



Knowledge Exchange Program

# ***Welcome to* KEP 2025**

## **MINNESOTA**

## ***Rochester, MN***

### ***“The Great Minnesota SBDC Get Together”***

[We're talking about "AI today" (May 14<sup>th</sup>, 2025) , some of this info will change!]



# Where it all started...

## AI Resource Lab | Working Smarter, Not Harder

Empowering small businesses to unlock the potential of AI with hands-on tools and tailored guidance for success

**\*AI Bootcamp:** 3 videos, ~30 minutes

1. “Demystifying AI”
2. “Getting Started with AI”
3. “Getting the Most of AI”



[westcentralmnnsbdc.com/ai-resources-lab](https://westcentralmnnsbdc.com/ai-resources-lab)

**\*Interactive AI Tools:** tailored solutions for business growth and innovation...

It all starts with experimentation, confidence building, and curiosity.

**Have you checked this out?**



# Focus Groups: Live Demos with Q&A

## **The majority of folks had little to no experience:**

- 20% had “never” used AI
- 34% tried it once or twice
- 37% somewhat familiar
- 9% feeling truly comfortable (2% daily AI users)

## **What people are already using AI for:**

- Marketing & social media
- Writing & editing
- Experimenting and dabbling
- Business & productivity
- Creative & miscellaneous



# Focus Groups: Live Demos with Q&A

## AI topics people WANT to learn more about:

- 21% - **Marketing** & customer engagement
  - 16% - **Financial** planning & budgeting
    - 13% - **Industry specific** tools/applications
      - 11% - **Prompting** for better results
        - 11% - Data **security** and **privacy**
          - 9% - **Integrating AI** with existing tech stacks
            - 7% - **Streamlining ops** (scheduling, inventory management)
              - 6% - **Customer service**
                - 5% - **Fact-checking** and hallucinations



