



SMALL BUSINESS DEVELOPMENT CENTER  
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# Artificial Intelligence

RESOURCE GUIDE FOR SMALL BUSINESSES

Updated May 2025

# WELCOME TO THE SBDC AI RESOURCE GUIDE



This guide is designed to help small businesses harness the power of Generative Artificial Intelligence (AI) and Large Language Models to boost productivity, address challenges, and integrate AI into everyday operations. It aims to equip small- to medium-sized businesses with a clear understanding of AI's capabilities and how to effectively work alongside Generative AI tools.

AI is a powerful tool, but it's no substitute for expert guidance. SBDC advisors provide personalized support tailored to your business, from planning and funding to operations and compliance. More than that, they can help you confidently integrate AI into your workflows and get started on the right foot.

Think of AI as your assistant, and your SBDC advisor as your strategic partner. They're here to help you make smart decisions, stay accountable, and adapt as you grow, validating and refining your efforts for the long-term success of your business.

## Lean in and explore AI!

### Additional Videos and Resources

[www.sbdh.uh.edu/sbdc/AI\\_Business\\_Resources.asp](http://www.sbdh.uh.edu/sbdc/AI_Business_Resources.asp)

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# GLOSSARY

## Artificial Intelligence (AI)

The ability of computers or machines to perform tasks that typically require human intelligence.

## Automation

Using AI or software to handle repetitive tasks (like sending emails or sorting data) with little to no human involvement, saving time and reducing errors.

## Bias

Unintended favoritism or unfairness in AI results, often caused by imbalanced training data.

## Chatbot

An AI-powered tool that can simulate conversation with users, often used for customer service, FAQs, or lead generation.

## Ethical AI

The practice of using AI in ways that are fair, transparent, and respectful of privacy and societal norms.

## Generative AI

A type of AI that creates new content like text, images, or audio based on patterns it has learned from data.

## Hallucination

A hallucination is when an AI generates false or misleading information that sounds correct but is not.

## Large Language Model (LLM)

An advanced AI model trained on massive amounts of text data. It can understand and generate human-like language.

## Machine Learning (ML)

Machine learning is a type of AI that learns from data to make predictions or decisions.

## Prompt

A question, statement, or instruction you give to an AI tool to get a response. Good prompts are clear, specific, and goal-oriented.

## Training Data

The information or examples an AI model learns from. The more diverse and relevant the training data, the better the AI can perform.

## Use Case

A specific example of how a business can apply AI to solve a problem, improve efficiency, or create value.



# AI RISKS AND USAGE

## Key Risks

### Inaccurate Output

- **Description:** AI may generate wrong or misleading information.
- **Recommendation:** Always review before sharing.

### Data Privacy

- **Description:** Potential risks when inputting customer data.
- **Recommendation:** Ensure safety and compliance.

### Bias in Output

- **Description:** AI may reflect biases present in its training data.
- **Recommendation:** Be aware and critical of outputs.

### Overreliance

- **Description:** Risk of replacing critical thinking with AI.
- **Recommendation:** Use AI to assist, not replace decision-making.

## Usage Guidelines

### Label AI-Generated Content

Clearly label if used in public-facing materials.

### Confidentiality

Avoid sharing sensitive information.

### Testing

Test AI-generated responses before implementation.

### Staff Training

Train staff on AI usage protocols.



## AI Use Cases By Industry

1

### Retail

**Applications:** Social media content, email campaigns, sales trend analysis.

2

### Real Estate

**Applications:** Property listings, auto-reply to inquiries, inspection report summaries.

3

### Logistics/Trucking

**Applications:** Invoicing, client inquiries, delivery route mapping.

4

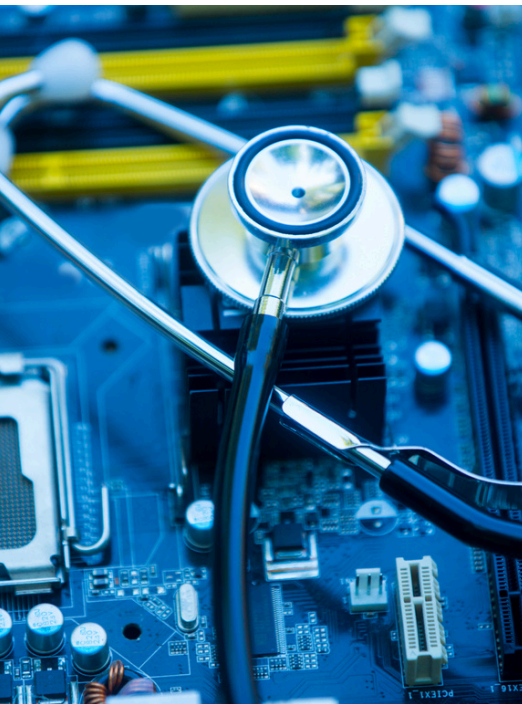
### Food & Beverage

**Applications:** Menu descriptions, review management, peak hour prediction.

5

### Health & Wellness

**Applications:** Blog content, appointment reminders, personalized wellness plans.



# LARGE LANGUAGE MODELS (LLMs)

A **Large Language Model (LLM)** is a type of artificial intelligence trained on massive amounts of text data. It can understand, summarize, translate, and generate human-like language. Think of it as a smart assistant that can read, write, and communicate—very fast and at scale.

