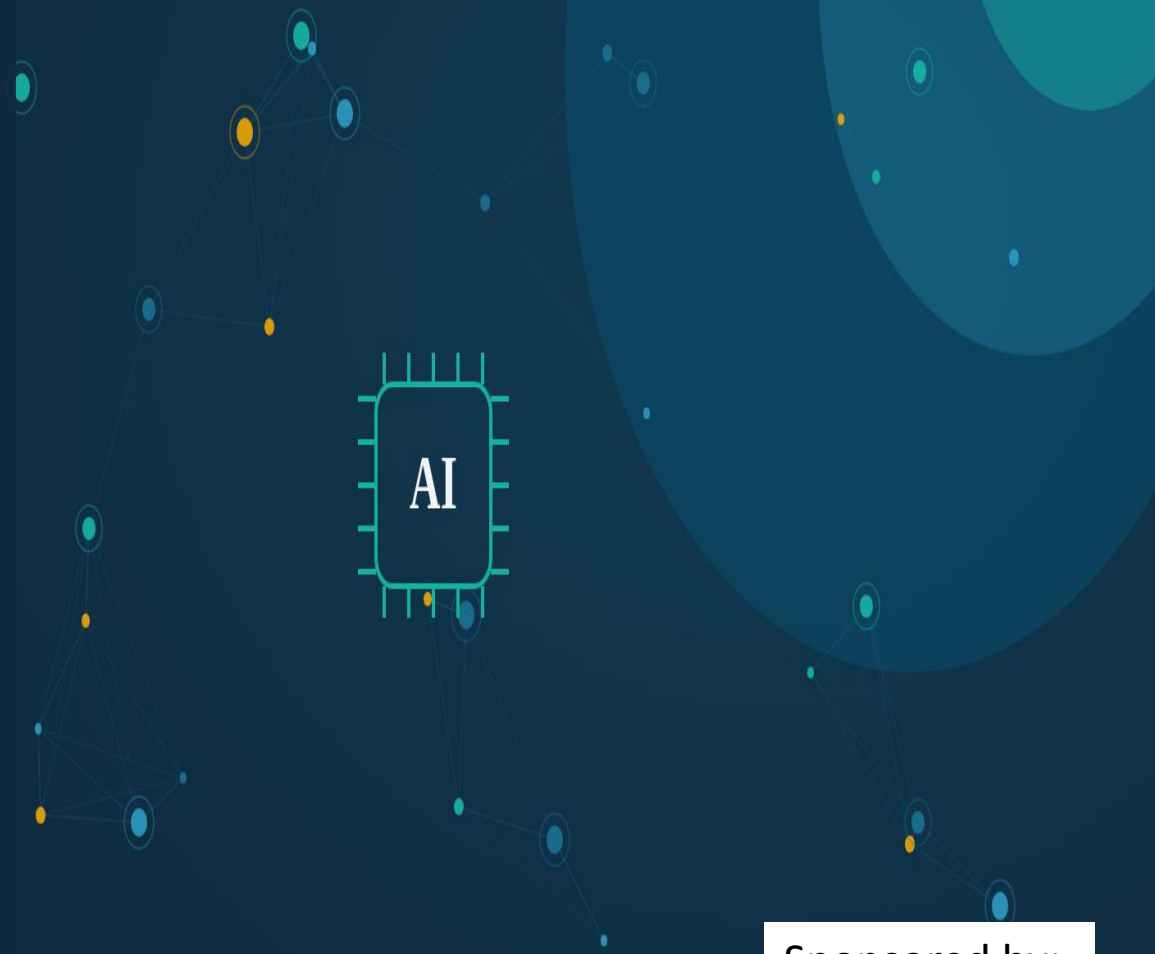
SMB Group
Actionable Market Insight

SMB TECHNOLOGY PULSE · 2026

AI Technology Pulse

Mid-Market Edition

How companies with 100–3,500 employees are adopting AI — spend, use cases, barriers, skills, oversight and sector signals.



389
respondents

87%
raising budgets

74%
using AI

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SCOPE

What we mean by mid-market

100–3,500 employees

We isolated the mid-market from the full survey — firms big enough to run real IT functions, small enough to move fast. That's 389 of the qualified respondents.

Four size bands



The AI question

Nearly everyone has started — the story is how far, how fast, and what's in the way.