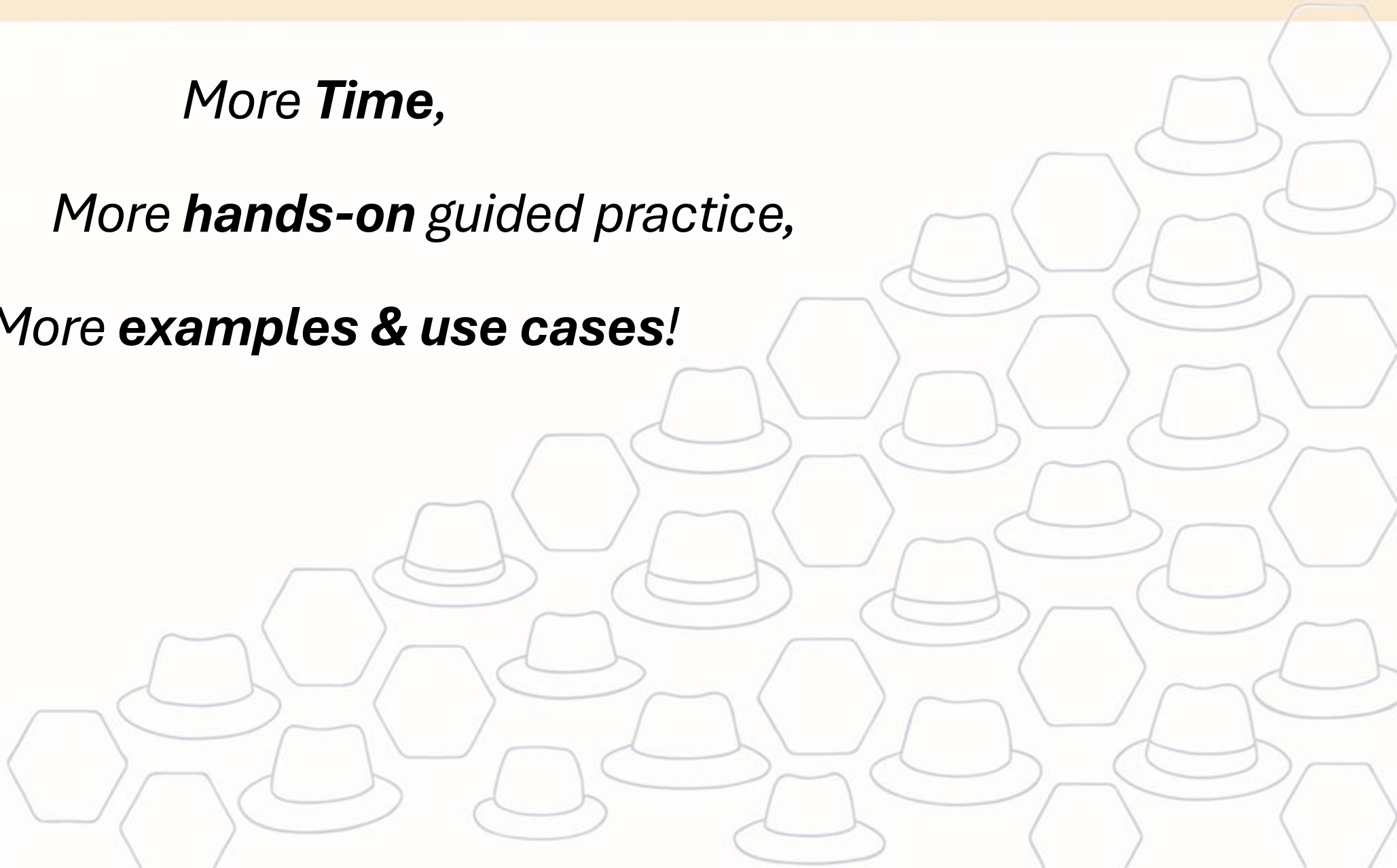


# What People Wanted More of:

*More Time,*

*More **hands-on** guided practice,*

*More **examples & use cases!***

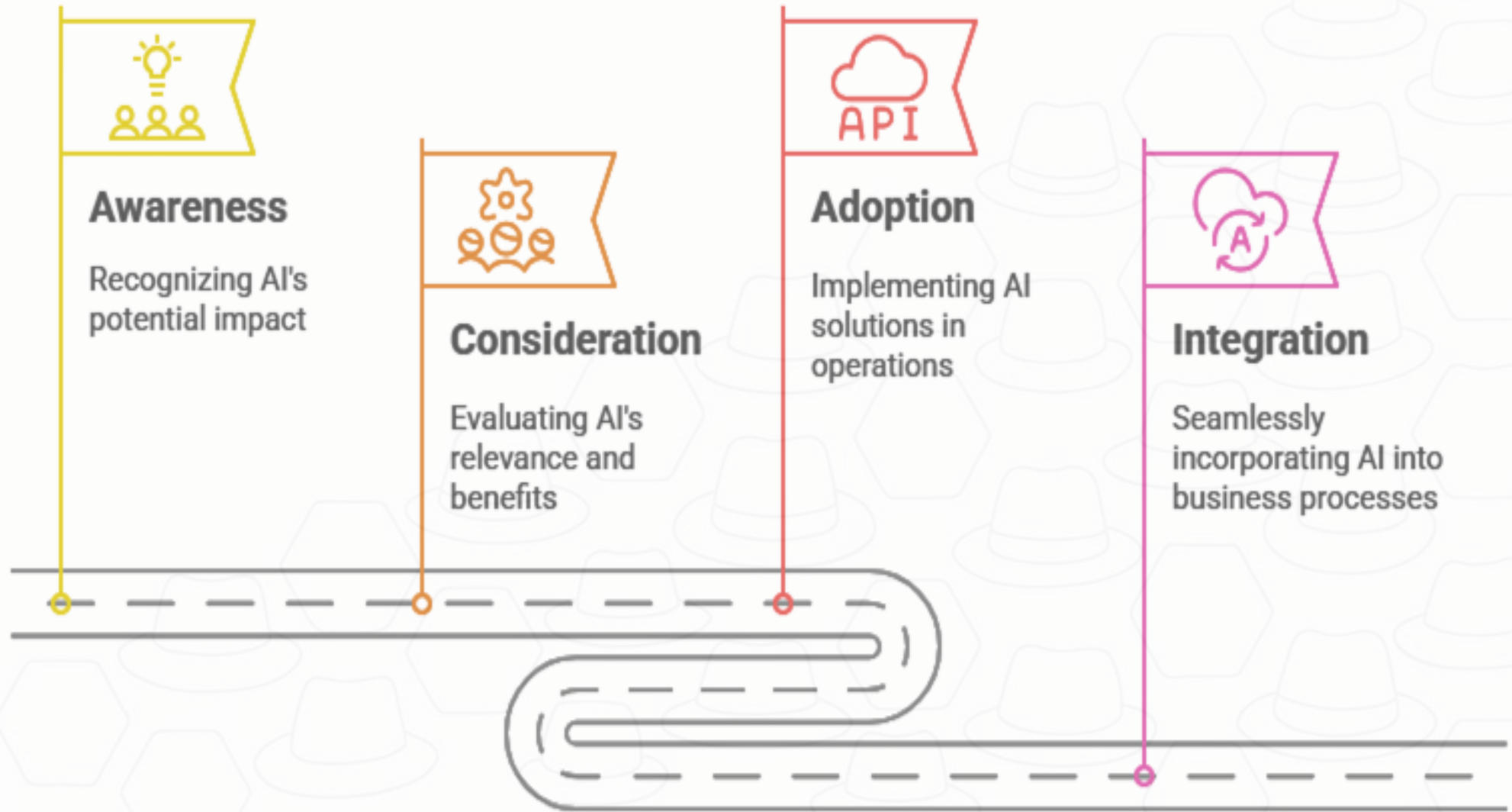


# AI Adoption Journey for Consultants



*The Best  
time to  
start was  
yesterday...*

*The next  
best time is  
now...*





# AI Readiness for Small Business Consultants

## Where Do You Stand?

AI is changing how some consultants support small businesses — but that doesn't mean it's for everyone.

I'm not here to tell you that you have to use AI.

But if you're curious, let's explore what the next step could look like — simply, and on your terms.



# AI Readiness & Implementation

## ***A Practical Guide for SBDC Consultants***

1. **Awareness:** "I Know AI Exists, But I Don't Use It in My Consulting."
2. **Consideration:** "I've Used AI a Few Times, But I Don't Have a Real System Yet."
3. **Adoption:** "AI is Part of My Consulting, But I Haven't Fully Optimized It."
4. **Integration:** "AI is Fully Integrated into My Consulting Business."

Check out the **Peer Resource Hub** →



<https://westcentralmnsbdc.com/mnsbdc-resource-hub>






# Awareness:

*I Know AI Exists, But I Don't Use It in My Consulting*

**What I realized:** AI isn't here to replace consultants—it's here to help us work **faster and smarter**. I don't need to be an expert overnight, but I should at least know **what AI can do** so I can have conversations with my clients.

## What I did to move forward:

- ✓ **I asked my clients** if they were using AI—turns out, some were already experimenting.
- ✓ **I tested a basic AI tool** (like ChatGPT or an AI writing assistant) just to see how it works.
- ✓ **I watched a short AI tutorial** on how it applies to small businesses.