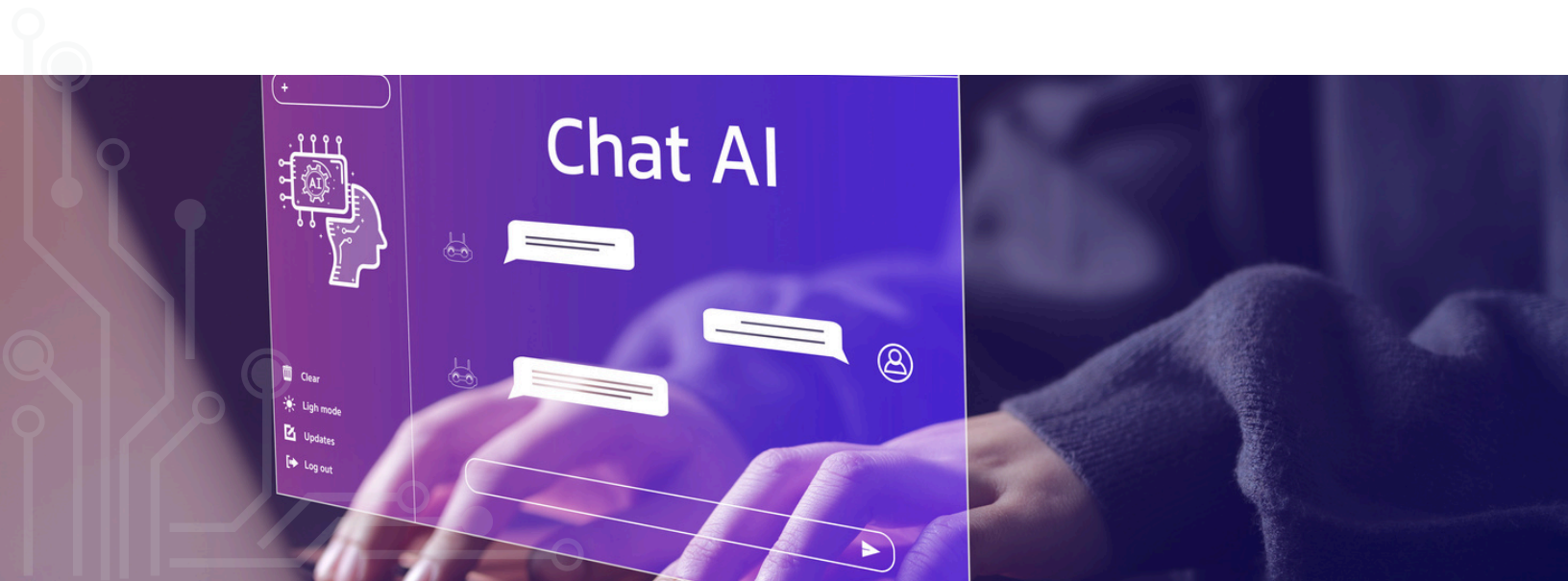
## What Can LLMs Do for Small Businesses?

LLMs can support a wide range of business activities, including:

- **Writing and Editing:** Drafting emails, blogs, product descriptions, and reports.
- **Customer Service:** Powering chatbots or drafting responses to common inquiries.
- **Marketing:** Generating campaign ideas, social media posts, or ad copy.
- **Research and Summarization:** Condensing industry articles, regulations, or market data into digestible insights.
- **Brainstorming and Idea Generation:** Helping you think creatively about new services, taglines, or branding.

## Benefits for Small Business Owners

- **Time-Saving:** Automate repetitive or time-consuming writing and communication tasks.
- **Cost-Efficient:** Reduces the need for outsourced writing or marketing help.
- **Scalable:** Can handle multiple requests or tasks at once.
- **Always Available:** Works 24/7 and never takes a coffee break.





## LLM Limitations

### Not Always Accurate

LLMs may generate incorrect or outdated information. Always double-check facts.

### No Personal Experience

AI doesn't "understand" in the human sense.

### Sensitive Data

Be cautious about entering private or customer information. Assume anything typed into a public AI tool may be visible to the public.

## LMM Best Practices

### Be Specific in Prompts

The clearer your request, the better the output.

### Use AI as a Collaborator

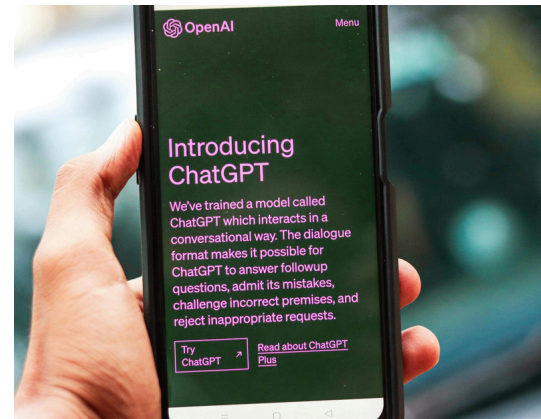
Don't use it as a replacement. Treat it like a helpful intern. Review and revise its work.