74% are piloting, deploying or scaling AI

37% are actively deploying today

12 sectors represented across the mid-market

THE BIG PICTURE

AI in the mid-market, at a glance

74%
are piloting, deploying or scaling AI

37%
are actively deploying AI right now

59%
name AI & automation their #1 new spend

50%
see IT ops & data as the top value areas

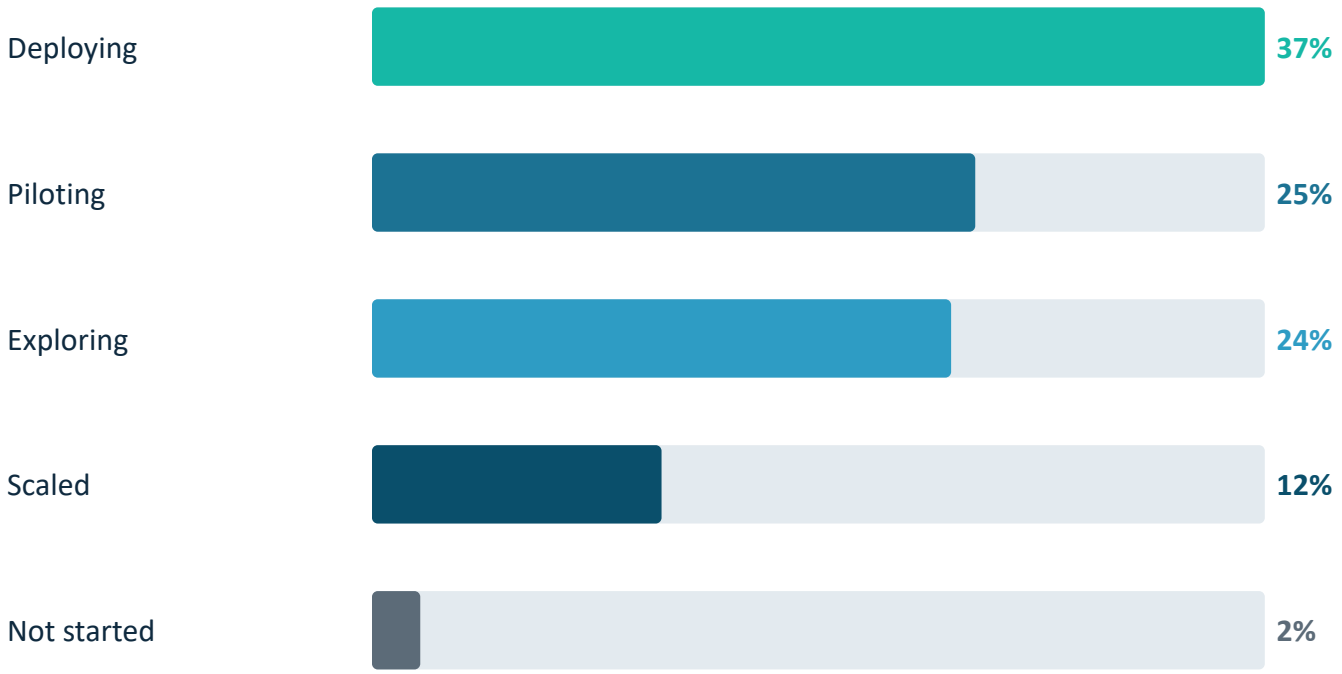
44%
say AI/ML is their scarcest skill

62%
are confident in their AI's accuracy

AI ADOPTION

Nearly all in — most already deploying

Current AI adoption stage (% of mid-market)



74%

are piloting, deploying or scaling AI — only 2% haven't started.

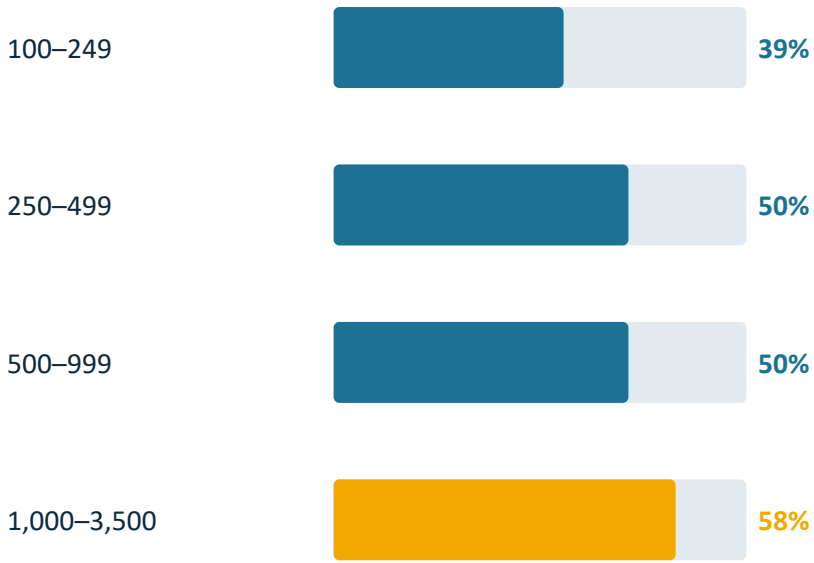
Deploying is already the most common stage — the mid-market is past experimentation.