 **Your Next Step:** Pick **one** area of your consulting work (emails, reports, research) and test an AI tool for it. Don't overthink it—just **experiment**.



# Consideration:

*I've Used AI a Few Times, But I Don't Have a Real System Yet*

**What I realized:** AI works best when it's built into **a process, not just a one-off tool**. If I'm going to use it effectively, I need a structured approach.

## What I did to move forward:

- ✓ **I picked one AI tool** that solves a real pain point in my workflow (e.g., AI-powered transcription, content creation, or chatbots).
- ✓ **I set a goal** for AI use—if it could save me an hour a week, it was worth it.
- ✓ **I started recommending AI tools** to clients in areas I understood well (like marketing automation).

🚀 **Your Next Step:** Choose **one AI tool** and make it part of your consulting workflow for **30 days**. Track whether it saves you time or improves your work.



# Adoption:

*AI is Part of My Consulting, But I Haven't Fully Optimized It*

**What I realized:** AI is most powerful when it's tied to **business outcomes**—not just saving time, but actually **increasing revenue, improving decision-making, and driving results** for clients.

## What I did to move forward:

- ✓ **I created an AI workflow**—now, AI helps with lead generation, client reports, and content creation.
- ✓ **I started tracking results**—how much time I saved and whether AI improved my recommendations.
- ✓ **I trained my team and clients** so we all use AI in a structured way.

 **Your Next Step:** Look at how AI is **already working** in your consulting. **Systematize it**—document your process, train your team, and find more ways to integrate it.






# Integration:

## *AI is Fully Integrated into My Consulting Process*

**What I realized:** AI isn't just about saving time—it's about **elevating the role of a consultant** by providing deeper insights, more efficiency, and a better client experience.

