VIATEL
TECHNOLOGY GROUP

AI Horizons

Insights into AI Adoption, Security and Risk in Irish SMBs

amárach research

Foreword

Artificial Intelligence (AI) is poised to redefine the commercial landscape for Irish business. Integration is in the early stages, but it's clear momentum is building. Over the next 12 months, Irish businesses project a marked acceleration in their AI maturity.

Our research report "AI Horizons: Insights into AI Adoption, Security and Risk in Irish SMBs" offers a timely and comprehensive exploration of the current AI landscape. It indicates that we're at a pivotal crossroads. The appetite for AI is growing among Irish organisations, but there are substantial hurdles on the path to meaningful implementation.

Innovation will flourish when organisations build robust foundations with the power to remove barriers around data, security and risk management. It's from this groundwork that companies can confidently pursue advanced AI solutions, from predictive analytics and process automation to the latest generative intelligence, without compromise.

The forthcoming sections of this document will explore the current landscape, associated risks and challenges, strategic pathways for adoption, and expert recommendations to support organisations at every stage of their AI journey.

This report's findings are based on an independent survey of 150 Irish Business Decision Makers, conducted by **Amárach Research** on behalf of Viatel. The research included companies with up to 500 employees across all sectors, making the results broadly applicable and representative of the Irish business landscape.

At Viatel Technology Group, we have listened closely to the needs highlighted by the research and we have designed AI solutions to meet these exact challenges. We're proud to support Irish businesses as they navigate the transformative world of AI. Our team brings real-world experience in AI implementation, offering practical policies, clear roadmaps, and concrete tools. We're uniquely positioned to help turn your AI ambitions into tangible results.

The insights and recommendations contained in this report are designed to inform, empower and inspire you. We invite you to explore its findings, reflect on your own organisation's readiness, and join us in shaping a future where Irish SMBs not only adapt to the AI revolution but thrive in it.

Paul Rellis
CEO,
Viatel Technology Group

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Key Findings

80%

of Irish SMBs anticipate some level of AI adoption within the next 12 months.

17%

AI adoption is poised to accelerate in the next year. Extensive use throughout all departments is forecast to reach 17% of organisations.

95%

of Irish SMBs surveyed identified barriers to implementing AI in their organisation.

No.1

Security concerns are the #1 Barrier to AI Adoption for Irish SMBs.

87%

do not have formal AI policy in place.

5%

Only 5% have a detailed roadmap for AI implementation with a timeline and budget.

Chapter 1:
AI on the Rise

AI in Infancy: Current Landscape

Artificial Intelligence (AI) adoption among the vast majority of Irish Small and Medium-Sized Businesses (SMBs) is in its early stages.

72%
of those surveyed report no or very limited AI adoption.

2%
report that AI is fully integrated within all business operations.

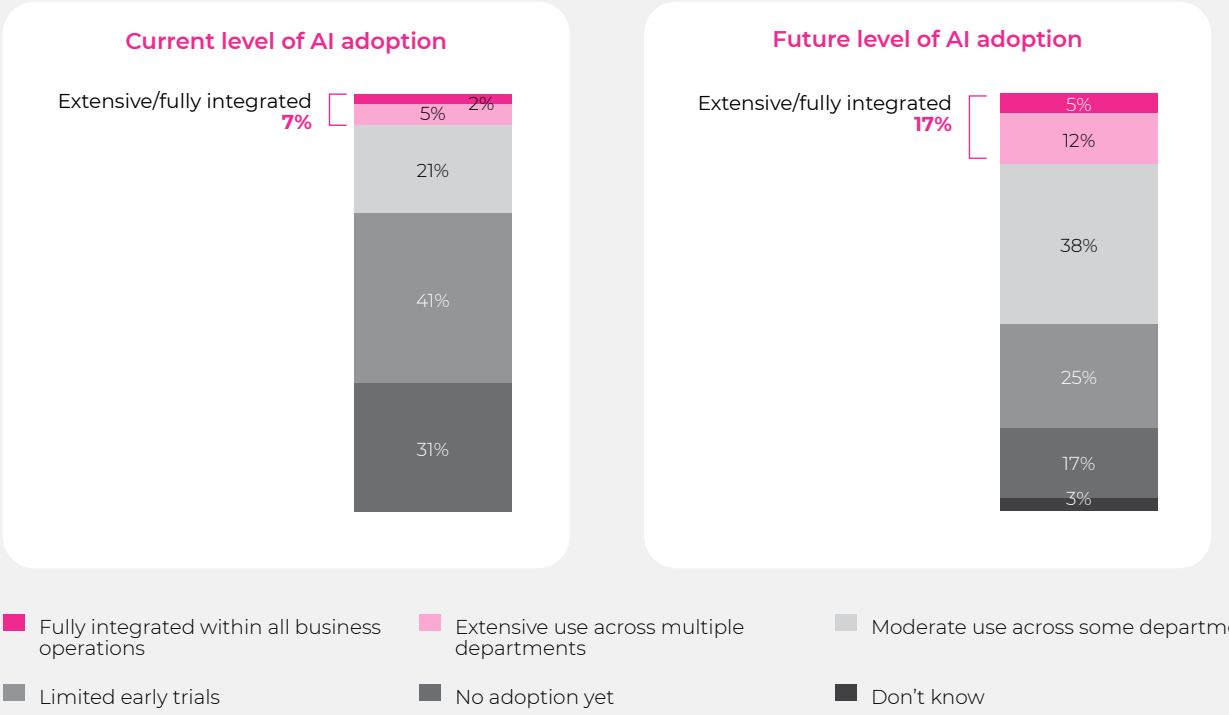
Embracing AI: Future Outlook

Irish businesses demonstrate a strong sense of intent, collectively forecasting a significant surge in AI maturity over the next 12 months.