AI ADOPTION

Who's furthest along

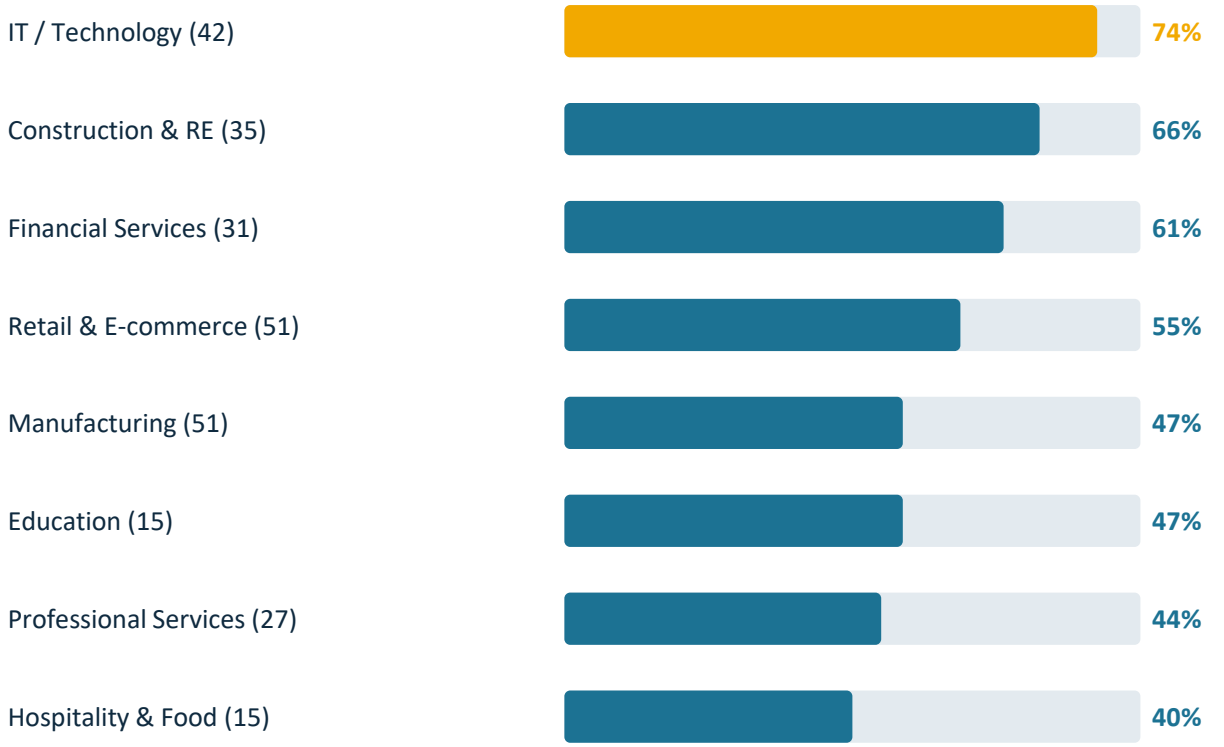
Share deploying or scaling AI in production — by employee size and by industry.

By employee size



Adoption rises with size — the largest mid-market firms lead.