### Keep Human Oversight

Final decisions and communications should always be reviewed by a real person.

### Customize Where Possible

Some platforms let you train or tailor AI to your brand voice.



## Popular LLM Tools

- **ChatGPT (OpenAI):** Good for writing, planning, and general tasks.
- **Claude (Anthropic):** Known for clear, thoughtful responses.
- **Gemini (Google):** Integrated with Google Workspace tools.
- **Microsoft Copilot:** Embedded in Word, Excel, Outlook, and Teams.
- **Perplexity:** Well-cited answers using real-time web search results, ensuring up-to-date and verifiable information.



# PROMPT ENGINEERING (CREATION)

## What is a Prompt?

A prompt is just a set of instructions you give an AI tool like ChatGPT to get it to do something for you. Think of it like asking a really smart assistant a question or giving them a task. The clearer your instructions, the better the result.

## What is Prompt Engineering?

Prompt Engineering is the skill of writing prompts in a way that gets you the best possible response from the AI. It's like knowing how to ask the right question to get a useful answer.

## The AI Feedback Loop

Using AI isn't a one-and-done process. It works best when you test, tweak, and try again. Here's how it works:

Step	What You Do	Example
1	<b>Input:</b> Ask the AI something.	"Write a welcome email for new customers."
2	<b>Output:</b> Review what AI gives you.	You get a draft email.
3	<b>Refine:</b> Improve the prompt.	"Make it shorter and more friendly."
4	<b>Repeat:</b> Continue until you are satisfied.	Keep editing.



## Types of AI Prompts

Here are four smart ways to guide AI for better results:

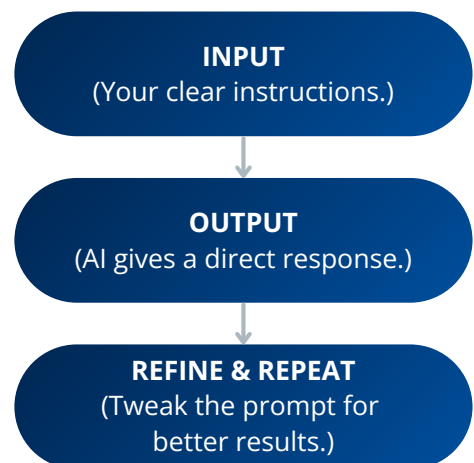
Type	What it Means	How it Works	Example
Chain-of-Thought Prompting	Break a task into step-by-step instructions.	Guides the AI step-by-step to solve complex problems.	Writing a structured customer support email that follows a four-step process.
Few-Shot Prompting	Provides a few examples within the prompt.	Shows the AI what kind of answers you want.	Giving 2-3 sample product reviews and asking the AI to write a similar one.
Role-Based Prompting	Tells the AI to "act as" a specific role.	Helps the AI adopt tone or perspective.	"Act as a marketing coach. Give me feedback on this flyer."
Format-Specific Prompting	Tells the AI exactly how to structure the output.	Keeps results clean, usable, and consistent.	"Write this as a 3-paragraph email with a bulleted list in the middle."

### PROMPT EXAMPLE: CHAIN-OF-THOUGHT FOR CUSTOMER SUPPORT

#### Prompt:

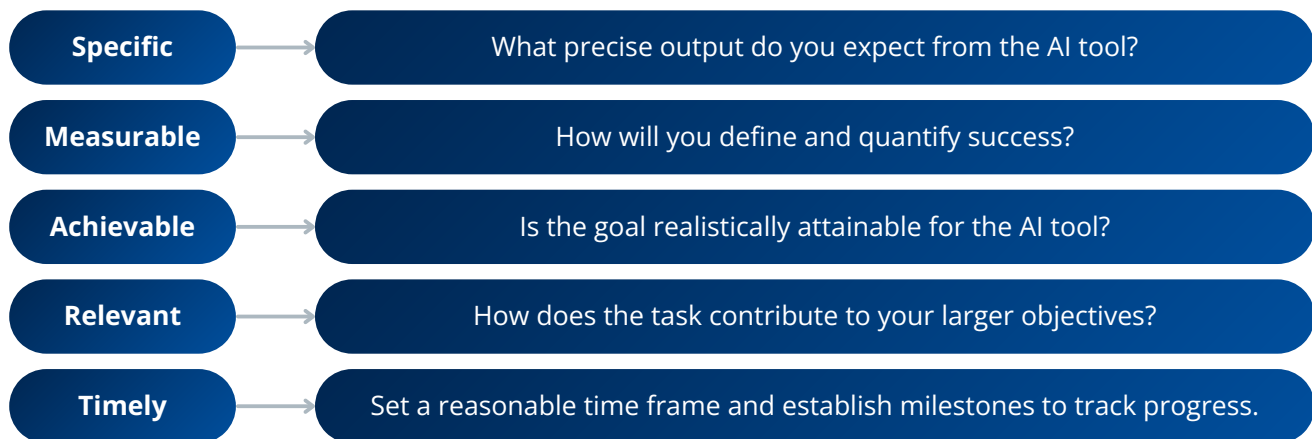
"Help me write a response to a customer who is upset about a delayed order. Follow these steps:

1. Summarize their complaint.
2. Check our shipping policy.
3. Offer two solutions.
4. Write a professional and kind reply."



