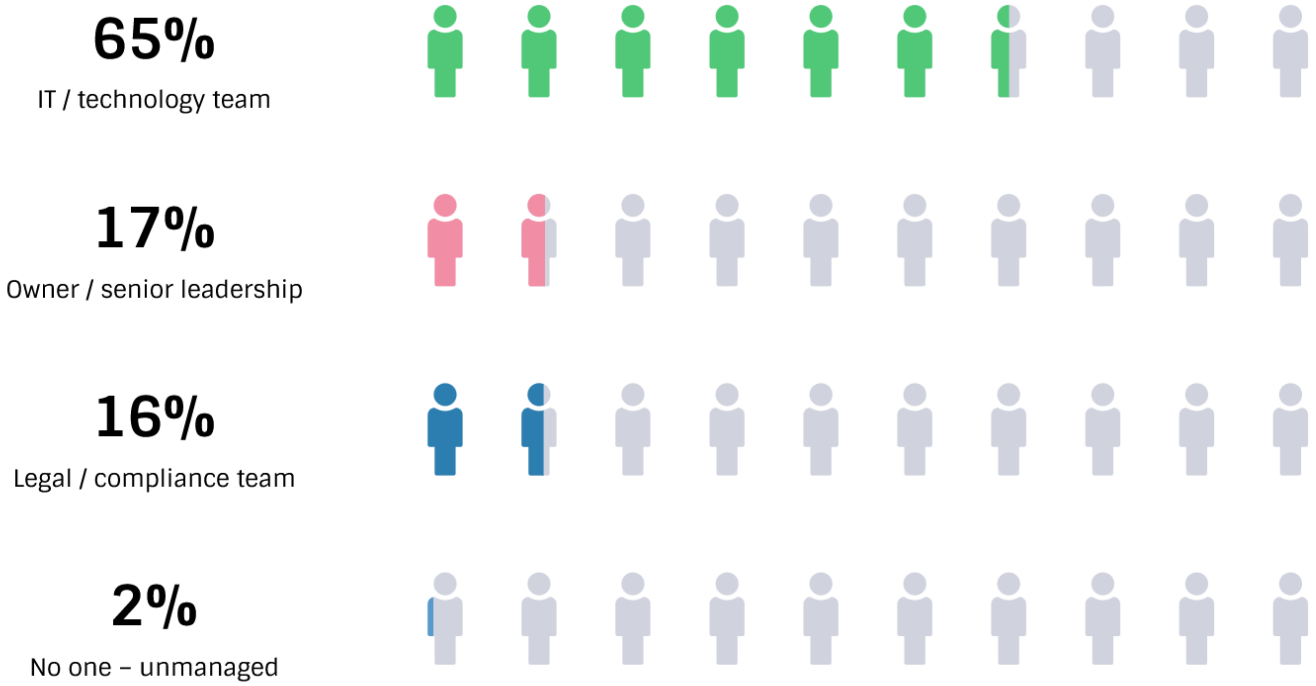
Many Firms Lack A Formal AI Policy



G03. Does your company currently have a formal policy on the use of AI? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- Just over a quarter (27%) of firms have a formal written AI policy in place.
- 38% say they provide only informal guidance.
- 20% have no policy at present but plan to create one.
- 13% report no policy at all, while 2% are unsure.

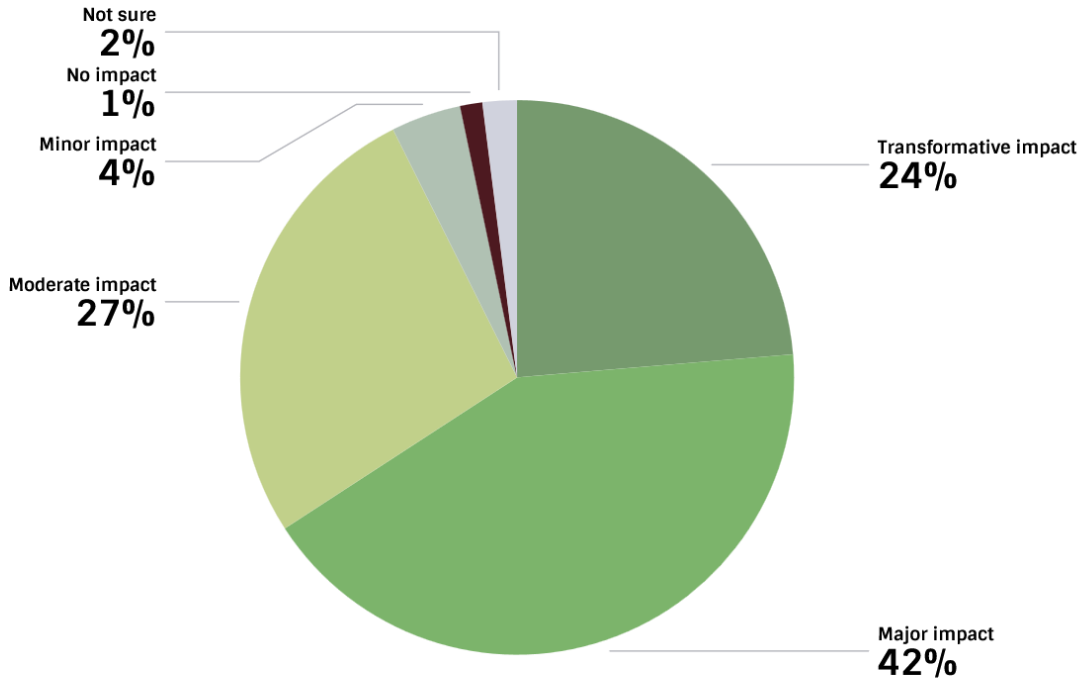
IT Teams Lead In Setting AI Policies



G04. Who is primarily responsible for setting or monitoring your company's policy on AI? Base=361 who have a policy

- Among companies with written AI policies (Base 361), 65% say the responsibility lies with the IT/technology team.
- 17% assign policy oversight to owners or senior leadership.
- 16% rely on their legal/compliance team.
- Only 2% say AI use is unmanaged.

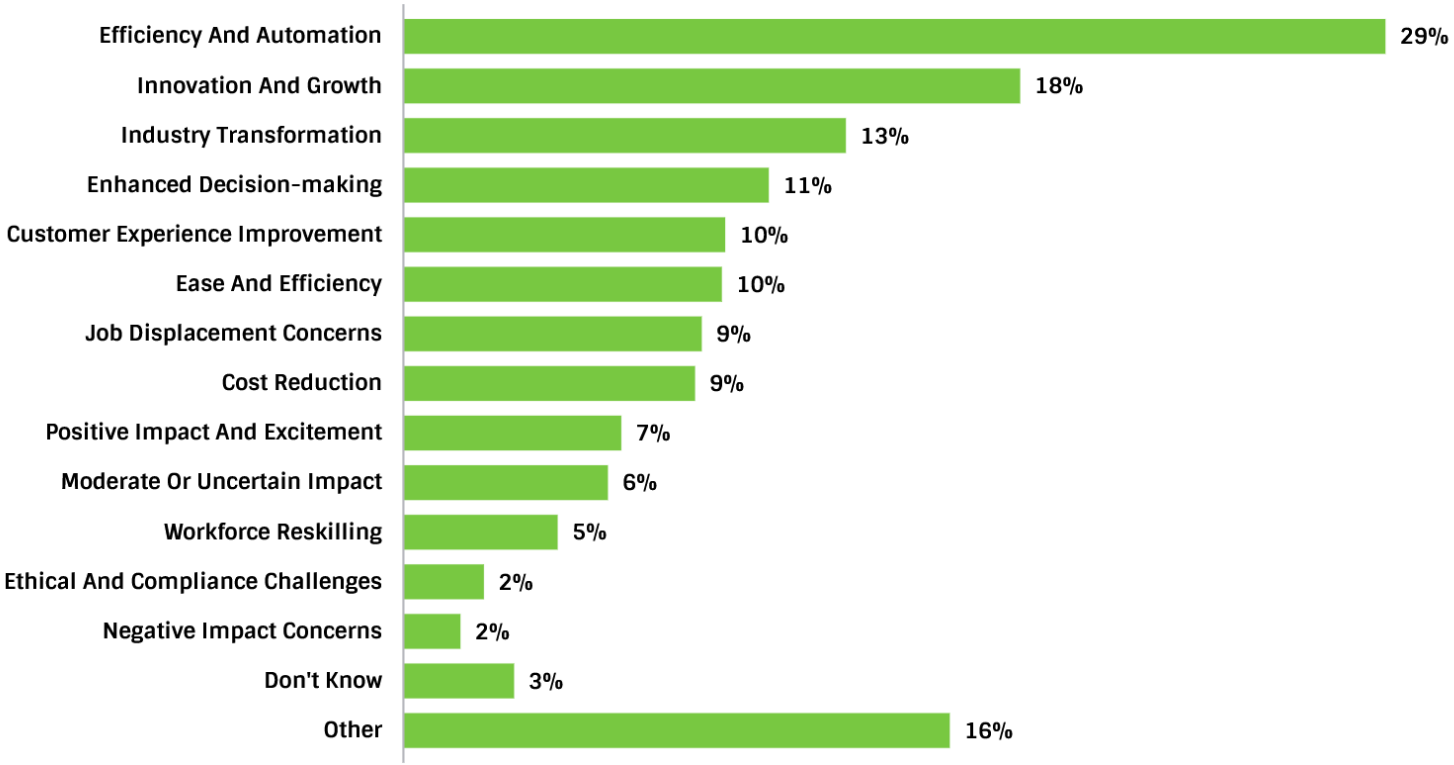
Two-Thirds Expect AI To Transform Their Industry