By industry

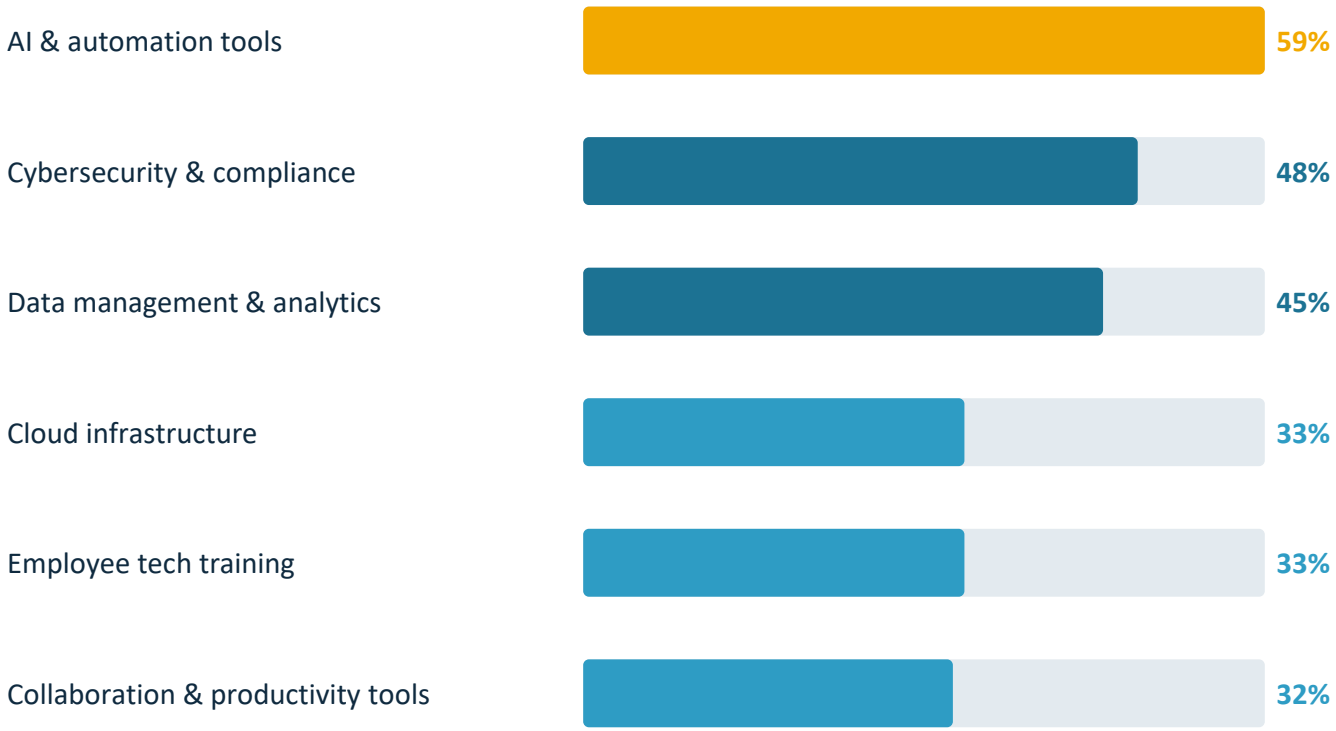


Technology, construction and financial services lead; group n in ( ).

INVESTMENT

AI is the #1 place new money is going

Technology areas most likely to get more spend



59%

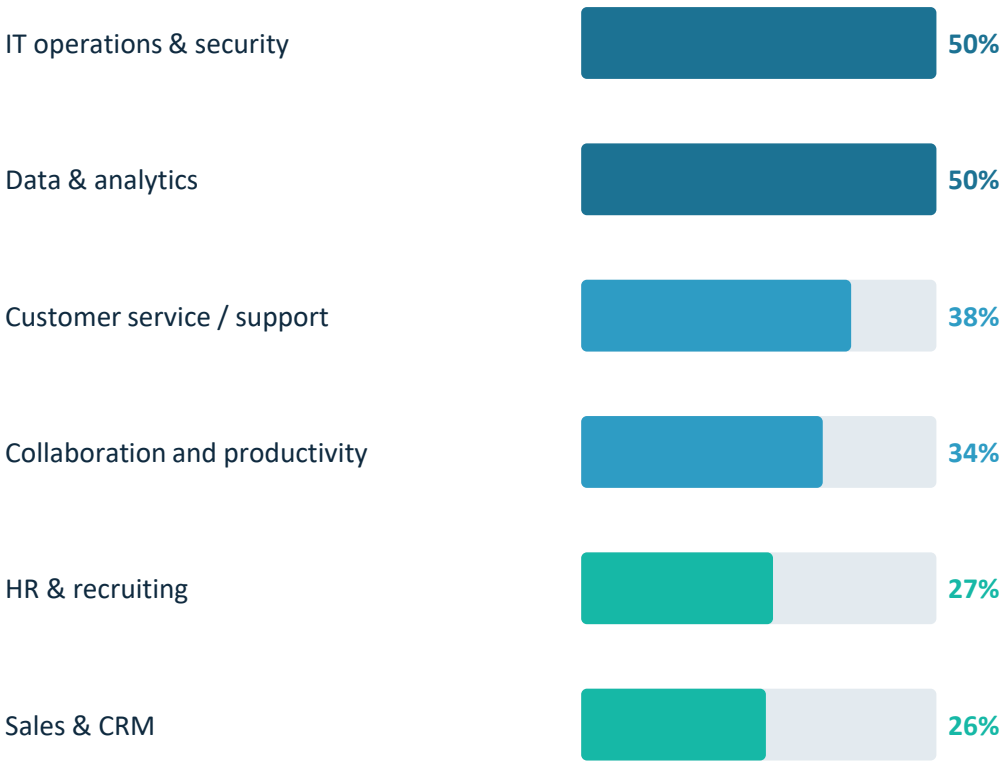
put AI & automation at the top of their spending list — ahead of cybersecurity and data.

87% of the mid-market is raising IT budgets overall.