### What I did to move forward:

- ✓ **I built an AI-driven workflow** that runs smoothly across my consulting process.
- ✓ **I measure AI's impact**—how much time it saves, how much more I can offer clients, and how it drives business growth.
- ✓ **I stay updated on AI trends** so I can keep evolving my approach.

 **Your Next Step: Refine your AI processes.** Train your clients, track AI's ROI, and explore **new AI strategies** to stay ahead.





# Final Thoughts:

## Where Do You Stand?

Every consultant is at a different stage with AI. The key is to **keep moving forward, one step at a time.**

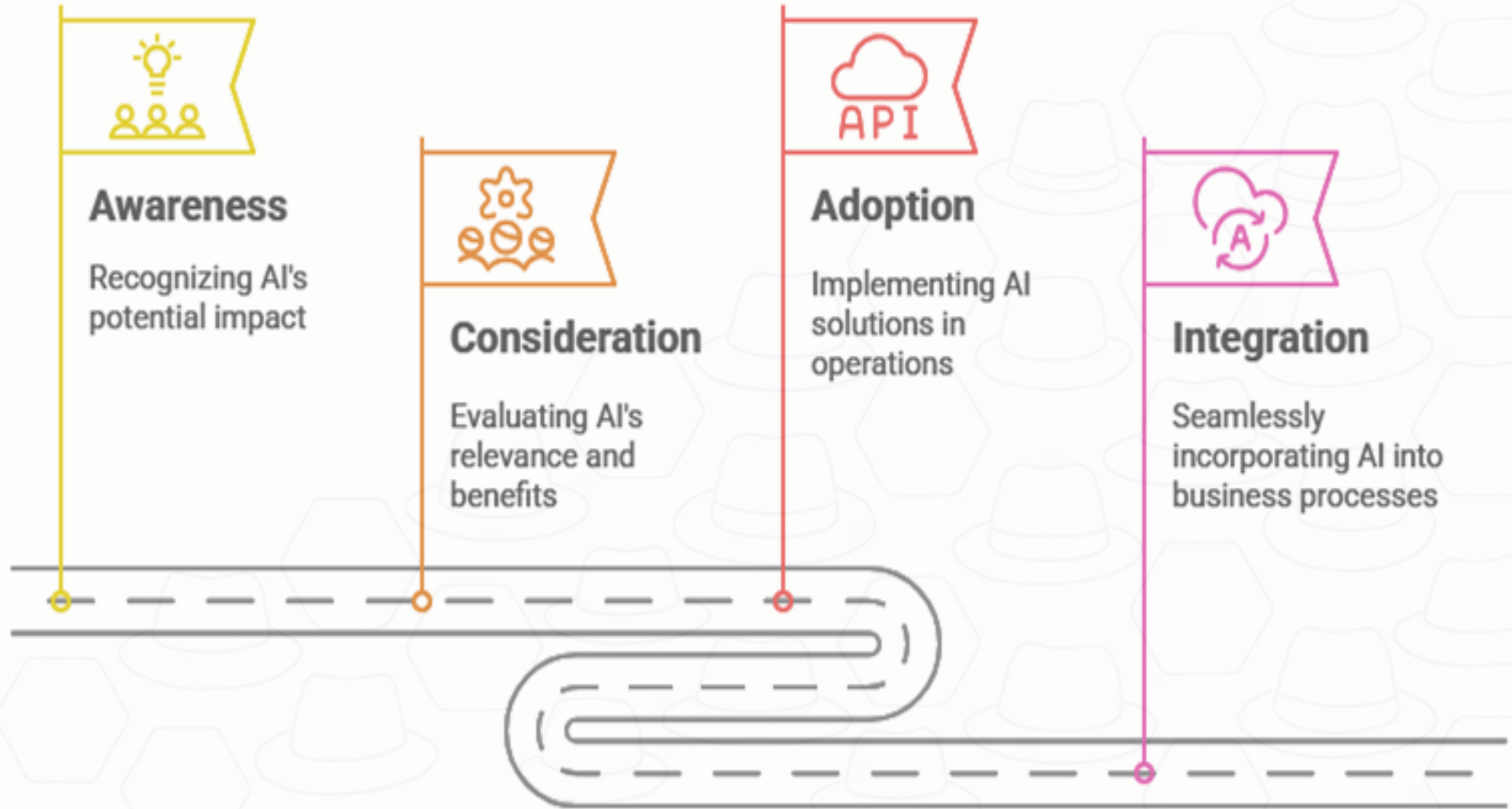
- ✓ **If you're just starting**, test a simple AI tool in your daily work.
- ✓ **If you're exploring**, commit to using AI in your workflow for a month.
- ✓ **If you're using AI**, make it a structured part of your process.
- ✓ **If you've fully integrated AI**, measure its impact and stay ahead of trends.

