CATALYST GROWTH COACHING · THE NUMBERS, IN PLAIN ENGLISH · ARTIFICIAL INTELLIGENCE · FOUNDER EDITION · PART TWO OF THREE

Reading the Story

Reading the pitch, finding the real value, and the five patterns of small-business AI trouble

Part One gave you the vocabulary. This guide gives you judgement — because the hard part of AI for an owner-managed business is no longer access. Everything is cheap and available. The hard part is telling a genuine opportunity from an expensive distraction, and knowing where the value actually sits in a business your size.

By the end you will be able to read a vendor pitch and know within minutes whether it is serious, identify where AI would genuinely pay in your own business, cost it honestly, and recognise the five patterns that consume most of the money wasted on AI by businesses like yours.

The uncomfortable frame worth holding throughout: most small businesses now using AI have not changed anything measurable. They have subscriptions and habits, not results. This guide is about being in the other group.

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01

Reading an AI pitch — four questions and one test

You will be pitched AI constantly for the next decade, by vendors, by your existing software providers, and by people at networking events. The reading order:

- **First, the Tuesday test.** "Show me a normal task, start to finish, with our kind of data." Demos are choreographed with clean examples; your business is not clean. This one request separates real capability from theatre faster than any technical question you could ask, and it is entirely non-technical.
- **Second: where do the errors go?** Every AI system is sometimes wrong. Serious vendors describe the error rate, the checking step, and what happens when it fails. Unserious ones say 'it's very accurate'. The absence of a described failure path is the tell.
- **Third: what happens to our data?** Is it used for training? Who can see it? Where is it stored? Plain answers exist and you are entitled to them; hesitation here is information.
- **Fourth: what changes on a normal Tuesday?** Not what it can do — what it removes, replaces, or accelerates in the actual working week. If the answer is abstract ('efficiency', 'insight'), the value is probably abstract too.

A fifth question, for anything sold as agentic: "what can it do without asking a human, and can we start with that list shorter?" Any vendor unwilling to start narrow is telling you they haven't worked with a business your size.

- **A sixth, on integration.** If a vendor tells you connecting to your existing systems is a big custom build, ask whether they support MCP, the open standard the major AI providers now share for exactly this. It has moved quickly from novelty to expectation, and it changes what a fair price and timeline look like.
- **And one for anything it helps you decide.** These tools tend to agree with whoever is asking, so an AI that endorses your plan is not evidence your plan is good. When it is helping with a decision rather than a draft, ask it for the strongest case against, or what would have to be true for this to fail. Unprompted agreement is worth nothing.

02

Where AI actually pays in a business your size

Ranked by evidence and by how reliably businesses report real returns — not by excitement:

- **1. First drafts of anything.** Quotes, proposals, emails, job adverts, reports, policies, marketing copy. The most-adopted use in small businesses by a distance, because it is low-risk, immediately measurable, and the checking is natural — you were going to read it anyway. Start here even if it feels unambitious.
- **2. Summarising and extracting.** Long documents, contracts, meeting transcripts, customer threads, supplier terms — reduced to what matters, with the actions pulled out. Enormous time return, low risk, and it makes better decisions available to busier people.
- **3. Customer response drafting.** Not an autonomous chatbot — a drafted reply a human approves. Faster responses without the reputational exposure of letting a machine speak unsupervised to the people who pay you.
- **4. Admin and scheduling automation.** The mundane plumbing: information moved between systems, appointments handled, documents filed and read. Unglamorous, reliable, and it dissolves the retyping map.
- **5. Research and preparation.** Sector background, prospect briefing, competitor scanning, options laid out before a decision. Genuinely useful, with the standing caveat that facts need verifying.

Notice what is not on this list: replacing people, autonomous decision-making, and anything that speaks to customers unsupervised. Those may come; they are not where a business your size finds its first, best returns.