USE CASES

Where AI is expected to pay off

Top functions for AI value



Efficiency first

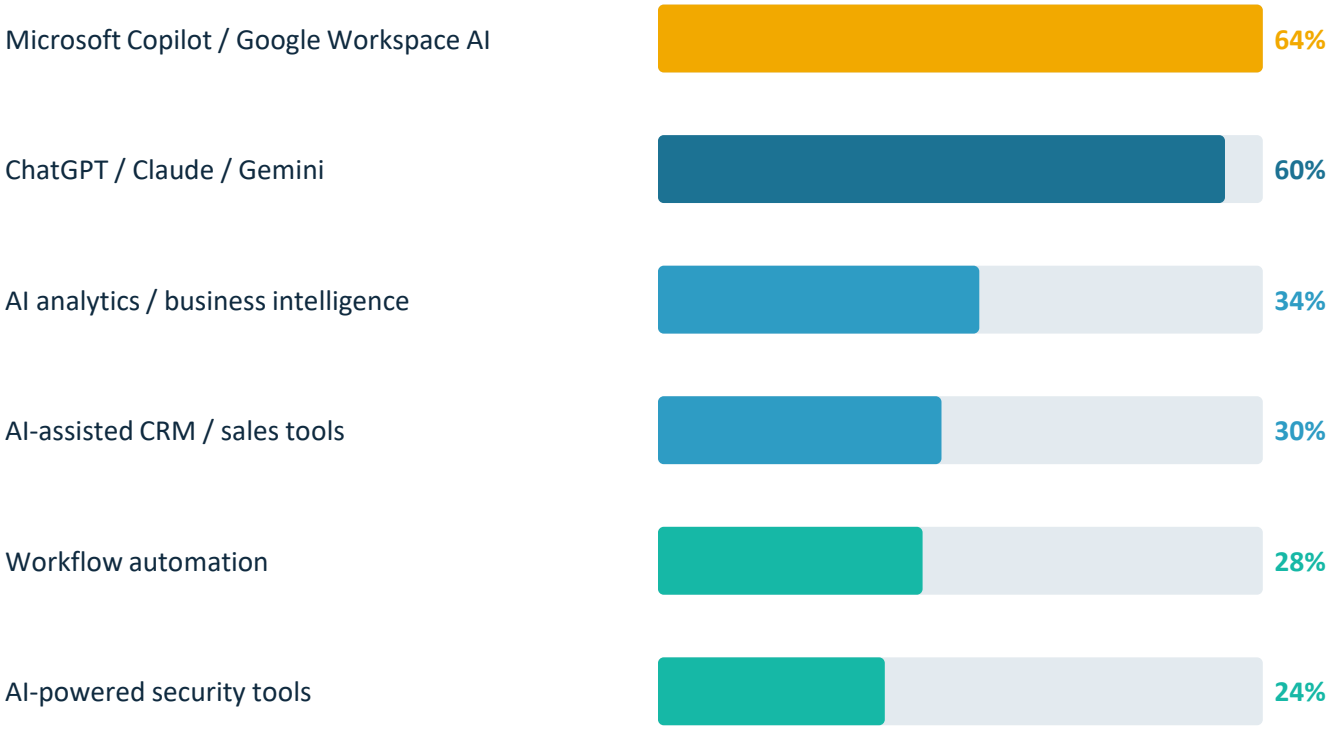
The mid-market points AI at the back office before the front office: IT operations & security and data & analytics tie for the top, with customer service next.

Most-used tools: Microsoft Copilot / Google Workspace AI (64%) and ChatGPT · Claude · Gemini (60%).