## How to Build a “Good” Prompt

To maximize the effectiveness of your prompts, apply the SMART framework:



To save time, save or screenshot successful prompts so you don't forget them. Try to create templates for successful prompts so you can just edit slightly each time.

Prompts can sometimes be sensitive to small changes and can produce different results for the same prompt on repeated attempts, meaning: 1) Don't be surprised if a prompt gives a less desirable response sometimes, and 2) Try running a prompt multiple times.



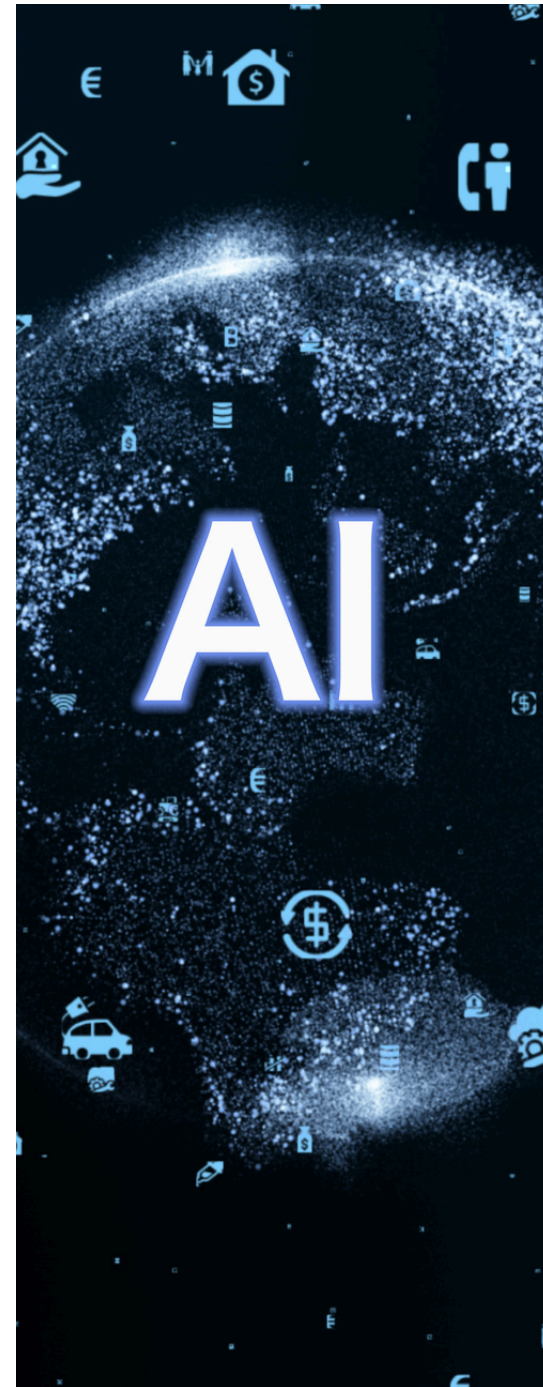
## PROMPT EXAMPLE #1: MARKETING HELP

**Input:** "I'm launching a new product for my skincare business. I need help creating a basic marketing plan. What should I include?"

**Output (ChatGPT):** Launching a new product is exciting! Here's a basic marketing plan framework to get you started:

- Define Your Target Audience
  - Who are your ideal customers? Age, gender, interests, skin concerns, etc.
  - Where do they spend time online (Instagram, TikTok, YouTube, etc.)?
- Craft Your Messaging
  - Product benefits: What problem does it solve?
  - Unique selling points: What makes your product different?
- Choose Your Marketing Channels
  - Social media campaigns
  - Influencer partnerships
  - Email marketing to existing customers
- Set a Budget and Timeline
  - Allocate funds across platforms
  - Establish a 30-60-90 day rollout plan

**Refine:** You could refine this prompt by adding: "Include example Instagram captions, a sample email to launch the product, and a rough budget breakdown for ads."





## PROMPT EXAMPLE #2: CUSTOMER POLICY CREATION

**Input:** "I own a boutique. I want to create a return policy that is fair, but protects my business. Can you help me write one?"

**Output (Gemini):** Absolutely! Here's a sample return policy for a boutique:

### Return Policy

We want you to love your purchase! If you're not satisfied, here's how returns work:

- **Return Window:** Items can be returned within 14 days of purchase with a receipt.
- **Condition:** Items must be unworn, unwashed, and in original condition with tags attached.
- **Non-Returnable Items:** Final sale items, accessories, and gift cards cannot be returned.
- **Refund Method:** Refunds will be issued to the original form of payment.
- **Return Shipping (if online):** Customers are responsible for return shipping unless the item is defective.

**Refine:** You could refine this by asking: "Include suggestions for how to display the policy in-store and online, and how to train staff to enforce it kindly."



