

Family Firms: The Time to Learn About AI is Now

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Like the telephone or the internet, AI is here to stay, and we need to learn how to work with it.

The use of AI in the business environment continues to be imperative for executives, consultants, and software developers. AI makes it possible to automate tasks, streamline processes, and enhance analytics. A recent Prairie Family Business Association survey suggests that many family firm owners are unfamiliar with AI and its potential applications in their businesses. Consequently, they are not leveraging these tools and taking advantage of what they offer.

Given the speed at which AI is emerging as a major disruptive force in today's business landscape, family firm owners and managers -- despite their busy schedules, traditions, and existing processes -- cannot afford to overlook this significant technological shift. Doing so could expose their businesses to competition from startups and other firms that gain a competitive edge by incorporating AI into their business practices. While firms can choose not to implement AI tools, they must understand what they are turning down.

Survey Findings

In September 2024, the Prairie Family Business Association conducted its annual survey, which included questions about the current state of knowledge and implementation of AI among its members. Although most respondents operate their businesses in South Dakota and surrounding states such as North Dakota, Iowa, and Minnesota, we believe the findings are universal. This article aims to use a few observations from the survey as a conversation starter and an eye-opener for family firms that may have initially overlooked the AI trend but could consider taking advantage of AI applications in the future.

Below are some key findings:

- Out of 160 family firms that responded to the survey, only 80 answered the AI-related questions.
- When asked to indicate their level of agreement with the statement, "Artificial Intelligence can provide a higher Return on Investment to my company," about 26% agreed to some extent, while 59% selected "Neither agree nor disagree."
- A similar pattern emerged when respondents were asked about the statement, "Artificial Intelligence can provide faster results to my company:" 38% agreed, and 48% selected "Neither agree nor disagree."
- Lastly, when asked about the statement, "My company has Artificial Intelligence skills," only 17% agreed to some extent, with over 50% selecting "Neither agree nor disagree."

These observations suggest a pattern of either not responding to AI-related questions or selecting "Neither agree nor disagree," indicating a lack of familiarity with AI among the responding family businesses. Since about half of our respondents neither agreed nor disagreed, we conclude that many family firms are uncomfortable with the subject of AI. As indicated by the last item, only 17% of firms that responded have some level of AI-related skills.

Given the rapid pace of the AI revolution, these results are concerning and should serve as a warning to family firms. This groundbreaking technology is quickly becoming a primary focus in boardrooms and classrooms, with many firms choosing to take advantage of its capabilities. AI can improve efficiency and accuracy and automate monotonous but costly tasks, such as updating various documents or standard operating procedures. Importantly, it does not need to

be costly or difficult to implement.

Depending on the nature of the business, owners and management can determine the appropriate level and timing for AI adoption. For instance, many generative AI tools like ChatGPT or Microsoft Copilot can streamline text generation tasks and are either free or relatively inexpensive. These tools can assist with creating marketing content, generating reports, and responding to customer inquiries. Tasks such as developing new website content, integrating data from multiple sources, or managing emails can be significantly expedited, allowing employees or family members to focus on other value-added activities.

Our concern is that family firms may not be putting enough effort into educating themselves about the possibilities and improvements that this technology could bring to their business. They risk losing a competitive advantage if other businesses adopt this valuable technology.

How to Get Started

Though AI is a popular buzzword, understanding its true meaning can be challenging. Many people associate AI solely with the previously mentioned text and image-generating tools such as ChatGPT and Microsoft Copilot. However, many other applications can help streamline legal, accounting, and supply chain tasks.

For example, accounting-focused AI applications enable businesses to automate the accounts payable process with features like autonomous invoice processing, PO matching, approval workflows, and payment processing. Similarly, supply chain-specific AI solutions can assist with optimizing route planning and other dispatch activities, leading to significant cost savings and, more importantly, reducing the time spent on tedious tasks.

This commentary does not aim to provide a complete description of AI tools and their capabilities. Instead, we emphasize the need for self-education and research in this new technology.

As a starting point, Familybusiness.org offers numerous resources discussing AI technology and its application for family firms. Several of these are referenced in [Hughes & Townsend \(2024\)](#) (<https://familybusiness.org/content/our-best-advice-on-using-ai-to-grow-your-business?search=AI>).

Many professional conferences are now featuring AI in their agendas. For instance, the Association of Certified Professional Accountants' annual ENGAGE conference includes a dedicated tech track focused on AI applications for finance and accounting. Similarly, the Association for Supply Chain Management integrates AI-related topics into all their events. Additionally, in response to the findings presented in this article, the Prairie Family Business Association has incorporated AI discussions into its 2025 annual conference.

Several businesses advertise AI tools tailored to a specific industry. Even if you don't purchase these solutions, shopping for them can help you understand what is available. An online search for a specific discipline can uncover a wide range of solutions, including videos, free demos, and extensive case studies. For example, using search terms like "AI for accounting" or "AI for supply chain" can yield valuable resources.

Conclusion

Despite the widespread discussion about AI, the Prairie Family Business Association's survey revealed significant uncertainty among family firms about its benefits and implementation challenges. We hope this commentary serves as a reminder that family firms cannot ignore this technological evolution. Like the telephone or the internet, AI is here to stay, and we need to learn how to work with it.