AI isn't a trend—it's a tool. The sooner you start **leveraging it strategically**, the more valuable your consulting will become.

# AI Adoption Journey for Consultants



*Downloadable  
guide available  
on the Peer  
Resource Hub*





# Demystifying AI: Top Myths

✗ **“AI is going to take my job.”** (Will AI replace me?)

- Only if your job is refusing to adapt.
- AI *won't* replace you — but someone using AI might.
- You don't need to beat the AI. You just need to work *with* it.
- Your new coworker is tireless, doesn't drink coffee, and needs you to think.

✓ ***AI won't replace you — but it will replace the version of you that refuses to adapt.***



# Demystifying AI: Top Myths

## ✗ “I’m not technical enough for AI.”

- If you can talk to people, you can talk to AI.
- It’s chat, not code. Think intern, not engineer.
- No prompt PhD required — curiosity is your superpower.
- If you’ve ever typed “how to boil eggs” into Google, congrats — you’re ready.

✓ ***If you can hold a conversation, you can use AI.***





# Demystifying AI: Top Myths

## ✗ “AI isn’t ready for business yet.”

- Business is already using it — just maybe not your business yet.
- It’s writing emails, social posts, and job descriptions right now.
- From mom-and-pop shops to million-dollar firms, AI is at work.
- If your client has a smartphone, they’re already using AI.

✓ ***AI is already at work in business — the question is whether you’re using it yet.***



# Demystifying AI: Top Myths

✗ **“AI is only for big companies.”**

- False. AI is the great equalizer.
- Solopreneurs can now sound like Fortune 500 marketing teams.
- Most tools are free or under \$30/month — less than lunch at Panera.
- Big businesses have departments. You’ve got ChatGPT.

✓ ***AI levels the playing field — it gives small businesses superpowers.***



# Demystifying AI: Top Myths

✗ **“AI is always accurate.”**

- Sure — like your uncle’s fishing stories.
- AI is a confident liar. It guesses. You check.
- Always double-check names, facts, and stats — especially if it sounds too good.
- Think of it as a helpful intern... who lies sometimes.



***AI is useful — not flawless. Trust, but verify.***



# Demystifying AI: Top Myths

✗ **“AI is full of hallucinations.”** *(actually this one is true)*

- Yes, but so are humans — ever read Yelp reviews?
- Hallucinations happen more with vague, lazy prompts.
- You *can* train it to be more accurate with better questions and sources.
- Use AI to *generate*, not *finalize*.

✓ ***Bad input causes bad output — clear prompts reduce hallucinations.***





# Demystifying AI: Top Myths

## ✗ “AI is cheating or inauthentic.”

- Only if you pretend it's all you.
- It's not cheating to use spellcheck — this is just spellcheck 2.0.
- Use AI to *think better*, not to *stop thinking*.
- Authenticity comes from what *you choose to keep*.

✓ ***AI doesn't replace your voice — it amplifies it if you lead with intention.***



# Demystifying AI: Top Myths

✗ **“My clients don’t care about AI.”**

- Yet. But their competitors do.
- The question is: *Will they hear about it from you or TikTok?*
- Ignoring AI is like ignoring email in the ‘90s.
- Being the guide makes you invaluable.

✓ ***They will soon — and you should be the one helping them make sense of it.***



# Demystifying AI: Top Myths

✗ **“AI is just a trend.”**

- Like the internet. Or smartphones. Or avocado toast.
- It's not a phase — it's a foundational shift.
- Trends fade. Infrastructure sticks.
- It's not about being first — it's about not being last.

✓ ***AI is not a fad — it's the next layer of how we work, think, and compete.***



# Demystifying AI: Top Myths

✗ “One good prompt is all I need.”

- AI is a conversation, not a vending machine. (A standup comedian, not a jokebook)
- The first draft is rarely the best draft.
- Ask, refine, iterate. Just like with clients.
- “Try again but smarter” is half the job.