THE TOOLKIT

What the mid-market runs on

AI & automation tools currently in use



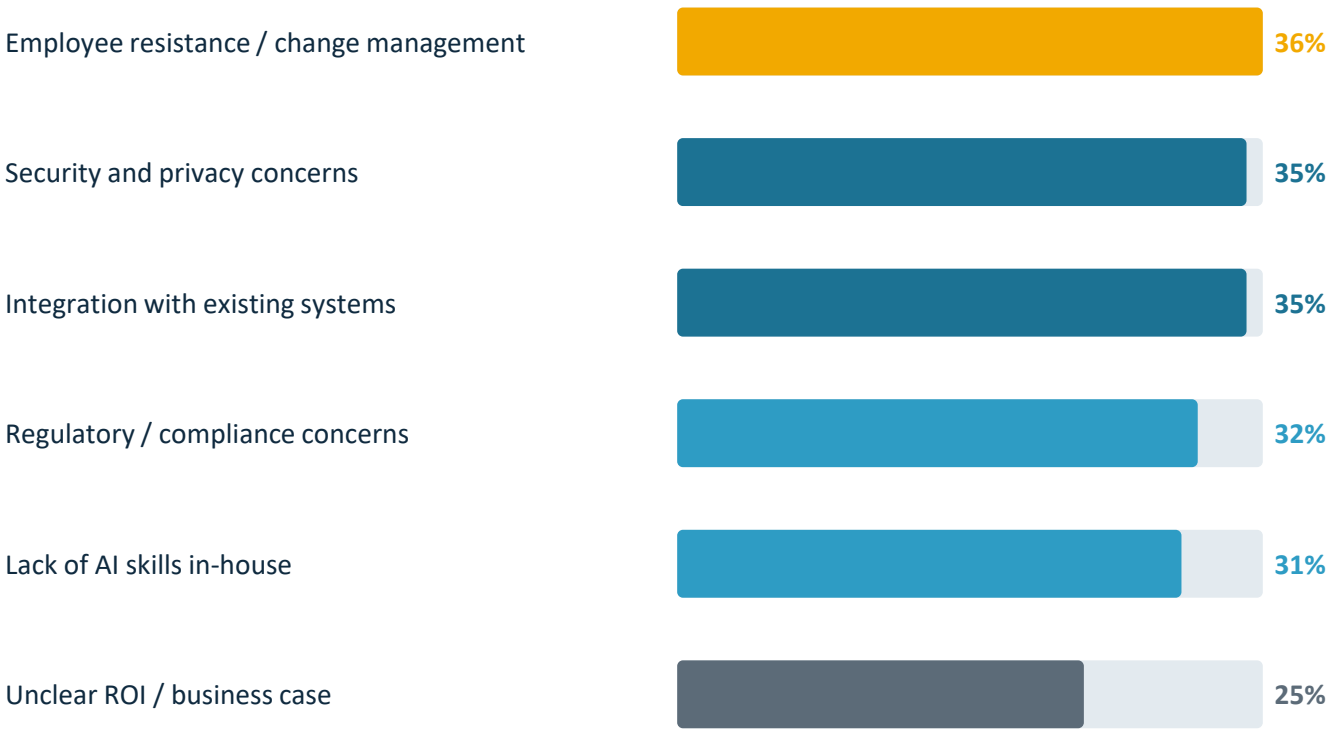
Assistants lead

General-purpose copilots and chat assistants dominate. Purpose-built tools — analytics, CRM, security AI — form a clear second tier as use matures.

FRICTION

What's slowing AI down

Biggest barriers to AI adoption



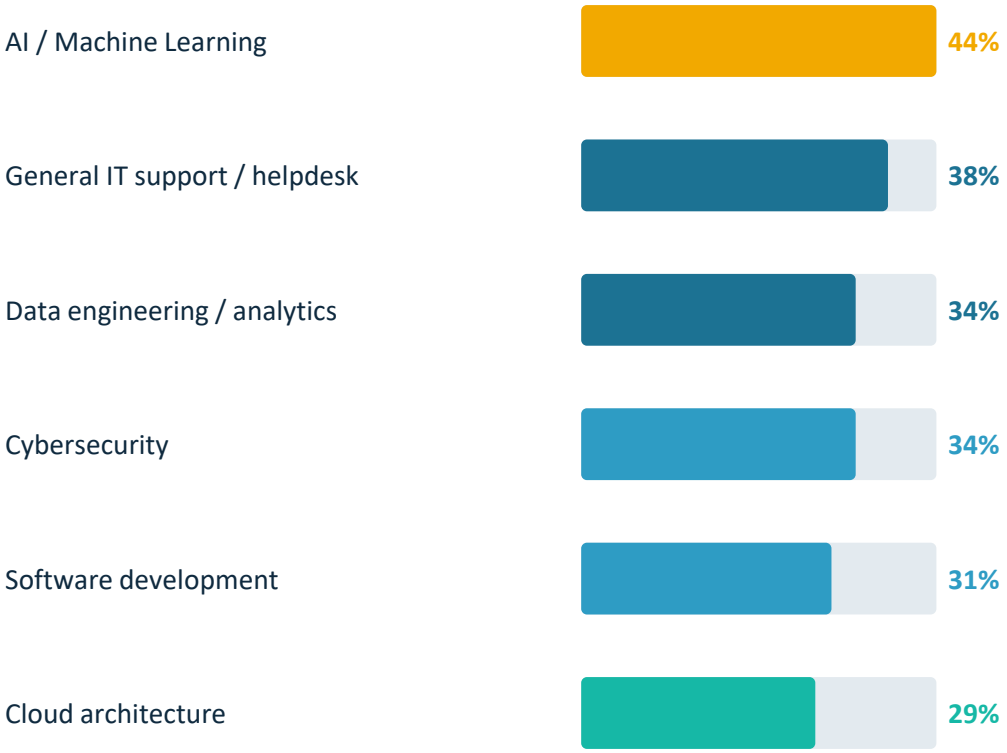
People + plumbing

No single blocker dominates — change management, security and integration cluster together. The common thread is readiness, not doubt about AI itself.