Irish SMBs predict that non-adoption will almost halve, dropping from 31% to just 17%. At the same time, we'll see **extensive, fully integrated use** of AI jump, climbing from 7% to 17%

This forward-looking perspective reflects a growing readiness among Irish SMBs to adopt AI technologies in the near future.

FIGURE 1: AI Adoption Patterns



AI In Action: The People

The Early Adopters

The catalyst for AI adoption within Irish SMBs stems from a diverse range of internal sources. The IT Department leads the charge, sparking adoption in 27% of cases, followed by Operations and the Marketing Department.

This varied landscape suggests that AI is being explored and introduced across multiple functions, rather than being solely a top-down or IT-driven initiative.

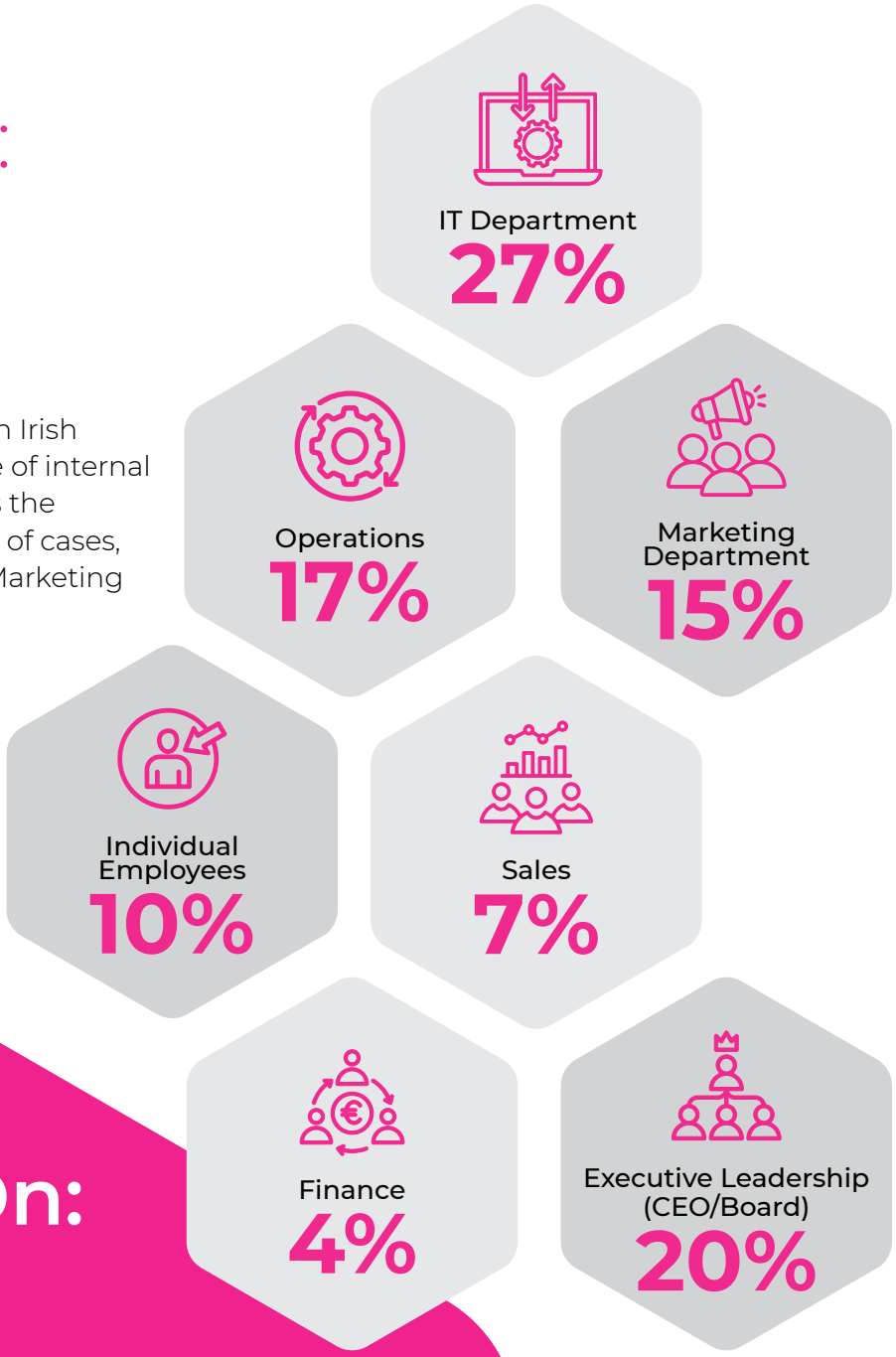


FIGURE 2:
First Department to Adopt AI

Spotlight On: Shadow AI

The rise of Shadow AI can make it difficult for organisations to pinpoint their own early adopters of artificial intelligence.