✓ ***Great results come from great conversations, not magic one-liners.***





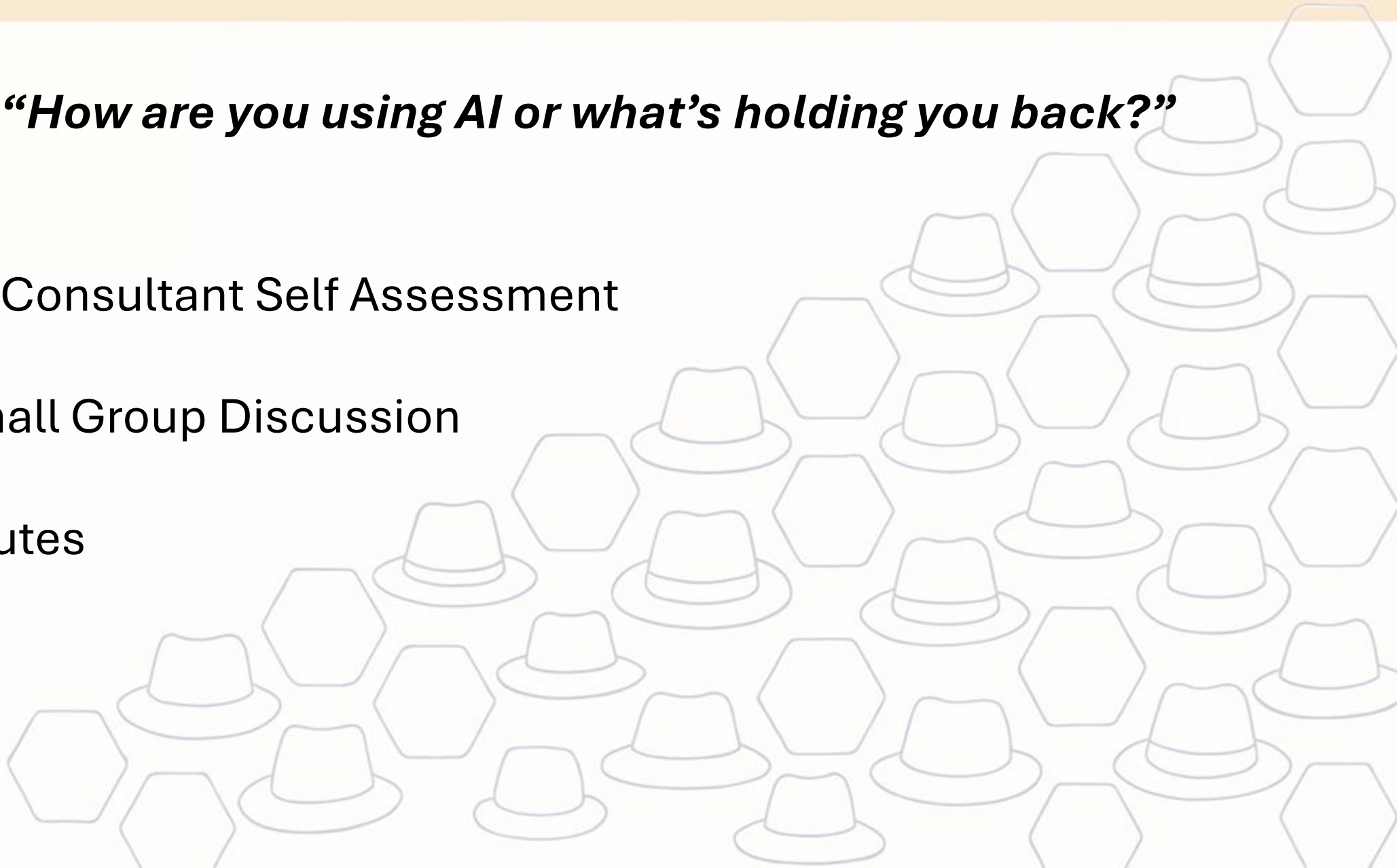
# Activity | *Speed Sharing*

***“How are you using AI or what’s holding you back?”***

Consultant Self Assessment

Small Group Discussion

5 minutes



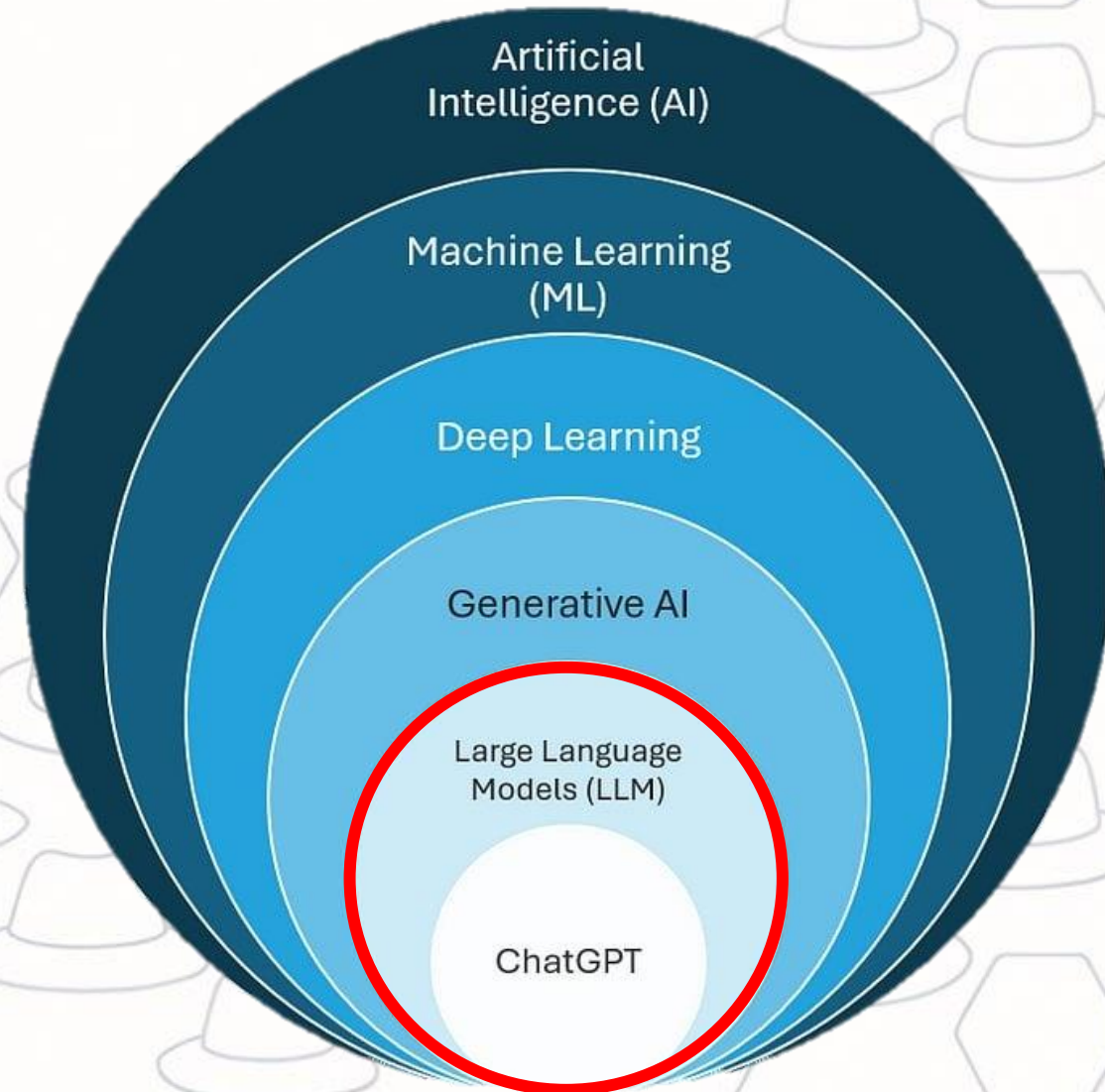
# Break – 10 minutes





# AI Basics – What is Generative Artificial Intelligence?

- AI is defined as software systems that can perform tasks typically requiring human intelligence
  - Pattern recognition in data
  - Large Language Models (LLMs)
  - Image generation and recognition
  - Prediction based on historical data
- Large Language Models are a key tool
  - Trained using large data sets
  - Predict the statistically most likely next word to generate natural language
  - Supplement with computer coding to perform complex tasks
  - Models have a training cutoff date (varies by model)