G5. Over the next 3–5 years, what impact do you expect AI to have on your industry overall? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- 42% of tech leaders anticipate a *major impact* on their industry within 3–5 years.
- 24% expect a *transformative impact.*
- 27% foresee a *moderate impact.*
- Few expect only a *minor impact* (4%), no impact (1%), or are unsure (2%).

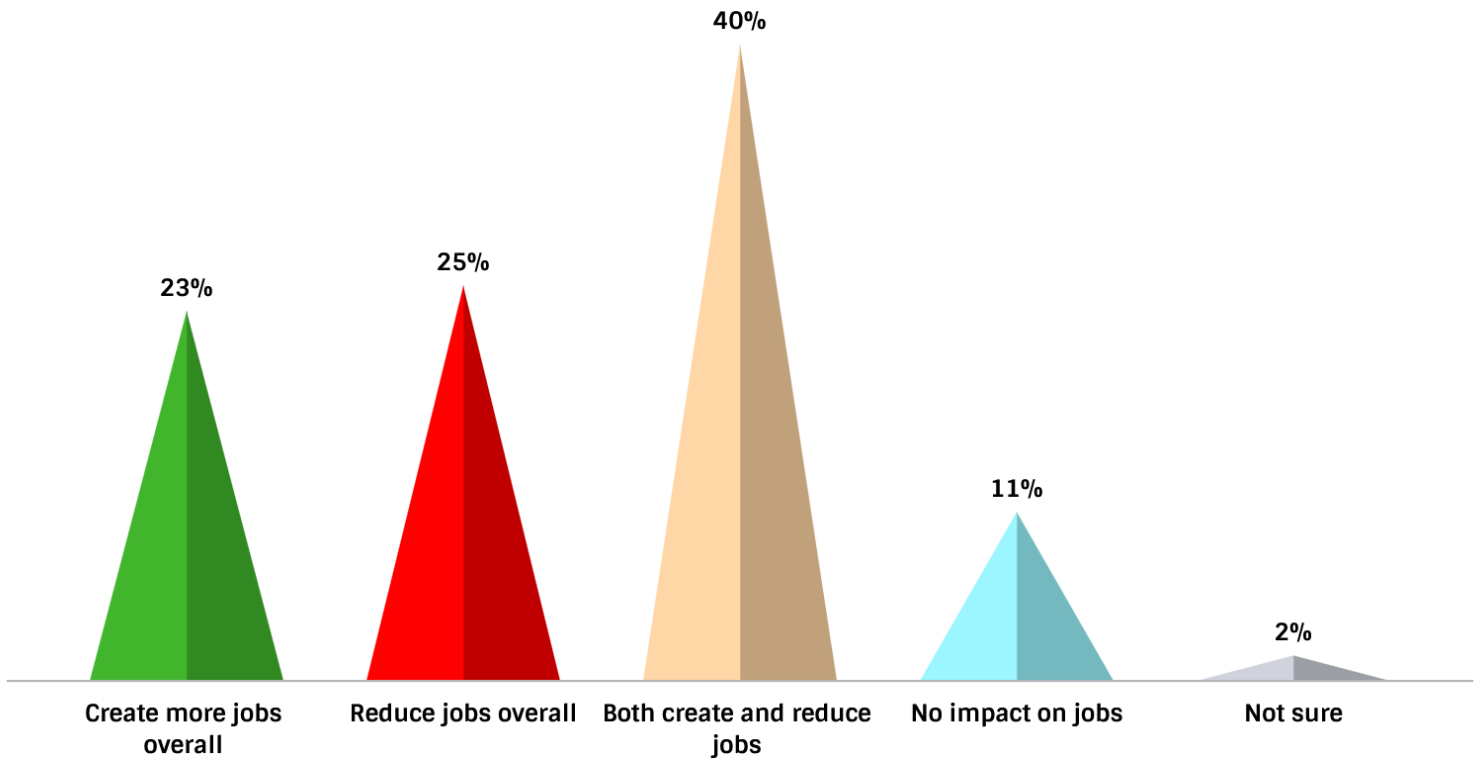
Efficiency, Innovation, And Transformation Lead The Benefits



G6. Please elaborate on the impact you expect AI to have on your industry. Base: 557 small and mid-sized technology firms in the EU and UK who expect AI to impact their industry.

- Nearly three in ten (29%) expect improved efficiency and automation as the main impact.
- 18% foresee innovation and growth, while 13% anticipate industry transformation.
- Enhanced decision-making (11%), and customer experience improvement (10%) are also mentioned.
- Smaller segments cite job displacement concerns (9%) and cost reduction (9%).
- Few mention reskilling (5%), ethical/compliance challenges (2%), or negative impacts (2%).

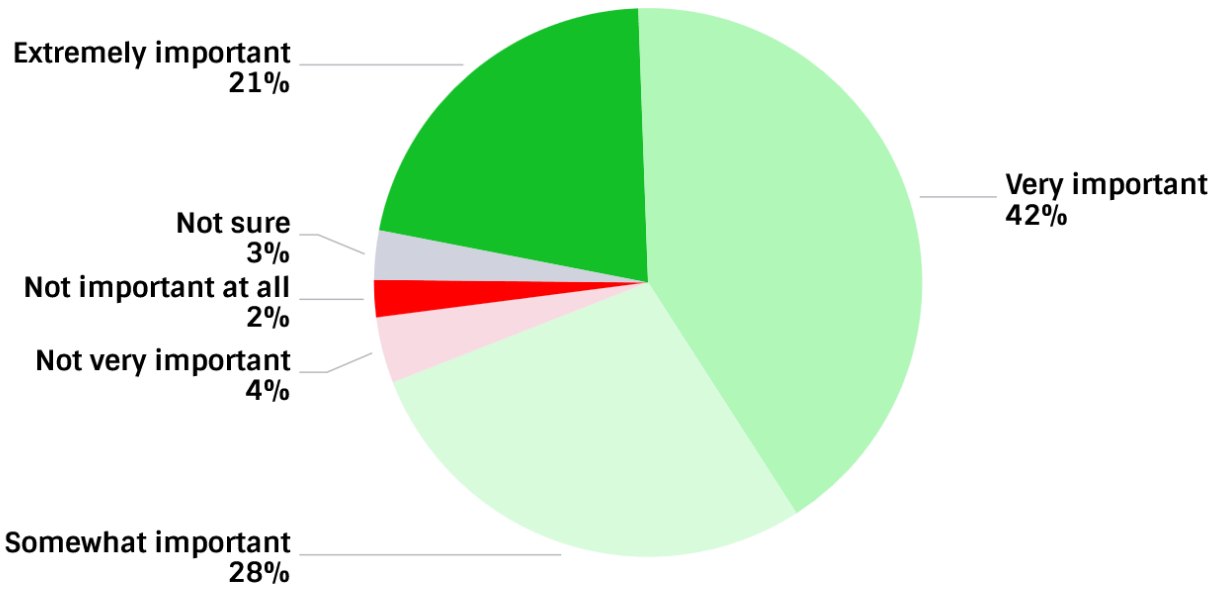
AI Expected to Create And Reduce Jobs



G07. Do you expect AI to create or reduce jobs in your company over the next 3–5 years? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- A plurality (40%) believe AI will both create and reduce jobs in their company.
- One in four (25%) expect AI will reduce jobs overall.
- Nearly as many (23%) expect AI to create more jobs overall.
- 11% foresee no impact on jobs, and 2% are unsure.