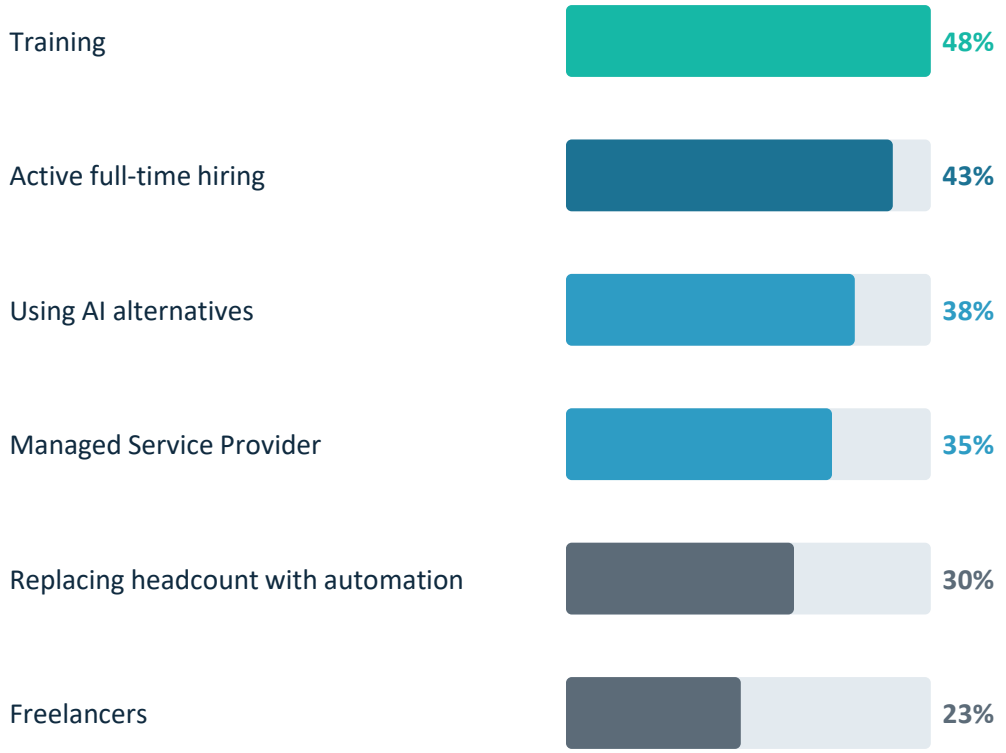
TALENT

The skills the mid-market can't hire fast enough

Where teams are most short-staffed



How they're coping

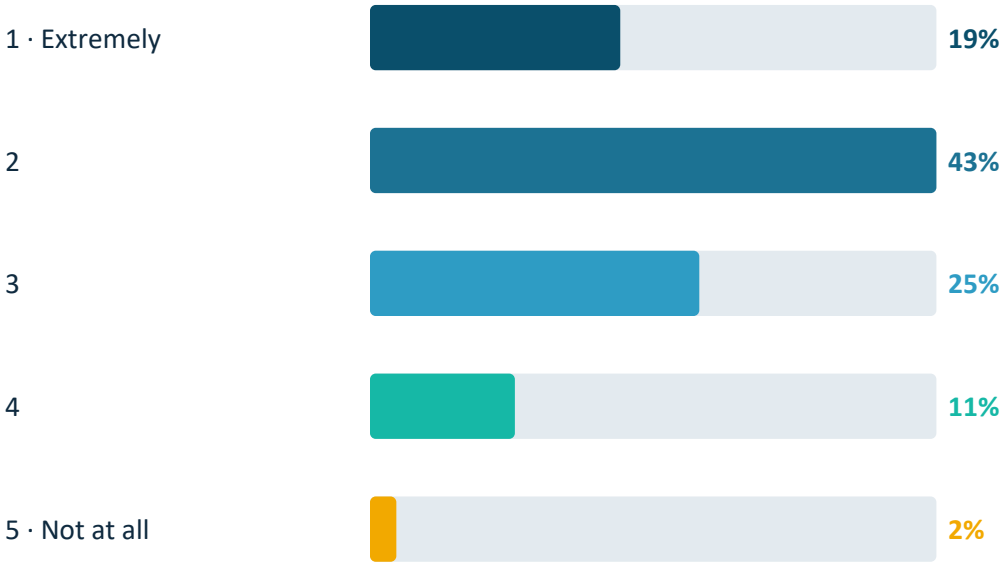


AI/ML is the #1 skills gap — and firms are using AI itself to fill it, alongside upskilling and hiring.

TRUST & OVERSIGHT

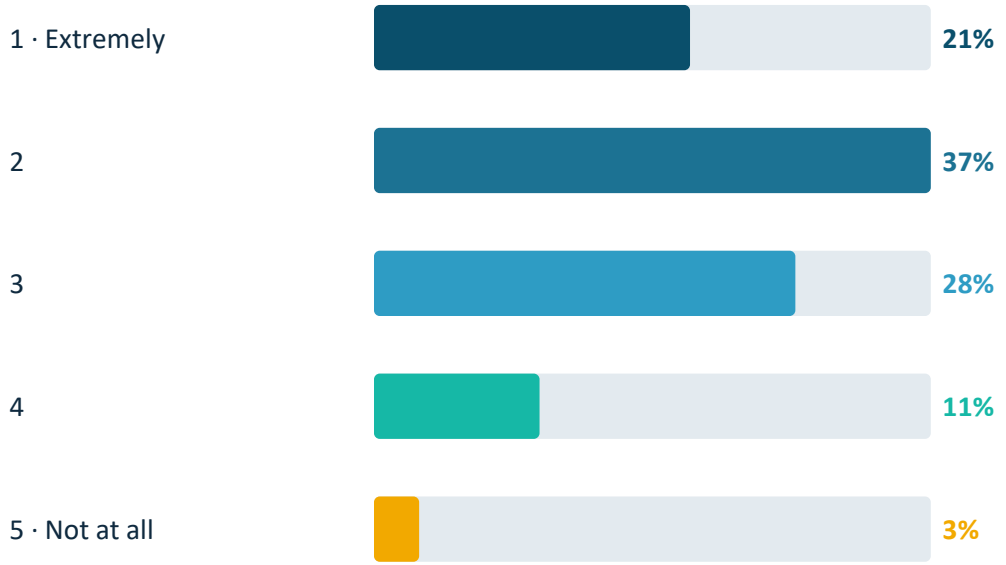
Confidence is moderate — and visibility lags

Confidence in AI output accuracy



Most sit in the middle: ~62% confident in accuracy and ~58% in visibility, but few are "extremely" confident — a governance opening as agents proliferate.