## PROMPT EXAMPLE #3: ONBOARDING NEW HIRES

**Input:** "I need help creating an onboarding process for new employees at my small business. What should I include?"

**Output (ChatGPT):** Creating a structured onboarding process helps new hires feel welcomed and get up to speed faster. Here is a basic onboarding framework:

### Pre-Arrival Preparation

- Send welcome email with start date, time, dress code, and parking info
- Set up email, software access, and workstation

### Day One Agenda

- Welcome and introductions
- Company overview: mission, values, and structure
- Review job responsibilities and expectations
- Office tour and policy walkthrough

### First Week Checklist

- Assign a mentor or peer buddy
- Provide training schedule (tools, systems, procedures)
- Set short-term goals and check-in points
- HR paperwork and compliance training

A thoughtful onboarding process increases retention and performance.

**Refine:** You could refine this prompt by adding: "Tailor this for a remote employee and include templates for a welcome email, first-week agenda, and training schedule."



## PROMPT EXAMPLE #4: BUSINESS PLAN DEVELOPMENT

**Input:** "I want to write a business plan for my new coffee shop. Where do I start and what should I include?"

**Output (ChatGPT):** Here is a basic business plan outline to get you started:

- Executive Summary – Brief overview of your business and goals (completed last)
- Business Description – What you do, location, and legal structure
- Market Analysis – Target customers, competitors, and trends
- Marketing Strategy – How you will attract and retain customers
- Operations Plan – Daily operations, staffing, and suppliers
- Financial Projections – Startup costs, revenue forecast, and funding needs
- Appendices – Sample menu, resumes, permits, etc.

**Refine:** You could refine this prompt by adding: "Guide me through each section with specific questions so that my plan is customized to my specific business."





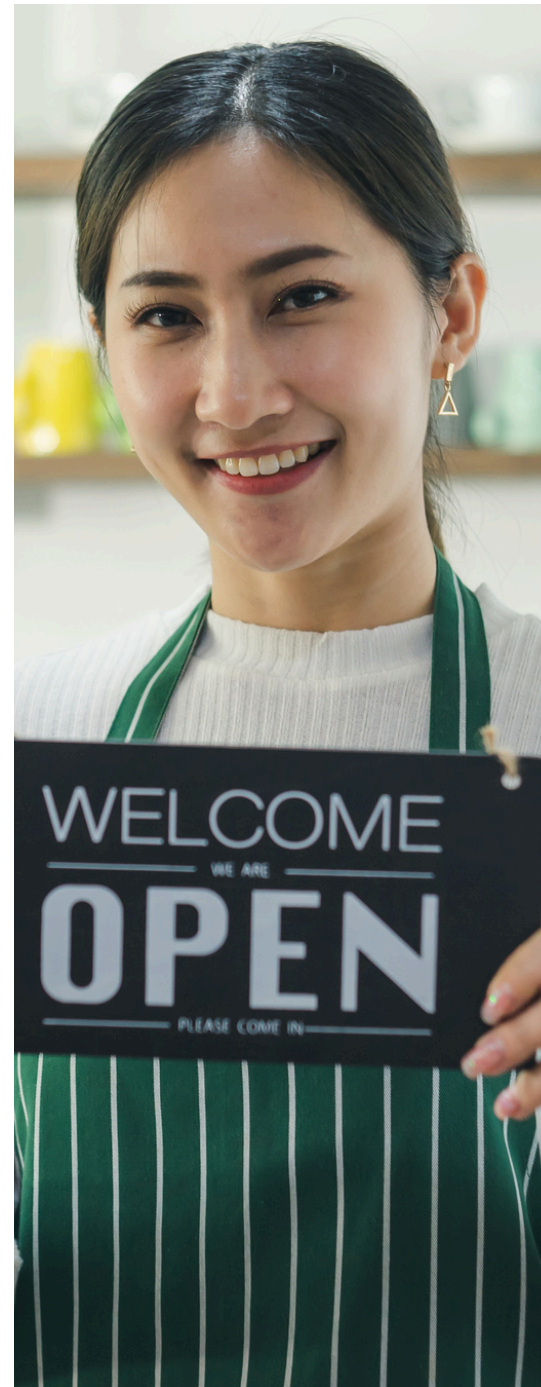
## PROMPT EXAMPLE #5: SOP CREATION

**Input:** "I need help writing a standard operating procedure for opening my retail store each day."

**Output (ChatGPT):** Here is a basic SOP outline for daily store opening:

- Arrival – Unlock doors, disarm alarm, and turn on lights
- Setup – Turn on registers, restock bags and supplies, check cleanliness
- Inventory Check – Review stock levels and restock key items
- Team Prep – Hold quick team huddle and assign roles for the day
- Customer Ready – Unlock entrance, turn on music, and open for business

**Refine:** You could refine this prompt by adding: "Make it specific for a clothing boutique and include safety checks and a morning cleaning checklist. Can you also provide me with a downloadable copy that my staff can use each day?"