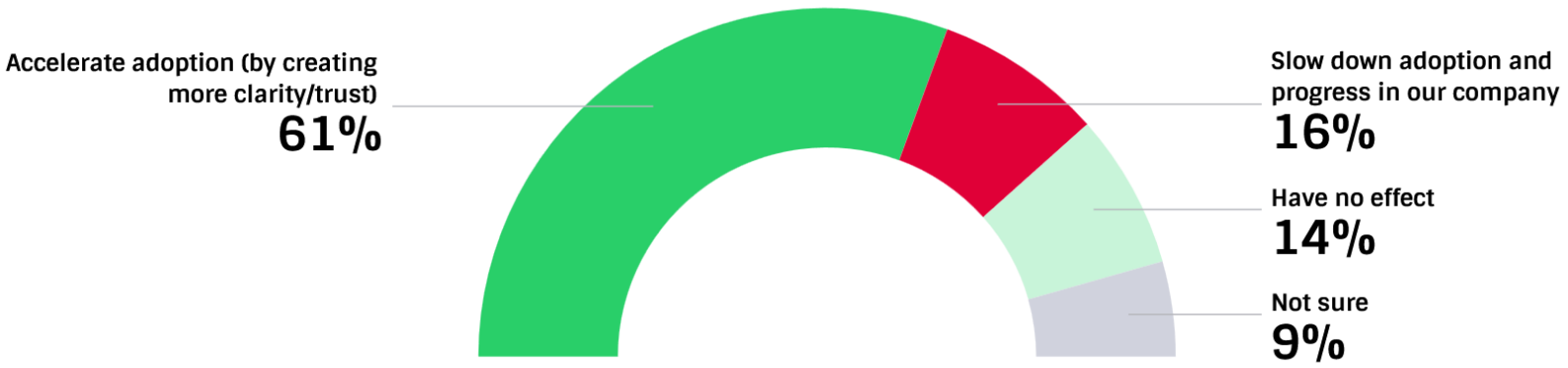
Tech Leaders See AI As Critical To Future Business Success



G8. How important will AI be to your company's success three years from now? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- 63% say AI will be *Very or Extremely important* to their company's success in three years.
- 21% call it *Extremely important,* and 42% state *Very important*.
- 28% consider it *Somewhat important*.
- Only 6% say it is not important, while 3% are unsure.

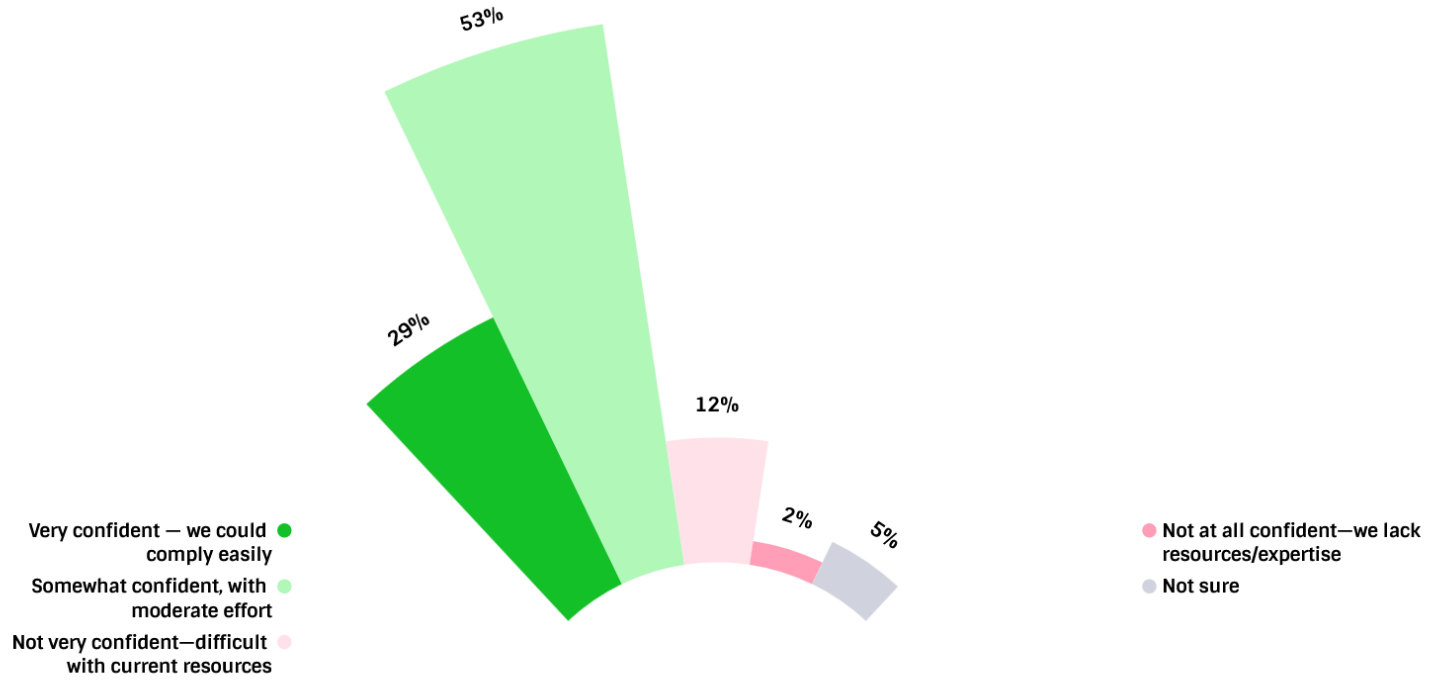
Many Expect Regulations To Accelerate AI Adoption



G09. Over the next 3 years, how do you expect government regulations on AI — including overlapping or conflicting rules from different authorities — to affect your company's use of AI? Base: *557 leaders of small and mid-sized technology firms in the EU and UK*

- 61% believe regulations will *accelerate adoption* by creating more clarity and trust.
- 16% think rules will *slow adoption*.
- 14% expect regulations to have *no effect*.
- 9% remain unsure.

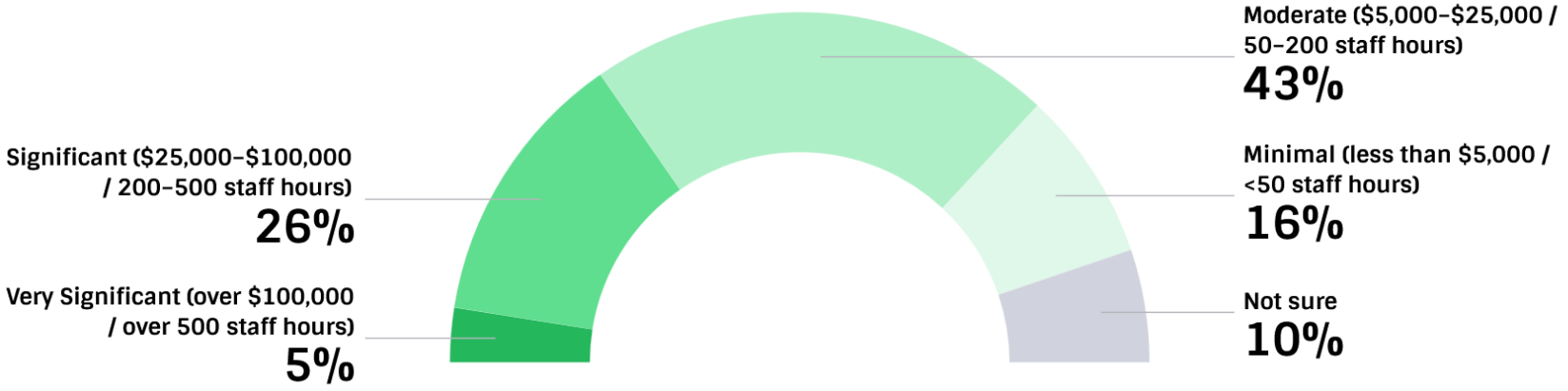
Most Tech Leaders Confident In Handling New AI Regulations



G10. If new federal and state regulations on AI were introduced, how confident are you that your company could fully understand and comply with them given your current resources and expertise? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- 29% are *very confident* they can comply easily.
- Over half (53%) are *somewhat confident* they can comply with moderate effort.
- 12% are *not very confident*, 2% are *not confident at all*, and 5% are unsure.