Shadow AI refers to the use of AI tools and systems within an organisation without the knowledge or approval of IT departments or central management.

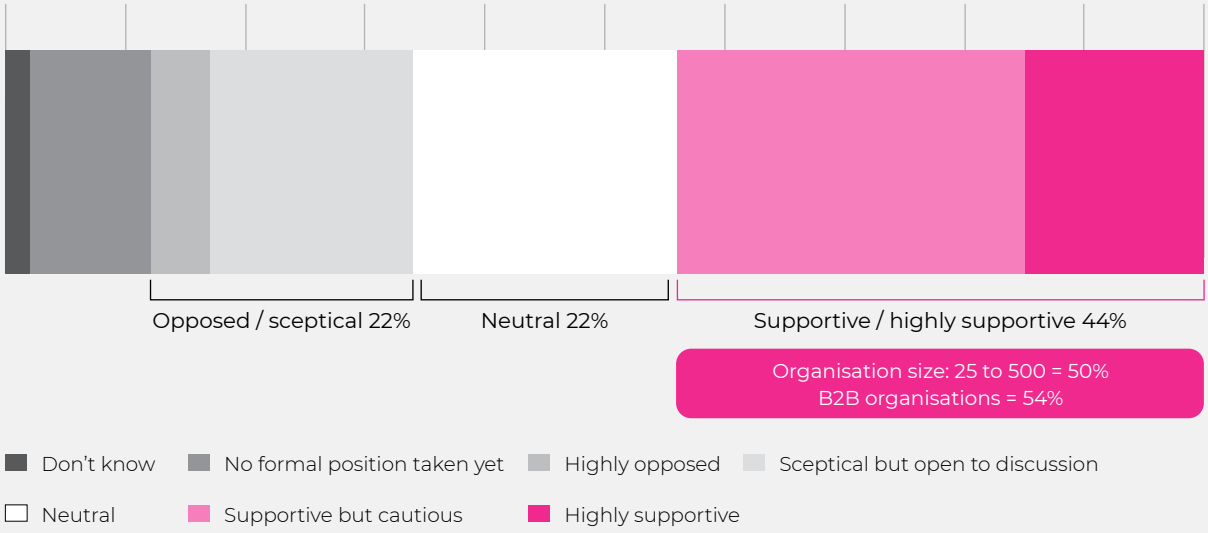
When individuals or teams independently adopt AI tools, businesses often lose sight of who's using these technologies and for what. This can lead to governance gaps, heightened security risks, and inconsistent AI integration across the company. Without full visibility, it's tough for organisations to maximise AI's benefits while managing its risks effectively. Clear, well communicated companywide policies are invaluable.

Senior Leadership's AI Stance

Just under half of organisations (44%) indicate that their senior leadership maintains a supportive stance on artificial intelligence.

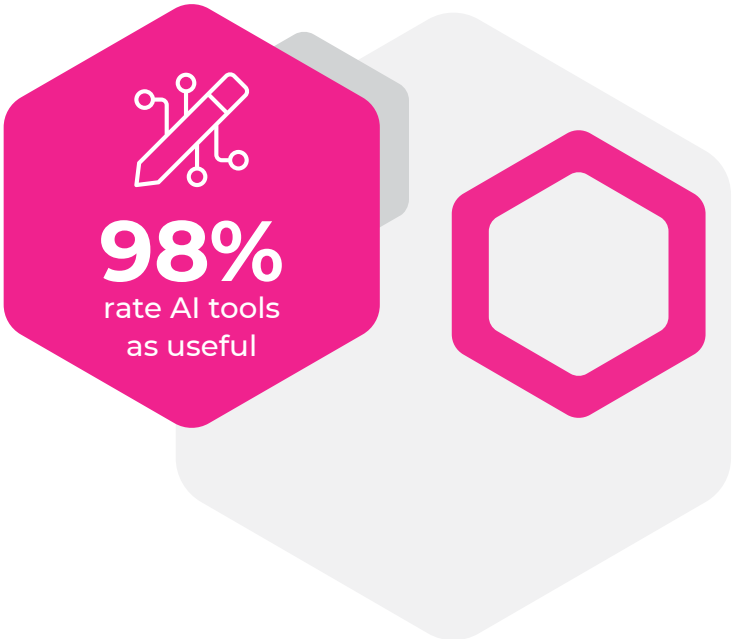
This endorsement from the top levels of management is more prevalent within larger companies and those operating in the business-to-business (B2B) sector. This may suggest a stronger recognition of AI's strategic value in more complex or commercially focused environments.

FIGURE 3: Board/Senior Leadership Stance on AI



AI In Action: Usefulness and Uses

Encouragingly, the overwhelming majority of Irish SMBs that have deployed AI tools rate them as useful, with a remarkable 98% expressing positive sentiment. In the final 2% of cases, uses are still under review.



What Are Irish SMBs Using AI For?

From content generation to product design and data analysis to workflow automation Irish SMBs are primarily focused on using AI, to enhance efficiency, gain better insights, and improve customer engagement.