03

What it really costs — the honest arithmetic

The subscription is the smallest number. The true cost of adopting an AI tool has four parts:

- **The licence:** the visible monthly figure, per user, easily totalled and easily forgotten.
- **The setup:** connecting it, feeding it your documents, writing the prompts and rules that make it useful for your business rather than in general. Usually hours, sometimes days — and usually done by your busiest person.
- **The context:** the material the tool needs to be useful on your business rather than in general, your documents, your pricing, your past work, kept current. This is now recognised as the discipline that decides whether AI works at all, and it is where the effort actually pays. Budget for keeping it up to date, not just for setting it up once.
- **The checking:** permanent, not temporary. If an output must be verified, that verification time is part of the running cost forever, and it is what determines whether the tool actually saves anything.
- **The re-work:** the cases where it was wrong and someone fixed it, plus the cases where nobody noticed. This is the cost nobody models and everyone eventually pays.

The test that follows from this: does the task still save meaningful time after checking? For drafting, overwhelmingly yes. For anything requiring line-by-line verification of facts or figures, sometimes no — and knowing which is which is the whole skill.

04

Five patterns of small-business AI trouble

- **The dabbler's plateau.** Several subscriptions, everyone 'using AI', nothing measurably different. The most common pattern by far — the majority of small businesses with AI tools sit here. Cause: no narrow job, no owner, no measure. It feels like progress and costs like a strategy.
- **The pilot with no owner.** An enthusiastic experiment by one person, still an experiment eighteen months later, quietly abandoned when they got busy. The technology-series pattern in AI clothing: enthusiasm is not adoption; adoption needs one accountable person and a decision date.
- **The shadow AI bloom.** The team adopted it before you did, using personal accounts and unknown data policies. Not a discipline problem — an unmet need with an obvious workaround. Left alone it becomes a genuine data risk; addressed openly it becomes your fastest route to knowing what actually helps.
- **The AI-washed upgrade.** A premium paid for a badge on software you already had. Detected with one pleasant question: what can it do that it couldn't two years ago?
- **The agent that was an automation.** This year's version of the same trick: a scripted workflow sold as an 'agent' at agent prices. A real agent decides what to do next; an automation follows steps somebody wrote. Ask which it is, because you would govern them completely differently, and paying for the first while receiving the second is the most common AI overspend of 2026.
- **Automation attempted where augmentation belonged.** Handing a machine the whole job — customer replies, invoicing decisions, applicant screening — before anyone mapped the exceptions. The expensive pattern: it works impressively on the ninety per cent and fails visibly, sometimes publicly, on the ten that mattered.

The shared root, one more time: none of these is a technology failure. Each is an absence of a decision — what job, whose responsibility, what measure, what boundary. Which is why buying more AI never resolves any of them.

05

Reading your own business for opportunity

The hours map, and it takes an afternoon. For one week, note where time goes into: producing first drafts, reading long things to find the important part, answering similar questions repeatedly, moving information between systems, and preparing for meetings or decisions.

Then rank by hours and cross out anything where an error would be expensive or public. What survives, at the top, is your first AI job — narrow, measurable, and safe to be wrong in. That is the whole method, and it is why the businesses seeing real returns rarely started with anything ambitious.

06

An exercise — fifteen minutes

- Ask three people what they used AI for this week, and what they had to fix. Note both answers.
- Total your monthly AI spend, including copilot fees on existing software.
- Name the single most repetitive writing task in the business.
- Identify which of the five patterns you're currently running. Most businesses run the first.
- Ask an AI assistant what it says about your company, and read the answer as a customer would.

Where Part Three takes you

You can now read the pitch, locate the value, and cost it honestly. Part Three, "Asking the Questions," is about method: how to adopt AI deliberately — one narrow job, measured, expanded from evidence — the small set of rules your business needs, how to think about agents and autonomy without either fear or naivety, and what all of this is doing to your people's capability.

Because the destination of this territory is not a tool. It is a practice: a business that learns fast, checks properly, and expands from evidence rather than enthusiasm — which, as it happens, is a description of good management with or without a model in the middle of it.

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