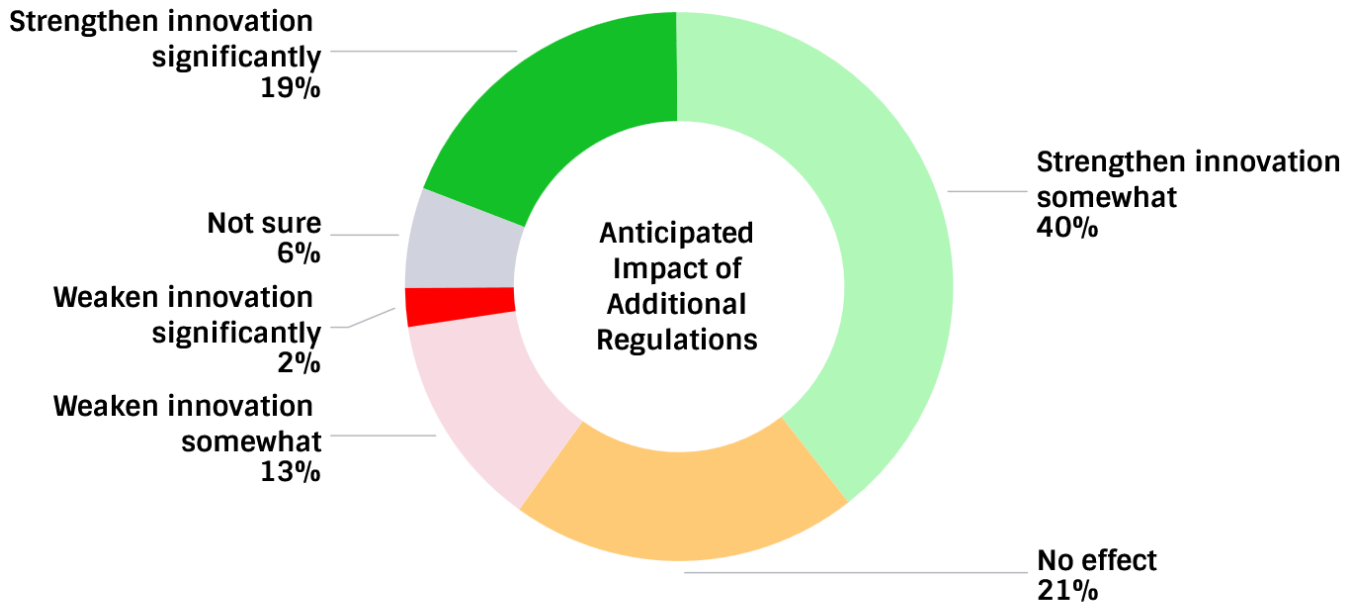
Most Firms Expect Moderate Or Significant Compliance Burdens



G11. How much time and cost do you expect compliance with current/anticipated AI regulations will require annually? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- A small group (5%) anticipates a very significant burden - exceeding $100,000 or 500 hours.
- Over a quarter (26%) expect a significant load, between $25,000–$100,000 or 200–500 staff hours.
- The largest share (43%) anticipates a moderate compliance burden, costing $5,000–$25,000 or requiring 50–200 staff hours annually.
- 16% foresee only a minimal addition, under $5,000 or fewer than 50 hours.
- 10% are not sure about expected compliance costs.

Most Expect Additional Regulations To Strengthen Innovation

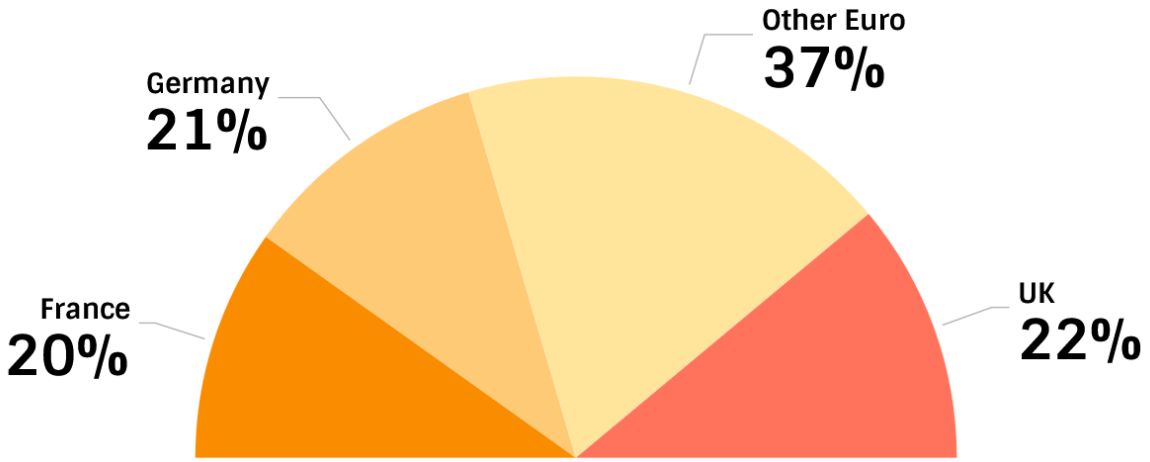


G12. If additional EU or UK regulations on AI are introduced, how would you expect this to affect your company's ability to innovate? Base: 557 leaders of small and mid-sized technology firms in the EU and UK

- About one-fifth (19%) say additional regulations will *significantly strengthen* innovation.
- Two in five firms (40%) believe it would *somewhat strengthen* innovation.
- 21% think regulations would have *no effect* on innovation.
- On the other hand, 13% expect regulations to *somewhat weaken* innovation, while 2% fear a *significant weakening* effect.
- 6% are not sure about the potential impact.