- Content creation (49%)
- Data analysis and insights (45%)
- Internal operations (33%)
- Customer service (31%)
- Product design and development (19%)
- Other (5%)

Please note: The total percentage may exceed 100% as respondents were permitted to choose more than one answer.

Diving Into The Tools

ChatGPT is by far the most used AI application at 73% of adoption, followed by Microsoft's Copilot. Other AI applications in use include chatbots, Google's Gemini, grammar checkers and image generation tools.

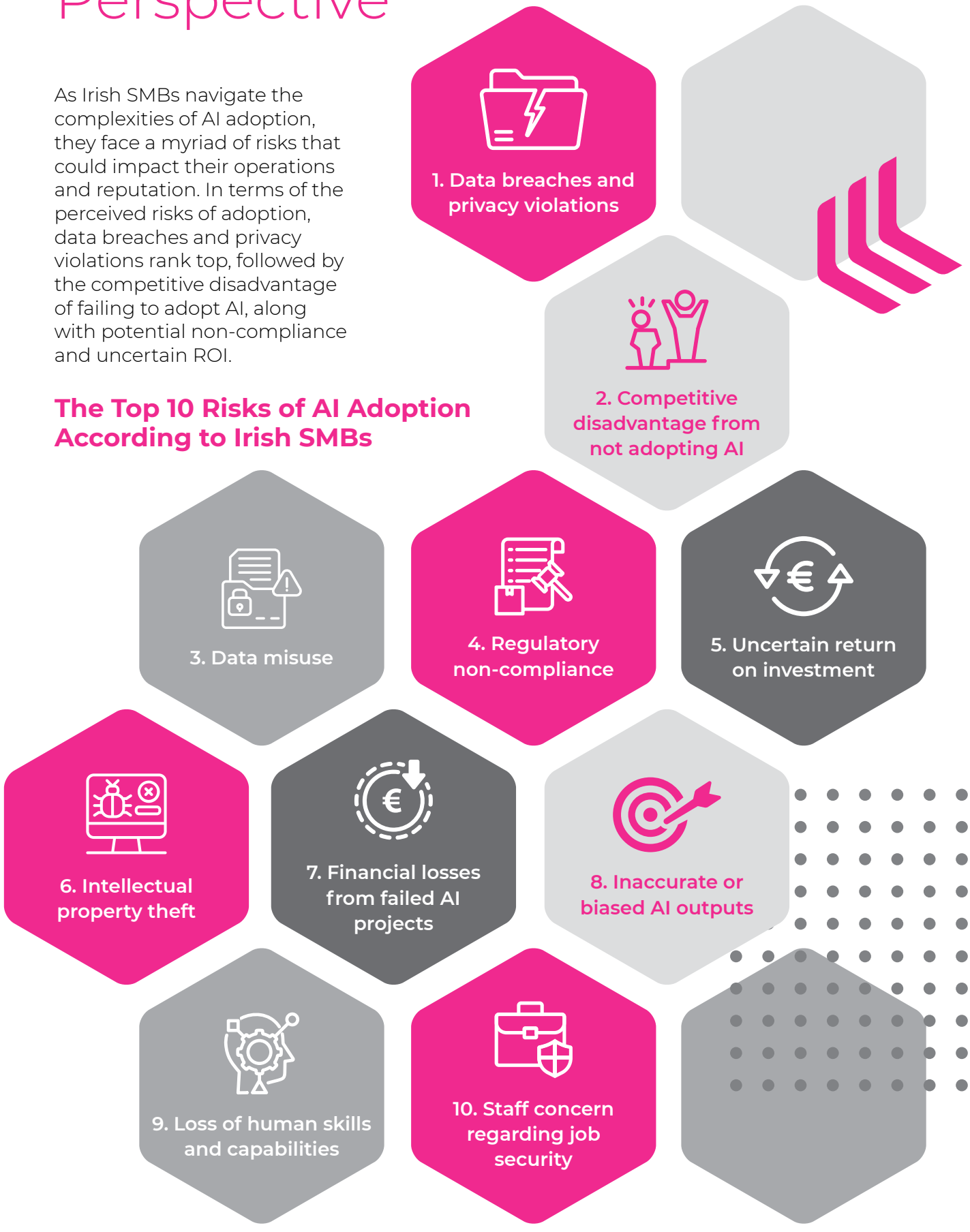
73%
of those surveyed identify ChatGPT as the AI application in use

Chapter 2:
AI Risks and Barriers

AI Risks: The Irish SMB Perspective

As Irish SMBs navigate the complexities of AI adoption, they face a myriad of risks that could impact their operations and reputation. In terms of the perceived risks of adoption, data breaches and privacy violations rank top, followed by the competitive disadvantage of failing to adopt AI, along with potential non-compliance and uncertain ROI.

The Top 10 Risks of AI Adoption According to Irish SMBs



Risk Mitigation

A Crisis of Confidence in AI Risk Management

Just 30% of organisations report high rates of confidence in the effectiveness of their current risk mitigation measures. Between 10-15% report that there are no formal risk mitigation strategies in place.

The Leadership Gap

42% report that their senior leadership is minimally or not involved in managing AI risks, suggesting potential governance gaps.