## PROMPT EXAMPLE #6: SALES CALL SCRIPT

**Input:** "I need a phone script for calling potential clients about my bookkeeping services."

**Output (ChatGPT):** Here is a simple cold call script:

"Hi [Name], this is [Your Name] from [Your Business]. I help small business owners simplify their finances with affordable, stress-free bookkeeping. I wanted to see if you are currently looking for support with your monthly books or preparing for tax season?"

[Pause for response]

If it is a good time, I can explain how we work and see if we are a fit—or schedule a time that works for you."

**Refine:** You could refine this prompt by adding: "Make it more casual, and include responses to common objections like 'I already have someone.'"



## PROMPT EXAMPLE #7: ESTIMATING FUNDING NEEDS AND EXPLORING OPTIONS

**Input:** "I need help figuring out how much funding my business needs to get started and what funding options are available."

**Output (ChatGPT):** Here is a basic approach to estimate your funding needs:

Step 1: Estimate Startup Costs

- Equipment and supplies
- Inventory
- Licenses and permits
- Rent and utilities
- Marketing and branding
- Payroll for the first few months
- Working capital buffer

Step 2: Subtract Personal Contributions

- Savings or owner investment, grants or early revenue

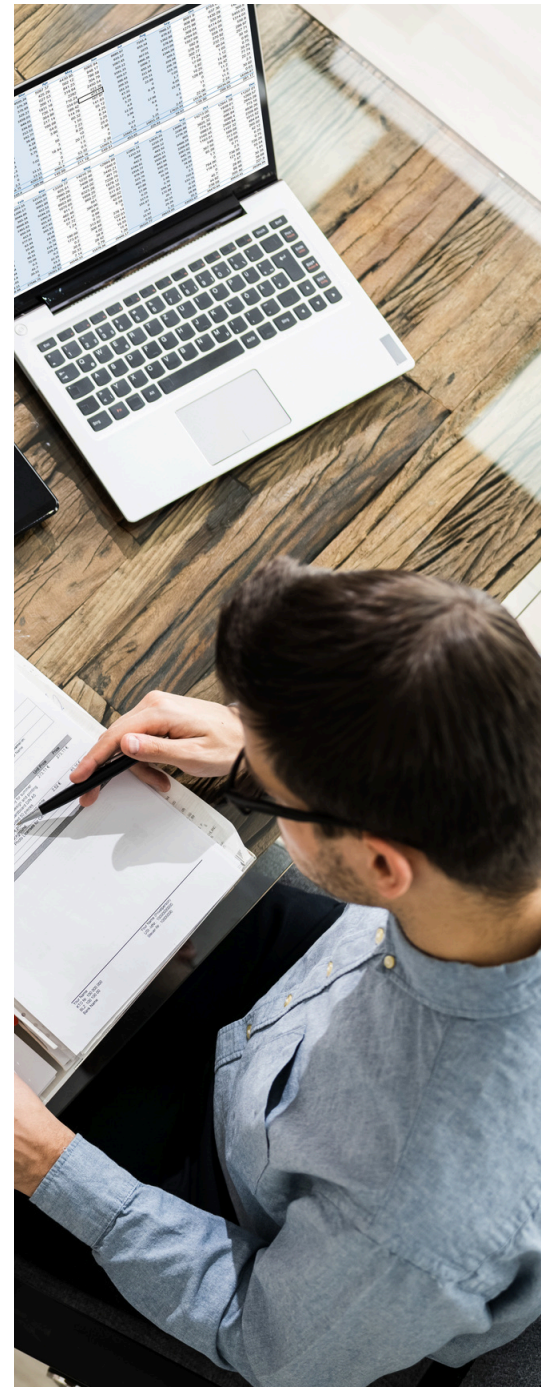
Step 3: Identify the Gap

- The remaining amount is what you may need to finance

Step 4: Explore Funding Options

- Loans: Microloans, SBA Loans, Bank Loans, Lines of Credit
- Grants, Friends and Family, Crowdfunding

**Refine:** You could refine this prompt by adding: "Include a sample budget template and a comparison chart of funding types with pros and cons."





# LEVERAGE AI TO ENHANCE YOUR BUSINESS

As you explore how Generative AI can support your small business—whether by simplifying tasks, creating content, improving workflows, or making smarter decisions—it helps to build your AI confidence and literacy along the way.

The following approach is adapted from a framework originally used in higher education (Aref, 2024), but it works just as well for small businesses looking to begin their AI journey in a practical, low-pressure way.

1

## Identify

One low-risk task (e.g., social post drafting). Try one tool. Reflect on results.

2

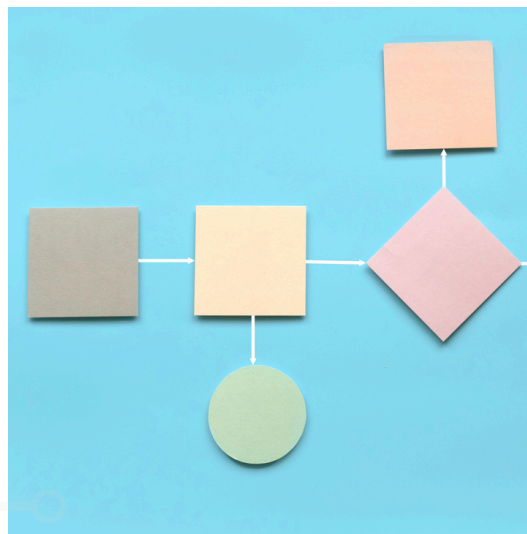
## Build Workflows

Create prompt templates, define tasks where AI saves time, and train your team.