Firmographics

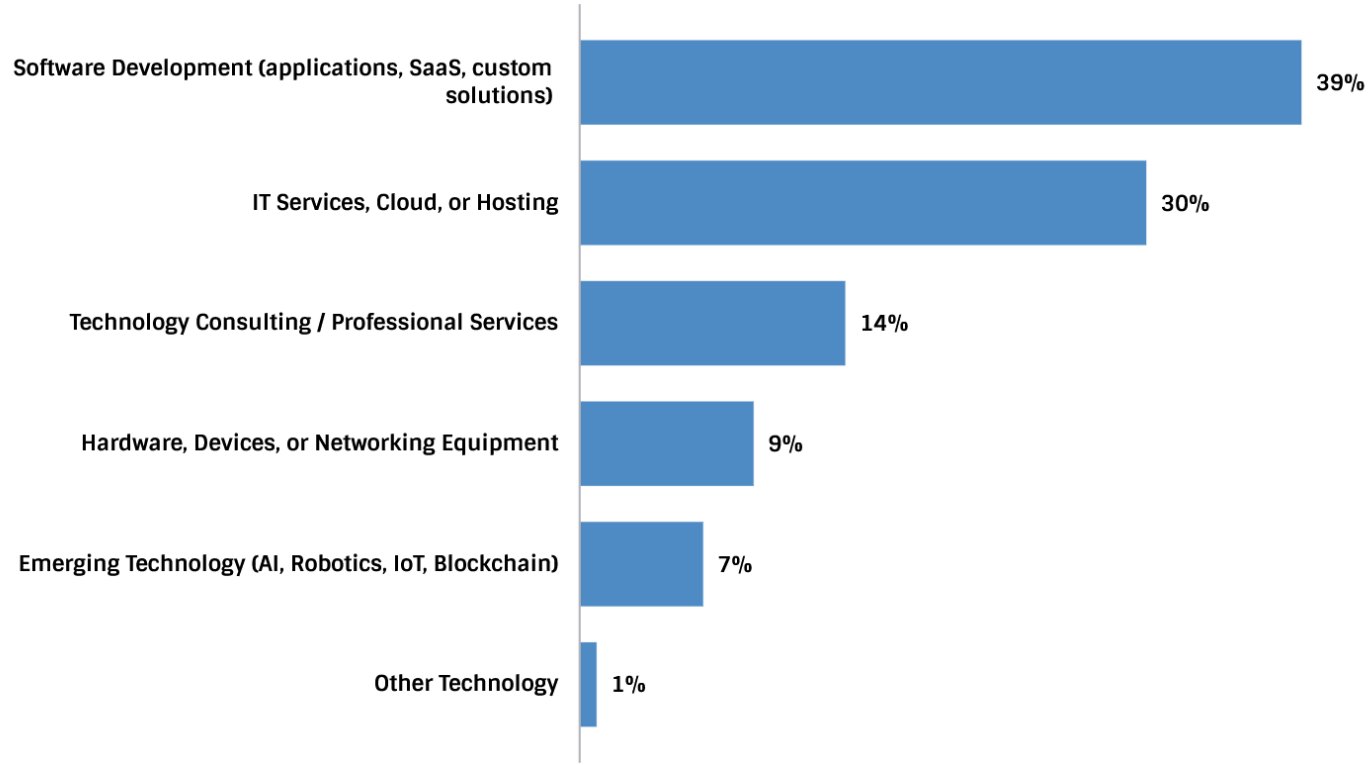
Region



Reg: Region

- Respondents are spread across major EU countries and the UK.
- 22% are based in the UK, 21% in Germany, and 20% in France.
- A total of 206 respondents, i.e., over one-third (37%), come from other EU countries: Spain (80), Italy (71), Denmark (11), the Netherlands (10), Poland (10), Sweden (10), Austria (7), Belgium (6), and Luxembourg (1).

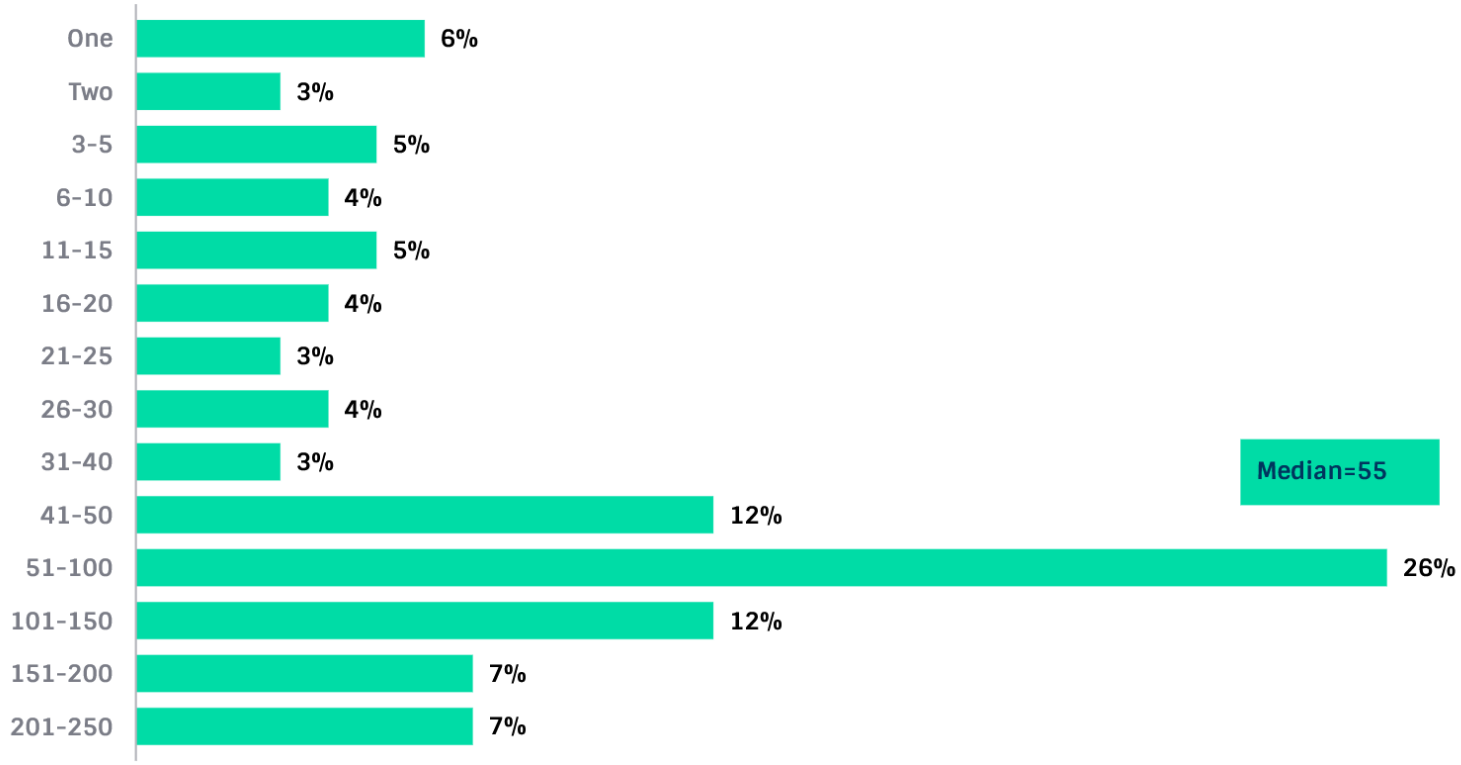
Primary Business Focus



S3. Which of the following categories best describes the primary business focus of your company? Base=557 small and mid-sized technology firms in the EU and UK

- 39% of firms focus on software development.
- 30% operate in IT services, cloud, or hosting.
- 14% are in technology consulting/professional services.
- Fewer are in hardware (9%) or emerging technologies like AI, robotics, and IoT (7%).

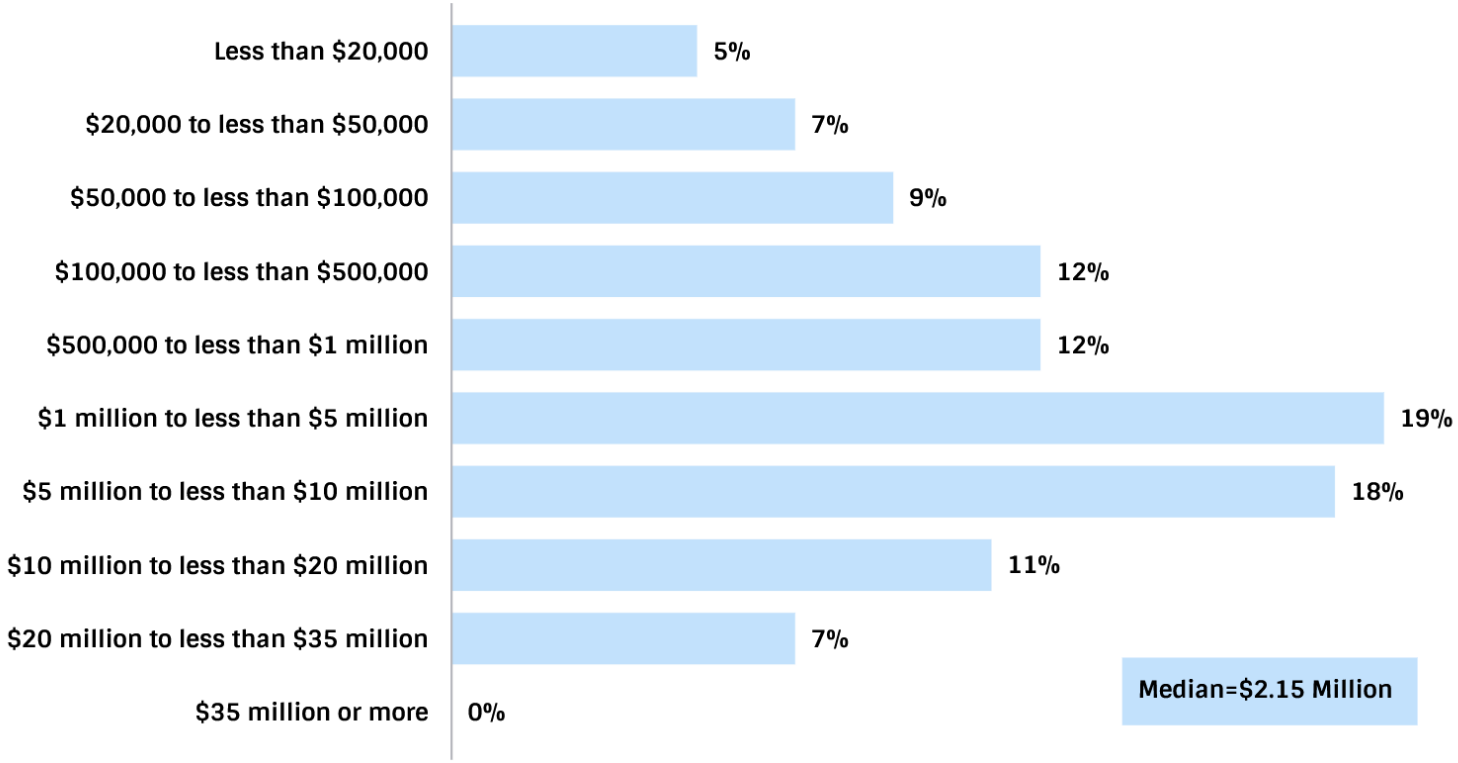
Employee Size



S4. Including yourself how many people are currently employed by your business? Base=557 small and mid-sized technology firms in the EU and UK