Visibility into AI agents in use



BY INDUSTRY

Two camps: infrastructure vs. insight

Infrastructure-led

Top AI value = IT operations & security

Technology	76%
Manufacturing	65%
Wholesale	65%
Construction	51%
Retail	49%

Insight-led

Top AI value = data & analytics

Healthcare	63%
Financial Svcs	55%
Professional Svcs	52%

Within the mid-market, Construction is IT-ops-led — the customer-service tilt seen market-wide is a small-firm trait.

Maturity leaders: Technology (74% advanced), Construction (66%), Financial services (61%). Laggards: Healthcare (37%), Wholesale (23%).

BY INDUSTRY

The confidence gap — trust tracks data complexity

Confident in their AI's accuracy, by sector



The pattern

The least-confident sectors — healthcare, construction, professional services — carry the most regulated, physical-world or bespoke data. The messier the data, the less they trust the output.

BY INDUSTRY

The #1 blocker is sector-specific

Top barrier to AI, by sector

Change management

Manufacturing · Construction · Professional

Integration

Healthcare · Wholesale

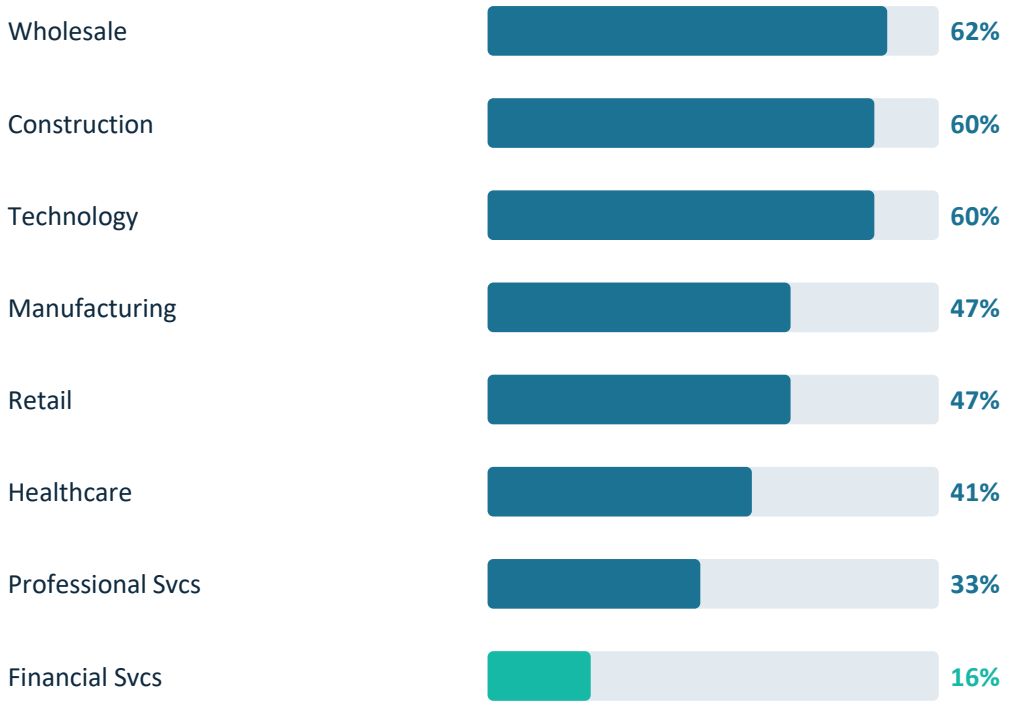
Security & privacy

Technology · Financial

Regulatory / compliance

Retail · Wholesale

AI / ML skills gap



Financial services feels staffed (16%); wholesale, construction and tech feel the squeeze most.

WHAT IT MEANS

Five takeaways for the mid-market

Past the pilot phase

74% are already piloting, deploying or scaling — sell expansion and outcomes, not first steps.

Budget is committed

AI & automation is the #1 new-spend line (59%), with 87% raising IT budgets overall.

Skills are the bottleneck

AI/ML is the scarcest skill (44%); done-with-you delivery wins more than raw tooling.

Govern the sprawl

Confidence and visibility into AI agents are only moderate — oversight is the next opening.

Sector shapes the pitch

Infrastructure-led vs. insight-led sectors, a confidence gap where data is complex, and a sector-specific #1 barrier — tailor the story.

Base: 389 mid-market technology decision-makers (100–3,500 employees), SMB Technology Pulse 2026. Sector cuts rest on smaller bases (26–51) and are directional.

Thank You

For more information, please contact:

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