3

## Scale Smart

Explore automation, integrate with tools like Zapier or CRMs, and track ROI monthly.





# USE AI FOR EVERYDAY TASKS

Whether you're brainstorming a new product, planning your next campaign, or analyzing data, AI tools like ChatGPT can help you think faster, work smarter, and get unstuck. Use prompts like the following to get the conversation started.



## Idea Generation and Creative Thinking

Use AI as a thinking partner to explore fresh ideas or tackle challenges from new angles:

- “Act like a marketing expert for a small business—what are some creative ways to promote a new product with a limited budget?”
- “What are some arguments against this idea so I can better prepare for pushback?”
- “Give me 10 creative ways to combine [Solution A] and [Solution B] to solve [a specific challenge].”

## Brainstorming Solutions

Get quick lists of actionable ideas to move forward on projects or solve problems.

- “Suggest 20 specific, low-cost ways we can attract more foot traffic to our store.”
- “How might we solve [insert a customer service or operations challenge] in a way that saves time and money?”

## Research and Quick Analysis

Speed up research and decision-making by summarizing, reviewing, or organizing data.

- “Summarize the key takeaways from this article/report in bullet points. [Paste text ]”
- “Based on this data [paste info], what trends stand out and what might we be missing?”
- “Provide 10 good questions we can use to test if [insert idea] is worth pursuing.”

## Planning and Execution

Let AI help you organize next steps, assign responsibilities, and prepare for execution.

- “Review this meeting summary and turn it into a checklist of action items: [Paste meeting notes here].”
- “We want to build [insert product or program]. What roles should we assign, and what resources will we need to get started?”

# AI TOOL REFERENCE SHEET

## Productivity and Writing Assistance



### ChatGPT

Free version available - but limited

Paid Plan \$20/month

Best for general writing, content creation, brainstorming, summarization

Very easy, user friendly interface

Cons: free version is limited to older model

<https://chat.openai.com>



### Claude

Free version available - but limited

Paid Plan \$20/month

Best for writing support, reasoning, ethical content, clear responses

Simple, clean interface

Cons: may be less creative, fewer integrations than competitors

<https://claude.ai>



### perplexity

Free version available - but limited

Paid Plan \$20/month

Best for research summarizing web content, real-time citations

Very easy, fast responses

Cons: may over-rely on live search; less effective for pure creativity

<https://perplexity.ai>



### Copilot

Free version available - but limited

Paid Plan \$30/month

Best for productivity inside Word, Excel, Outlook; corporate use

Easy if you use Microsoft apps

Cons: pricey, locked into Microsoft ecosystem

<https://microsoft.com/copilot>



### Gemini

Free version available - but limited

Paid Plan \$20/month

Best for Google Workspace, idea generation, quick content drafting

Very easy, works with Google

Cons: fewer customization options; evolving accuracy

<https://gemini.google.com>

# AI TOOL REFERENCE SHEET

## Media and Creative Tools

### **Magic Studio**

Free version available - but limited

Paid Plan \$14.99/month

Best for social media graphics, presentations, marketing content

Very easy, drag-and-drop

Cons: limited advanced design control

<https://canva.com>

### **Firefly**

Free version with Adobe account

Included with Adobe CC plans

Best for image generation, text effects, design content

Learning curve for new users

Cons: tied to Adobe ecosystem

<https://firefly.adobe.com>

### **DALL-E**

Free version available - but limited

Included in ChatGPT plans

Best for generating original images from text prompts

Very easy, fast responses

Cons: less control over image details, inconsistent output

<https://chat.openai.com>

### **runway**

Free version but limited exports

Paid Plan \$15+/month

Best for Ai video editing, motion tracking, text to video

Intuitive for creatives, may require tutorials

Cons: may need higher paid plans for full features

<https://runwayml.com>

### **Midjourney**

No Free version available

Paid Plan \$10+/month

Best for high quality image generation from text prompts

Intermediate, requires use via Discord

Cons: no free trial, learning curve

<https://midjourney.com>

### **Figma**

Free version available - but limited

Paid Plan \$12+/month

Best for UI/UX design prototyping, team collaboration

Easy for designers, learning curve for new users

Cons: AI features still in early stages, not general media

<https://www.figma.com>



# AI QUICK START GUIDE

Use Artificial Intelligence (AI) to save time, boost productivity, and grow your business —today. No special equipment or tech team required.

1

## Choose an Easy-to-Use Tool

Pick one trusted tool to get started. These are free or low-cost:

- **ChatGPT** (chatgpt.com) – Write emails, brainstorm ideas, draft policies, or summarize.
- **Gemini** (gemini.google.com) - Use Gemini for research, writing help, and task automation.
- **Claude** (claude.ai) - Claude is good for summarizing, planning, and writing.
- **Perplexity** (perplexity.ai) - Search the web with built-in AI to get sourced answers.