- The majority are small to mid-sized firms.
- 26% employ more than 100 people.
- Another 26% employ between 51–100 staff.
- 22% have between 21 and 50 people on their rolls.
- 27% have 20 or fewer.
- **Median firm size: 55 employees.**

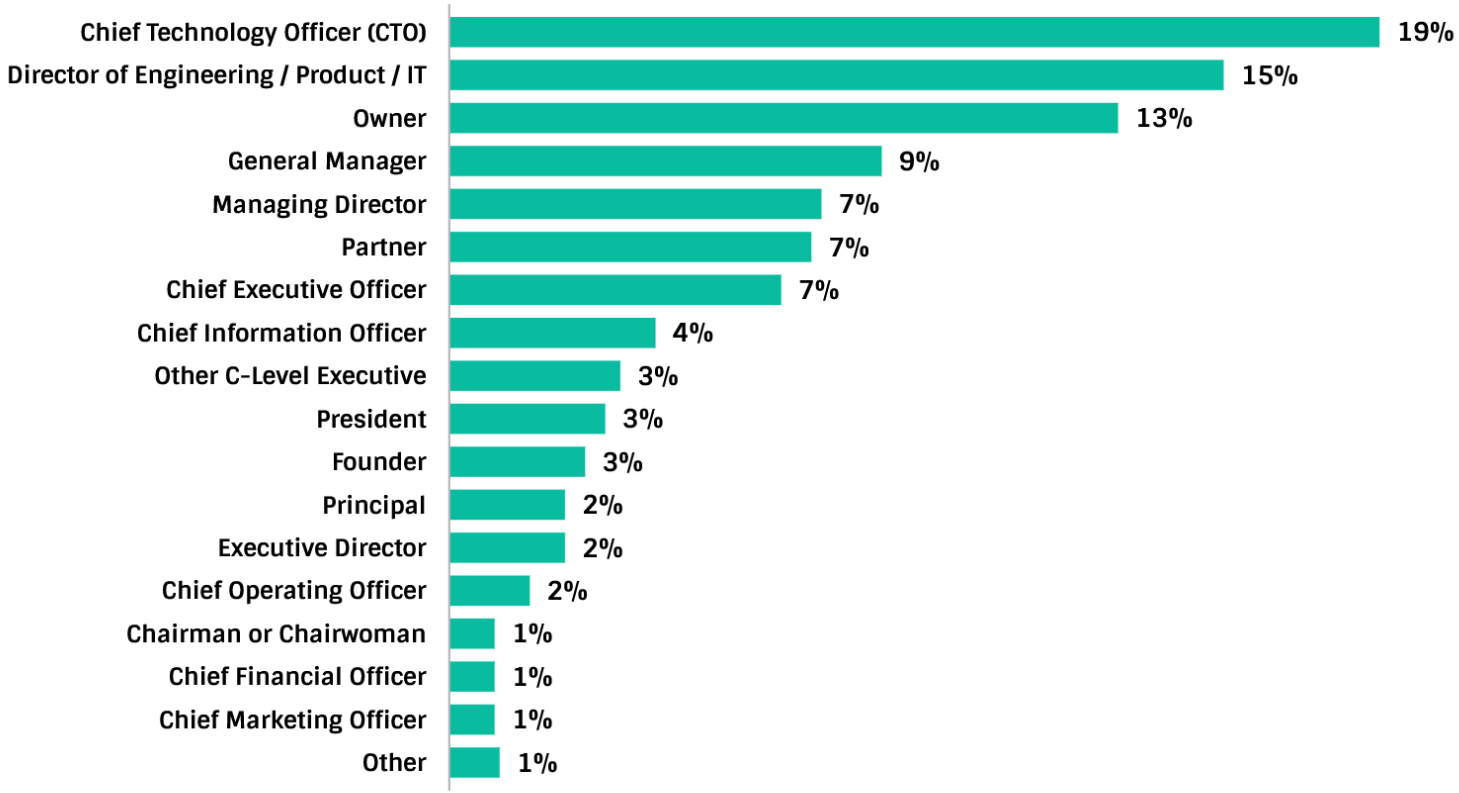
Business Revenue



S5. What was your company's approximate revenue for 2024? Base=557 small and mid-sized technology firms in the EU and UK

- Revenue distribution varies significantly across firms.
- About one-fifth (18%) report revenue above $10 million.
- Another 37% earned between $1 million and $10 million.
- About a quarter (24%) fall in the $100K – 1 million bracket.
- 21% made less than $100,000.
- **Median revenue = $2.15 million.**

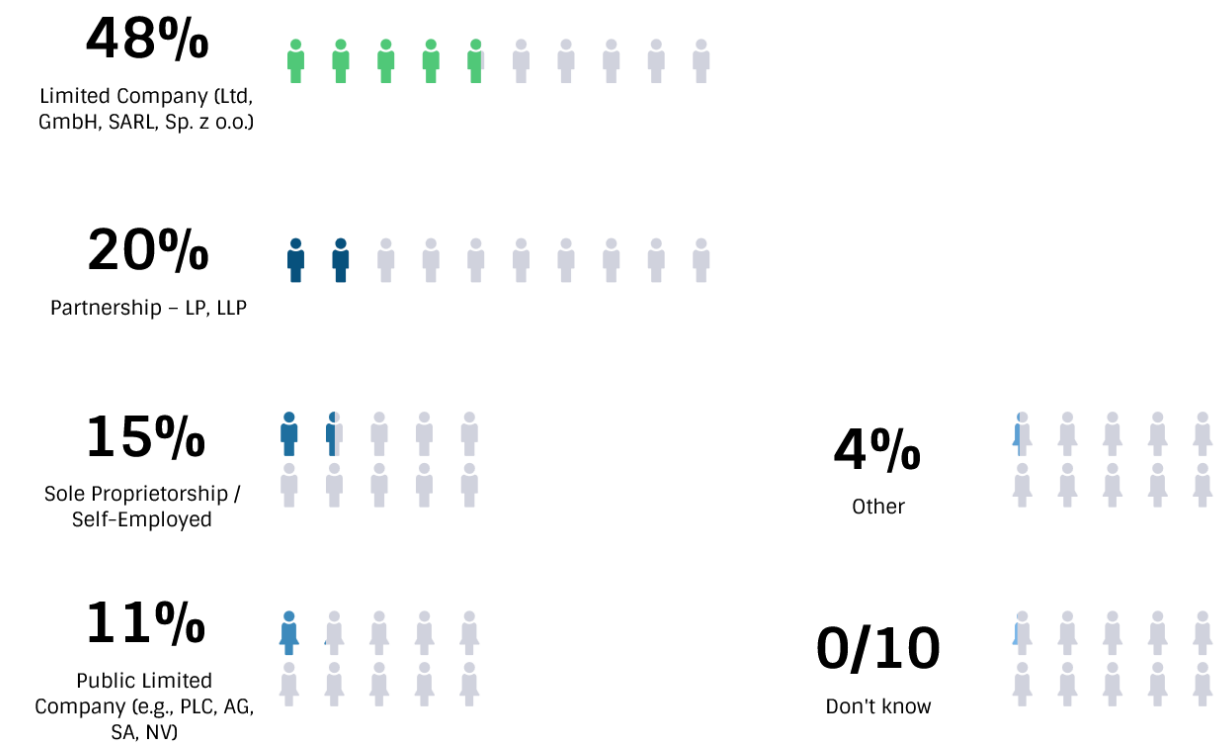
Job Title



S6. What is your job title? Base=557 small and mid-sized technology firms in the EU and UK

- Most respondents Hold Senior Technology Roles.
- Nearly one in five (19%) are Chief Technology Officers (CTOs).
- 15% are Directors of Engineering/Product/IT, and 13% are Owners.
- 9% are General Managers, while 7% each are Managing Directors, Partners, or Chief Executive Officers.
- A smaller share (4%) serve as Chief Information Officers (CIOs), and 3% are other C-level executives.
- Few identify as President (3%), Founder (3%), or other senior roles like Principal, COO, CFO, or CMO.