The Human-Centric Approach to AI Risk

Where they are in place, risk mitigation strategies focus heavily on human oversight and intervention, with staff training and awareness (42%), human validation processes (35%), and regular risk assessments (29%) being the most common approaches.

60%
of those surveyed are 'slightly' or 'not at all' confident that risk mitigation measures are effective

10%
report that there are no formal risk mitigation measures currently in place.

Spotlight On: The Human Factor

A third of Irish SMBs fear loss of human skills as a result of AI Adoption. At the same time, Irish companies are turning to their human workforce to minimise AI risk, with 42% prioritising staff training and awareness as their top mitigation strategy and 35% relying on human validation to safeguard their organisations.

Barriers: AI Adoption Challenges for Irish SMBs

Despite the positive outlook, the path to widespread AI integration is not without its challenges.

95% **of Irish SMBs identify barriers to implementing AI in their organisation.**

Security, technical capability and lack of policy take the top three spots but data makes the list of hurdles twice, both in terms of governance and quality issues.

The Top Three Barriers to Successful AI Implementation According to Irish SMBs

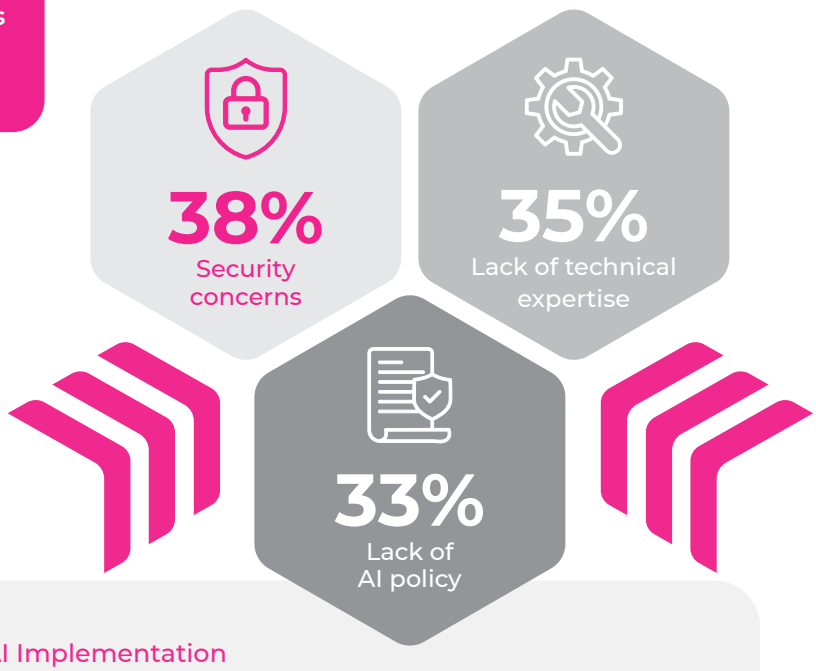
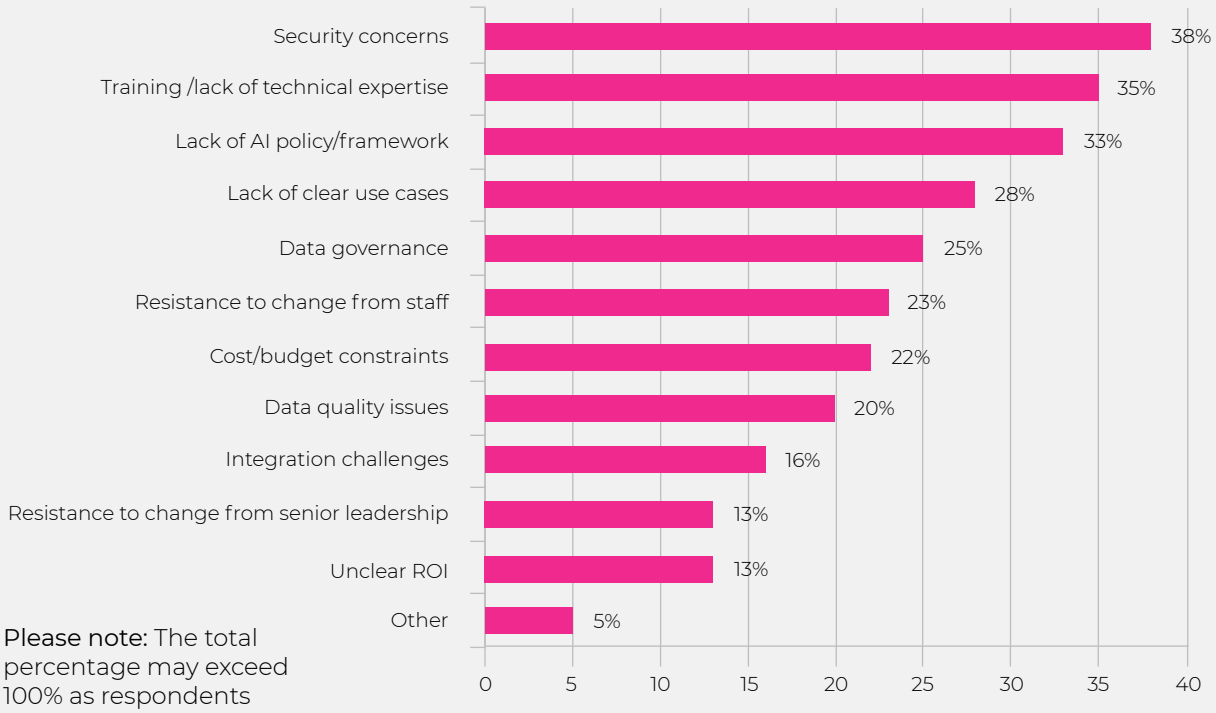


FIGURE 4: The Main Barriers to Successful AI Implementation



* Please note: The total percentage may exceed 100% as respondents were permitted to choose more than one answer.

