

Cost Efficiency to Scenario Planning: Exploring Generative AI Application for Small Businesses in the Age of 5.0

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Abstract

The purpose of the study is to investigate how small businesses can employ strategic applications of generative AI to leverage potential for scenario analysis and for planning in the midst of Industry 5.0 disruptions. Although Industry 5.0 disruptions are becoming increasingly important for small businesses, research on the strategic applications of generative AI in these organization's is largely lacking. While existing studies especially reveal the disruptive potential of AI for various industries, they do not discuss the implications for small businesses and their unique conditions and possibilities. Additionally, we find very less literature that focuses on the strategic application of AI for small businesses such as planning, scenario analysis and risk management during Industry 5.0 disruptions. The three main research objectives of the research are: RO1: Explore how generative AI could be adopted in small business with a focus on Industry 5.0 disruptions to achieve the strategic business objectives of cost-cutting and labor cost-effectiveness. RO2: To identify the underlying and emerging themes when businesses use generative AI to offer personalized recommendations, perform scenario planning and minimize organizational risks. RO3: How should small businesses navigate the challenges and opportunities inherent in the use of generative AI. It adopts a netnographic research methodology using qualitative data extracted from blogs and YouTube channels to identify themes and sub-themes . Data analysis follows the Braun and Clarke six-step thematic analysis in order to produce the assigned themes. Four main interdependent themes characterize the effective tactical uses of generative AI for SMEs coping with the disruptions of Industry 5.0: cost efficiency, personalized recommendations, scenario analysis, and risk management.

Keywords: Generative AI, Small Business, Scenario Planning, Strategic Planning, Industry 5.0, Netnography

Introduction:

Technological advancements and their rapid and relentless pace of innovation have triggered an unprecedented paradigm shift in