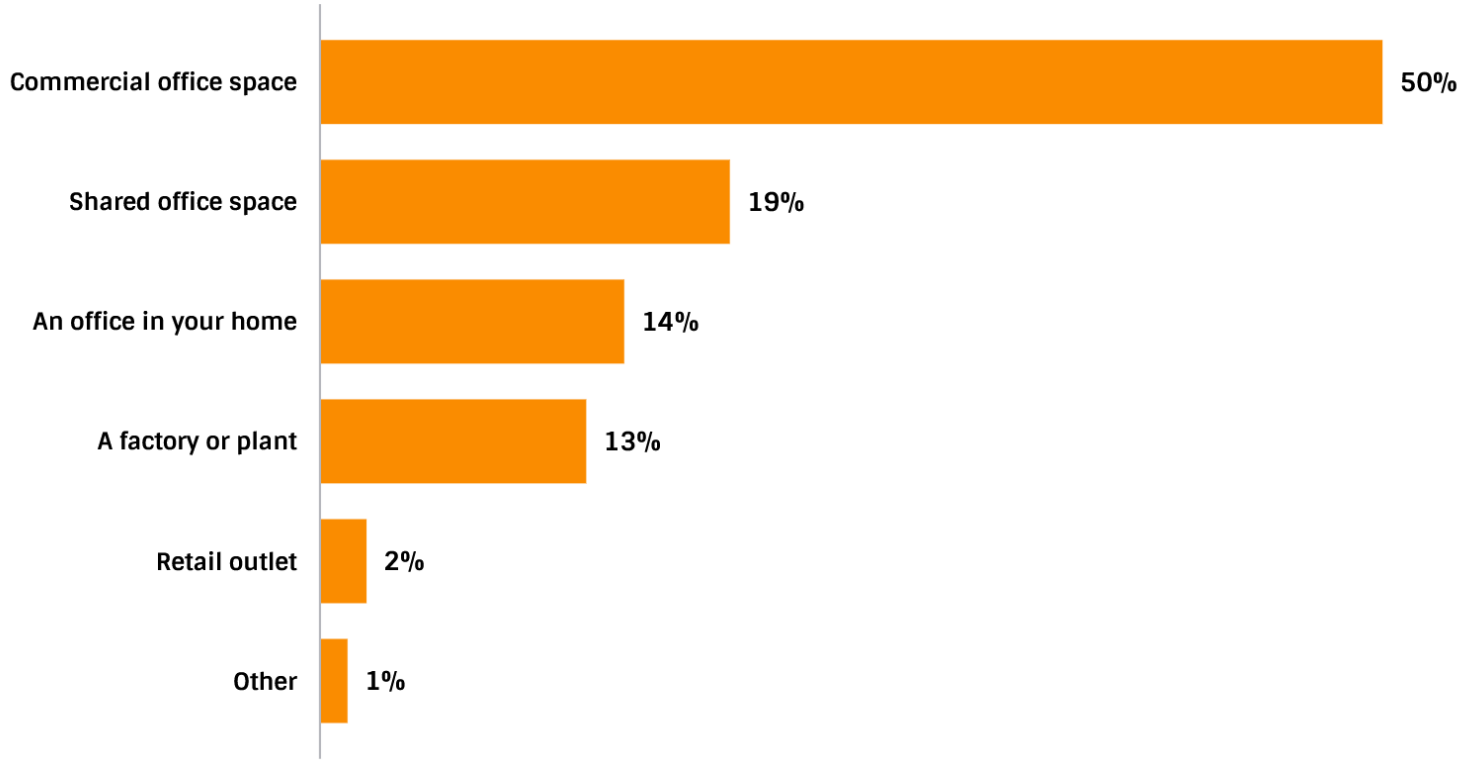
Business Structure



F1. How is your small business legally structured? Base: 557 small and mid-sized technology firms in the EU and UK

- Most firms are structured as Limited Companies - nearly half (48%) fall under this category (Ltd, GmbH, SARL, Sp. z o.o.).
- One in five (20%) operate as a Partnership (LP, LLP).
- 15% are sole proprietors or self-employed.
- 11% are set up as a Public Limited Company (e.g., PLC, AG, SA, NV).
- A small share (4%) report other structures.

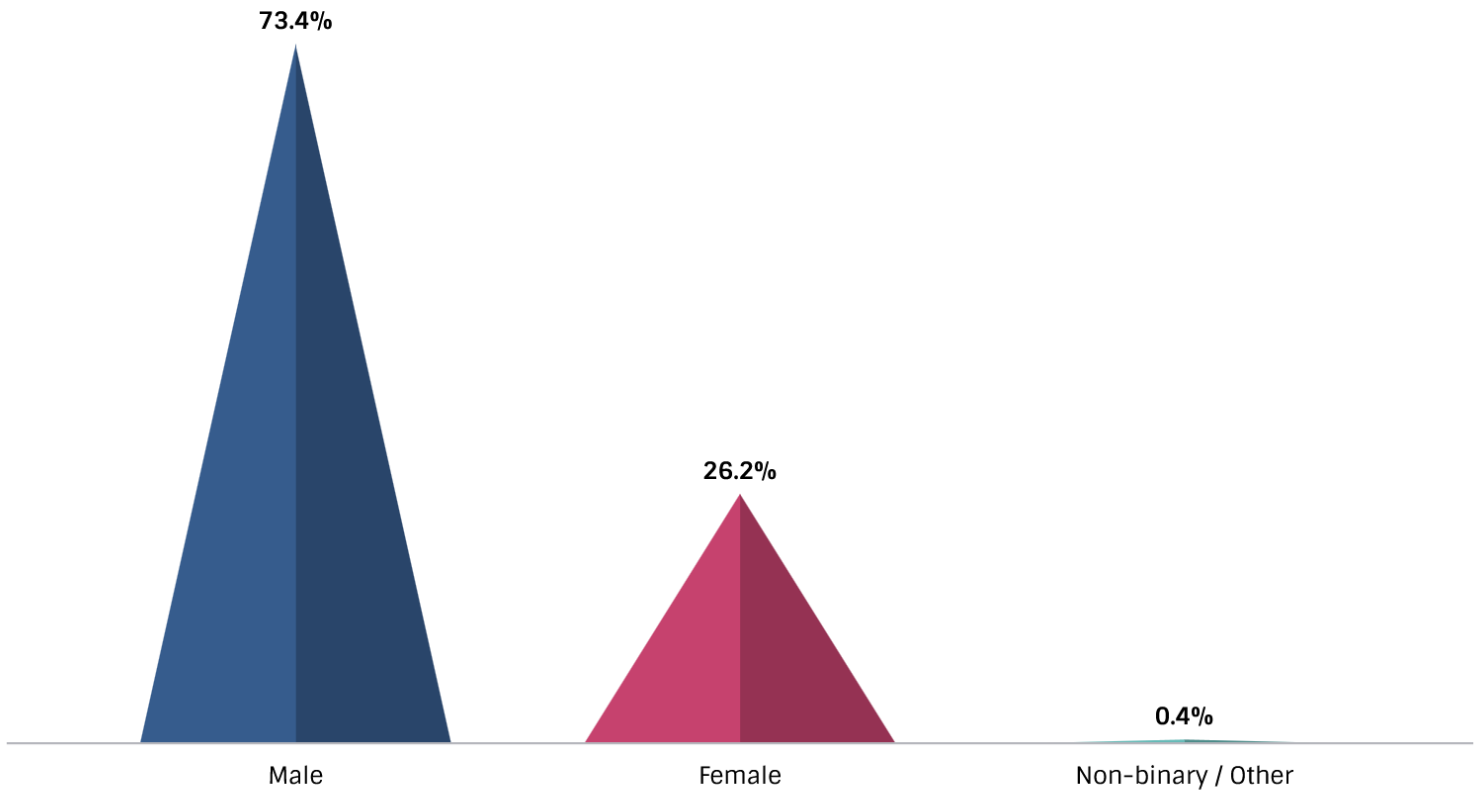
Business Location



F2. Which of the following best describes your business location? Base=557 small and mid-sized technology firms in the EU and UK

- 50% work out of commercial office space.
- 19% use shared office space.
- 14% operate from home offices.
- 13% run their business from a factory or plant, and 2% from a retail outlet.
- Only 1% report other arrangements.