2

## Try These Simple AI Prompts

- **Marketing** - "Write a social media post for my business's new [product or service]."
- **Customer Service** - "Create a friendly reply to a customer asking for a refund."
- **Sales & Growth** - "Give me growth strategies for [service or product]."
- **Hiring** - "Write a job ad for a part-time [job position]."
- **Funding** - "As a start-up [business category], what are my funding options?"

3

## Make AI a Regular Part of Operations

- Start with **10 minutes per day**.
- Use AI for **repetitive or time-consuming tasks**.
- Save or copy your favorite prompts in a Google Doc or notebook.
- Continue the conversation with additional prompts and questions.

4

## Be Smart and Safe

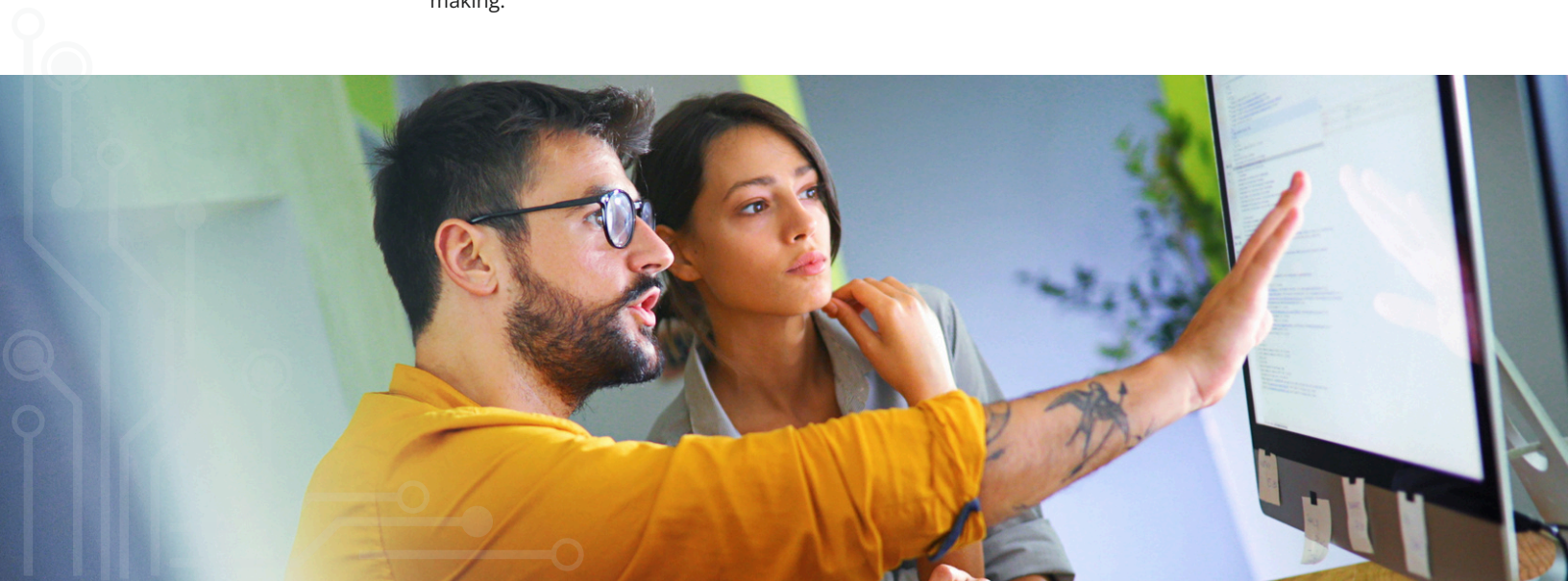
- Always **review AI output before using it**.
- Never input personal customer details or sensitive business information.
- Understand that what you input could be scraped and used to train AI models.
- Remember: AI is a helper, not a replacement for human decision-making.

5

## Get Help from Your Nearest SBDC

Your SBDC advisor can help you:

- Choose the right AI tools
- Train your team
- Build AI into your operations



## TESTIMONIALS

"I asked ChatGPT to help develop client assessments, edit proposals, and create workshop content. I hired fewer freelance writers this year—saving over \$3,000. And it helped me launch a new service package 2 months ahead of schedule."

— **Daniel T., Founder**

ROI: \$3,000 saved in outsourced labor, 2x faster product launch

"We automated client reminders, quotes, and policy updates using AI. Not only did it cut down on phone time, but we also reduced missed appointments by 35%. I now have time to train staff and work on expanding into new zip codes."

— **Marcus J., Owner**

ROI: Saved 10 hours/week in admin time = ~\$1,000/month in labor cost savings

"I started using ChatGPT to write email responses, prep my client contracts, and generate social media captions. What used to take me 3–4 hours a week now takes 30 minutes. That extra time has let me book 2 more photo sessions per month. It pays for itself tenfold."

— **Jamie R., Owner**

ROI: +\$1,200/month in new bookings