Chapter 3:
Challenges in Focus

Security Defences

Security concerns are viewed as the primary barrier to implementation followed by insufficient technical expertise, unclear regulatory guidance and budget considerations.

This highlights a critical need for robust and trustworthy AI solutions, alongside clear guidelines and education on data protection and cybersecurity best practices.

Security concerns are the #1 Barrier to AI Adoption for Irish SMBs

Elevated Risk: Real and Perceived

66% of organisations report that AI use by cyber attackers has increased their perceived risk level. While 78% report not experiencing any AI-related security incidents, 13% report suspected incidents, suggesting potential vulnerabilities.

The Defence Line: AI Security Strategies in Irish SMBs

Only 44% of organisations express confidence in their current security protocols, with 17% stating they are either very or somewhat concerned - indicating significant room for improvement.

Current security measures are modest, with employee training and guidelines (23%), approved AI tools lists (18%), and regular security audits (17%) being the most common approaches. Additionally, 23% report their organisation does not have any security measures, while 20% are not aware.

FIGURE 5: AI Security Measures Implemented by Irish SMBs

* Please note: The total percentage may exceed 100% as respondents were permitted to choose more than one answer.

Policies and Roadmaps

If Irish SMBs are to reach their projected levels of AI adoption in the next 12 months, quite a few hurdles lie ahead. While they demonstrate clear interest in the advantages that AI can offer, the lack of formal structures is impeding progress.

The need for comprehensive AI policies is apparent. Without formal guidance, organisations risk exposing themselves to security breaches, ethical pitfalls, and compliance failures, all of which can have long-term repercussions.

87%
do not have formal AI policy in place

Only
5%
have a detailed roadmap with timeline and budget

38%
state that a roadmap is "in development" or "planned

Currently, only 13% of organisations have a formal AI policy, and a mere 14% have a defined roadmap for future adoption. Even fewer—just 5%—possess a detailed roadmap that includes timelines and budgets, signalling a significant gap. **These figures highlight a widespread uncertainty about how best to integrate AI, which can lead to inconsistent practices, fragmented data management, and vulnerabilities in both security and governance.**

The absence of clear AI policies makes it challenging for organisations to set standards for ethical AI use, data privacy, and risk management. As AI systems become more integral to business operations, the risks associated with poor oversight or ambiguous protocols increase dramatically. Formal policies act as a compass, providing clear direction on procurement, deployment, usage, monitoring, and continuous improvement of AI applications.

Furthermore, regulatory scrutiny around AI is intensifying globally. Organisations without robust policies may find themselves unprepared to meet emerging legal requirements or to respond quickly to incidents. This increases exposure to fines, reputational harm, and loss of client trust.

Barriers to Proper AI Governance

93% of organisations identified some barrier to implementing proper AI governance within their organisation. Insufficient technical expertise are highlighted as the most significant barrier to implementing proper AI governance (61%). 35% simply don't know where to start and a further 25% struggled to find qualified external help.

Resource constraints among Irish SMBs are also a potential barrier to AI adoption. 19% report having no internal resources for AI security and governance while 24% report having no external resources.

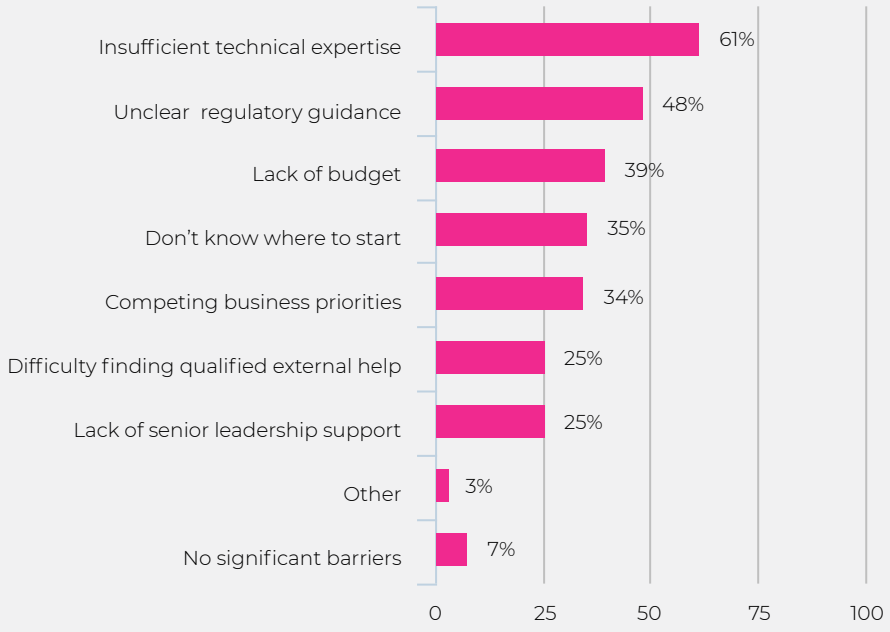
Barriers to the Implementation of Proper AI Governance According to Irish SMBs