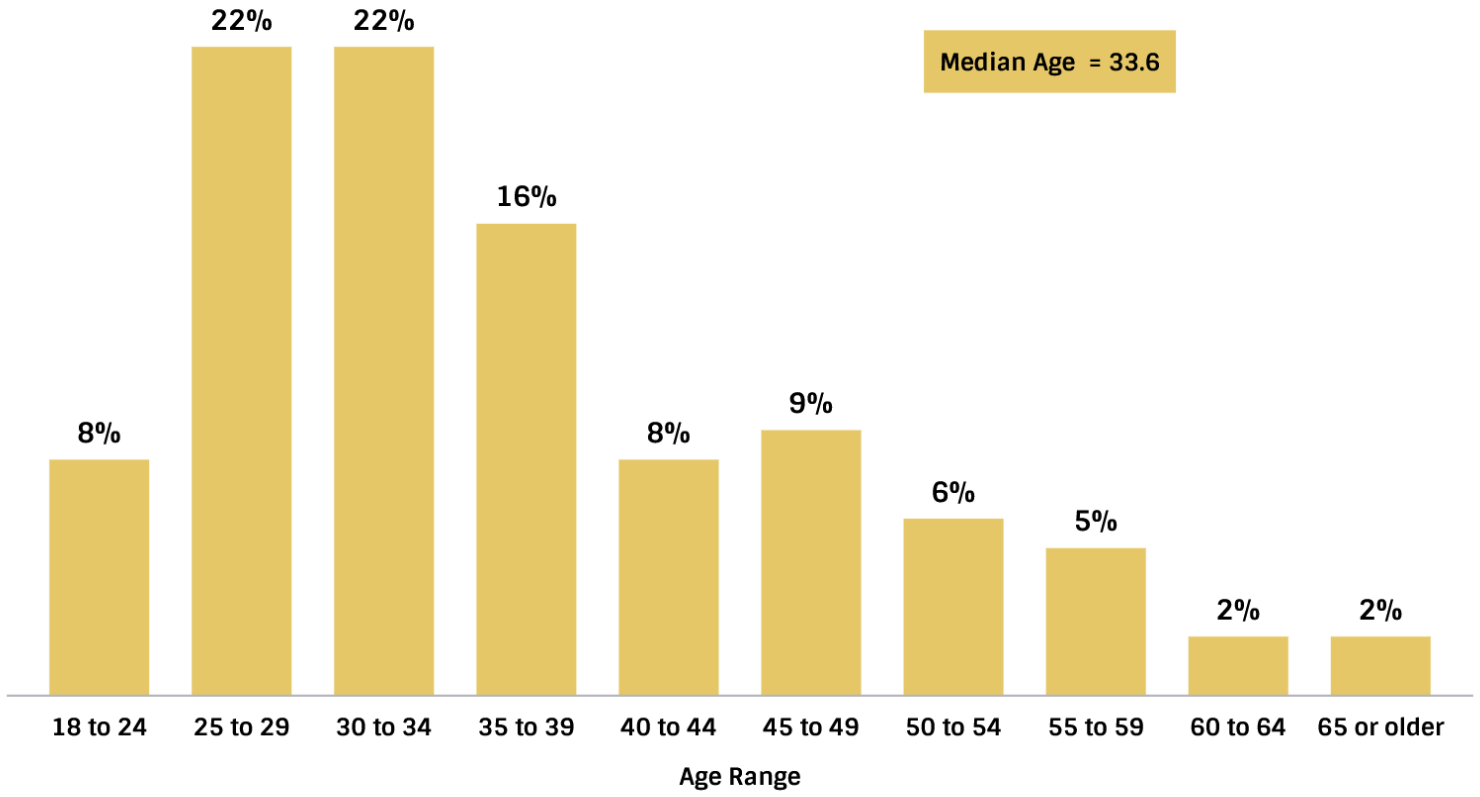
Gender



F3. Your Gender, Base=557 small and mid-sized technology firms in the EU and UK

- 73% are male.
- 26% are female.
- Less than 1% identify as non-binary/other.

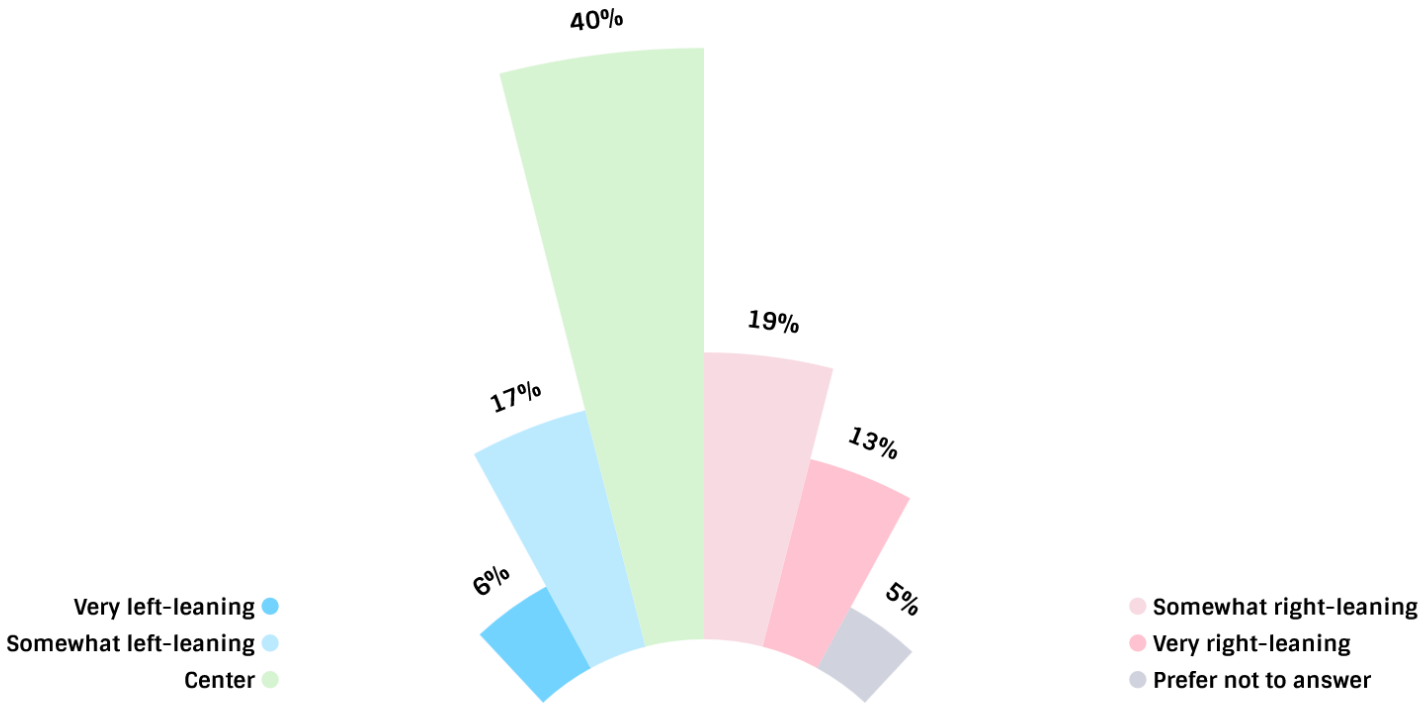
Age



F4. What is your age? Base=557 small and mid-sized technology firms in the EU and UK

- The largest age groups are 25–29 years and 30–34 years accounting for 22% each.
- Another 16% are 35–39 years old.
- Smaller shares are in their early 40s (8%) and late 40s (9%).
- Only small minorities are 50 or older (15% combined) or 18 to 24 (8%).
- **Median age: 34 years.**

Ideology



F10. In general, do you consider yourself to be…

- Largest share, four in ten (40%), identifies as centrists.
- 17% say they are *somewhat* left-leaning, and 6% are *very* left-leaning.
- On the right, 19% are *somewhat* right-leaning, while 13% are *very* right-leaning.
- 5% prefer not to answer.