61%
Insufficient technical expertise

35%
do not know where to begin

25%
struggle to find qualified external help

FIGURE 6: Barriers to Implementing Proper AI Governance



* **Please note:** The total percentage may exceed 100% as respondents were permitted to choose more than one answer.

The Data Foundation

As Irish SMBs contemplate AI adoption, they find themselves at a data crossroads. While a significant portion of these businesses believe they are compliant with data protection regulations, a closer look reveals that many lack robust policies and practices.

Data Quality Concerns

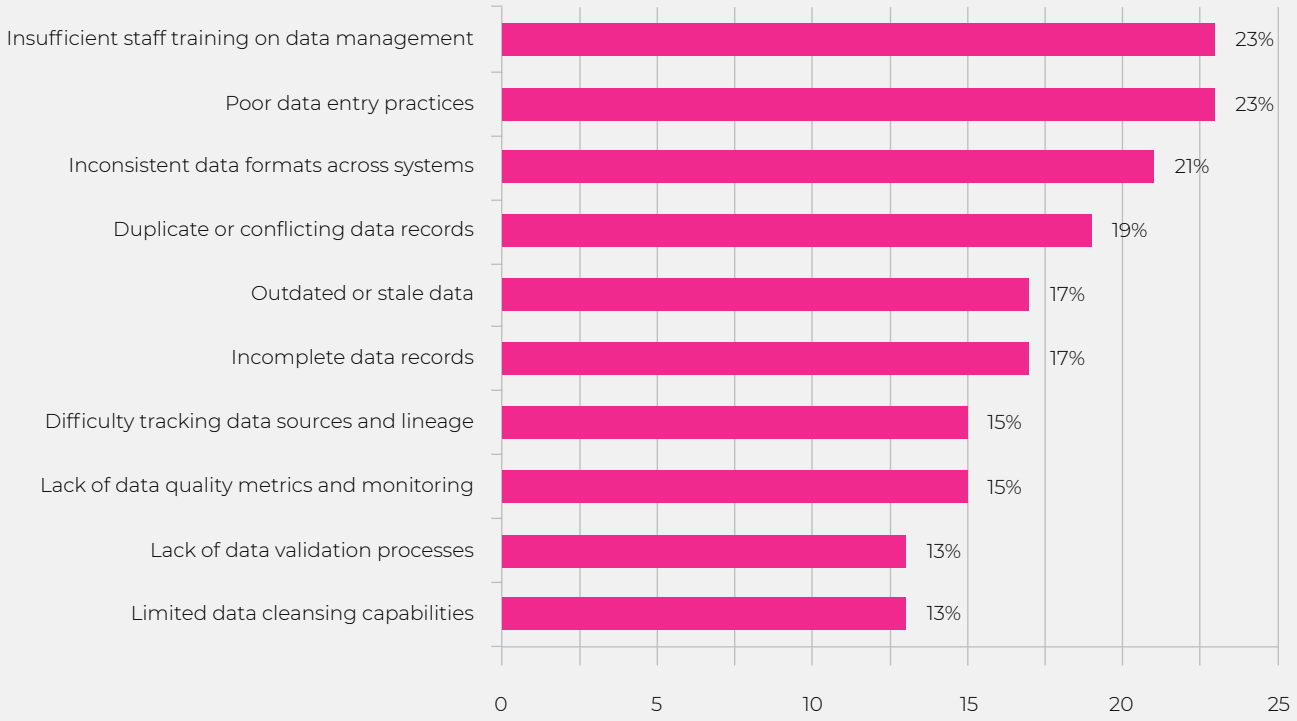
When asked about their organisation's main challenges in managing data quality and integrity, Irish organisations list a multitude of challenges. Data quality issues present significant challenges, with insufficient staff training on data management (23%), poor data entry practices (23%), and inconsistent data formats across systems (21%) being the main problems. B2B organisations report higher levels of data quality and integrity challenges across a range of areas.

Data Protection Regulation and Governance

77%
of organisations believe they are generally (38%) or fully (39%) compliant with data protection regulations

47%
have no or minimal policies and practices in place for data governance.

FIGURE 7: Main Challenges in Managing Data Quality and Integrity



* Please note: The total percentage may exceed 100% as respondents were permitted to choose more than one answer.

Is Data the Great AI Opportunity?

15%
of organisations currently use AI tools to help with data governance

40%
of respondents are interested in how AI could be used to help with data governance requirements

The relatively low levels of adoption in this sphere represents a missed opportunity for automation.

The opportunity is likely being held back by security concerns and lack of formal AI policies in place. By establishing secure environments, trustworthy applications, and clear AI policies, organisations can unlock the transformative potential of AI in data management and governance.

Expert Perspective on Data In AI

"Data is the lifeblood of AI. Data governance is not a regulatory checkbox, it's the crucial framework that guarantees the quality, security, and ethical use of the fuel powering intelligent systems. It's absolutely non-negotiable for any successful AI rollout."

Lisa Hunt
Director of Microsoft Practice,
Viatel Technology Group

Chapter 4: Key Recommendations

Having examined where Irish SMBs stand with AI and the challenges they face, our experts now offer clear, actionable advice to help businesses confidently embrace AI.

By adopting a holistic framework that addresses both technical and organisational considerations, Irish SMBs can confidently embrace AI, ensuring responsible and effective use for sustained growth and realising tangible returns on their investments.

Develop a Clear AI Strategy that Aligns with Business Goals

It's crucial for Irish SMBs to develop a clear AI strategy with defined timelines and budgets. This strategy cannot be pursued in isolation but must be carefully mapped to the overarching ambitions of the organisation.

The **Strategy** Triple Play

1. **Clarify** how AI can best support corporate objectives.

2. **Establish a clear vision** for AI's role in advancing key priorities and sustaining competitive advantage.

3. **Prioritise opportunities** by developing a framework for evaluating and ranking potential AI use cases based on
   - Feasibility
   - Business impact, and
   - Potential return on investment.

Knowledge as a Shield: Mitigating AI Risk

Only 21% of organisations are confident in their risk mitigation measures. It's essential to develop and implement strategies to address risks inherent in AI adoption.

The **Knowledge** Triple Play

1. Conduct a **comprehensive assessment of current AI usage** within the organisation. Evaluate both technological and human factors and identifying any "shadow AI"—unofficial or unregulated uses within the business.

2. **Develop and implement** the correct AI governance structures and strategies to address risks like data breaches, privacy violations, and biased AI outputs.

3. **Establish training programmes** to enhance workforce understanding, commencing with senior leadership.

Strengthen Data Governance Practices

Despite 77% of organisations believing they're compliant with data protection regulations, almost half have minimal policies in place. Robust data governance is foundational to effective AI deployment, ensuring data quality, integrity, and compliance.

The **Data** Triple Play

1. Implement **comprehensive data governance practices** to manage the quality, integrity, and security of information assets.

2. Establish **robust policies** to safeguard data and ensure regulatory compliance.

3. **Explore AI tools to help** manage data quality, integrity, and security, as 40% of respondents are interested in using AI for data governance.

Enhance Cybersecurity Measures

Security is the primary barrier to AI adoption, highlighting the critical need for businesses to protect their AI systems and the data they handle.

Seek Qualified External Help

A quarter of organisations struggle to find qualified external help. Given the complexity of AI adoption, seeking support from experienced partners, like Viatel, can significantly de-risk projects and accelerate delivery.

The **Partner** Triple Play

1. **Partner with AI experts** who can provide valuable insights and support for AI projects.
2. Engage with **partners who have a proven track record** in AI implementation.
3. Opt for **solutions that offer support at every stage**—from strategy to execution and ongoing adoption, providing access to specialist knowledge in end-to-end AI lifecycle management.

Spotlight On: Securing the AI Supply Chain

AI systems rely on intricate ecosystems of data, models, and third-party components that, if compromised at any stage, can lead to devastating consequences. Vet all third-party tools, libraries, and models for security vulnerabilities. **Use trusted sources, maintain software updates, and monitor for known exploits.** This also includes securing APIs and endpoints used by AI systems to prevent unauthorised access or data leakage.

"There is a lot of noise around AI and a lot of people talking about it. Unfortunately, there are very few actually doing it. Viatel are the exception. We are actively partnering with public and private sector organisations on their AI frameworks, getting the data and people and processes in place to roll out AI, not for the sake of it, but to actually deliver ROI and contribute to business goals."

James Finglas
Managing Director Digital Services
Viatel Technology Lead

Methodology

Amárach Research were commissioned by Viatel Technology Group gather insights from small and medium businesses (SMBs) regarding their concerns and challenges related to AI adoption.

A total sample of 150 completed interviews were achieved among Business Decision Makers in Irish companies with up to 500 employees.

Interviewing fieldwork dates were the 20-26 June 2025.

About Viatel Technology Group

In a world reshaped by AI, organisations need a trusted partner to turn ambition into reality. At Viatel Technology Group, we're proud to be that partner, guiding Irish businesses on their AI journey with real-world expertise and practical solutions. From developing clear roadmaps to implementing concrete tools, we're uniquely positioned to help.

AI expertise is just one part of the comprehensive technology ecosystem we provide. Viatel delivers an end-to-end suite of services, including cybersecurity, networking, cloud capabilities, and expert Microsoft solutions. We are the go-to provider for mid-market and enterprise organisations, ensuring every element of your tech stack works in harmony.

With over 28 years of proven performance and recognised as a Platinum Deloitte Best Managed Company, Viatel sets the benchmark for expert solutions and customer experiences. Our team of hundreds of experts is dedicated to your success, which is why thousands of businesses trust us as their technology partner of choice.

25%

A quarter of Irish SMBs struggle to find qualified external help.

Now you know where to go.

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ai@viatel.com

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