# AI Basics – What Generative AI is NOT

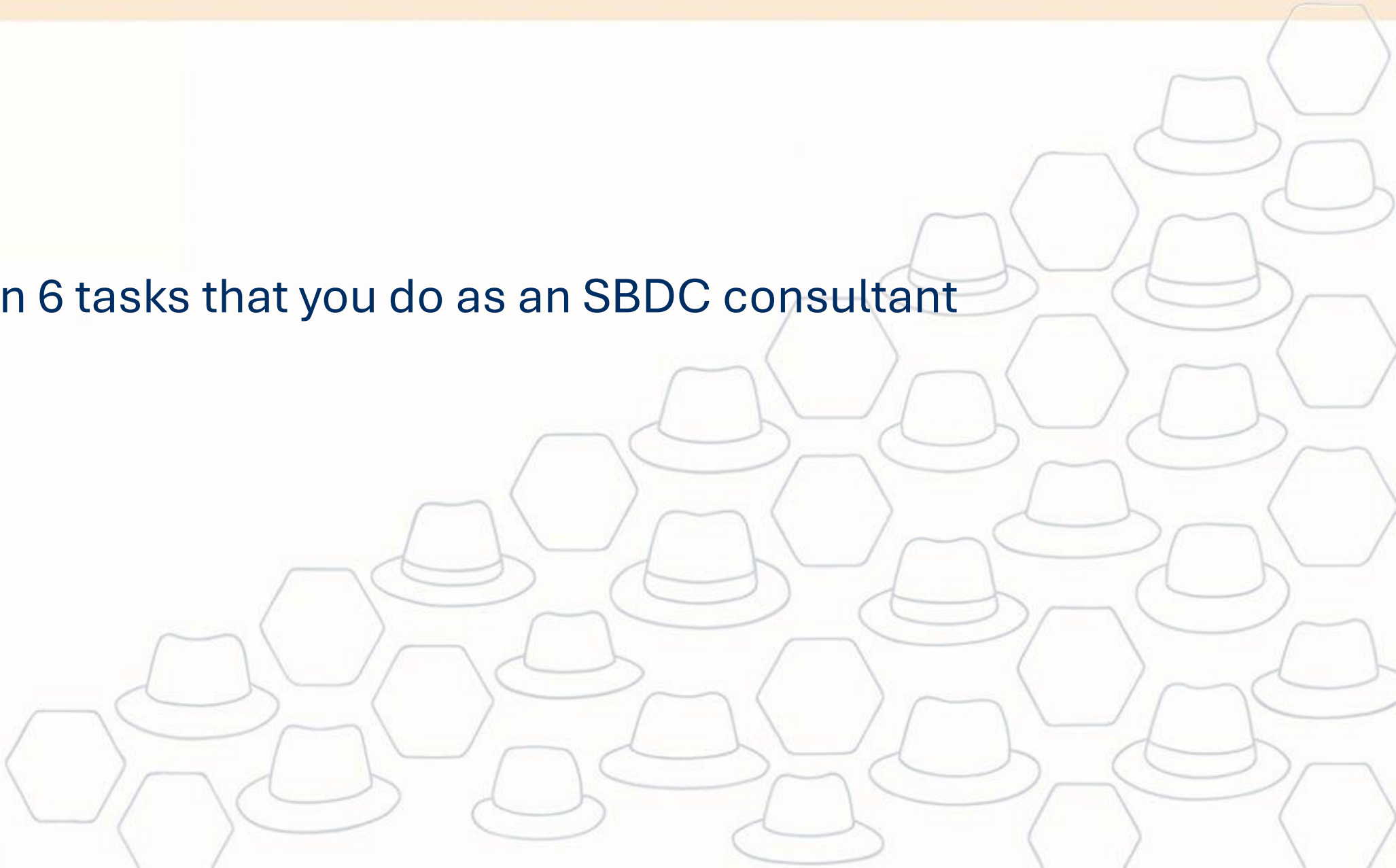
- Not Human-Level Intelligence: Does not "think" or "understand" like people
- Not Sentient or Conscious: Despite sophisticated responses, lacks true awareness
- Not Perfect or Unbiased: Reflects patterns in training data, including biases
- Not Magic: Based on statistical patterns, not mysterious powers
- Not a Replacement for Human Judgment: Tool to enhance, not substitute for expertise





# Activity: What Tasks are a Fit for AI?

- Write down 6 tasks that you do as an SBDC consultant





# Activity: What Tasks are a Fit for AI?

- Write down 6 tasks that you do as an SBDC consultant
- Next to each item in your list, make a note about their frequency
  - Daily? Weekly? Monthly? Few times/year?



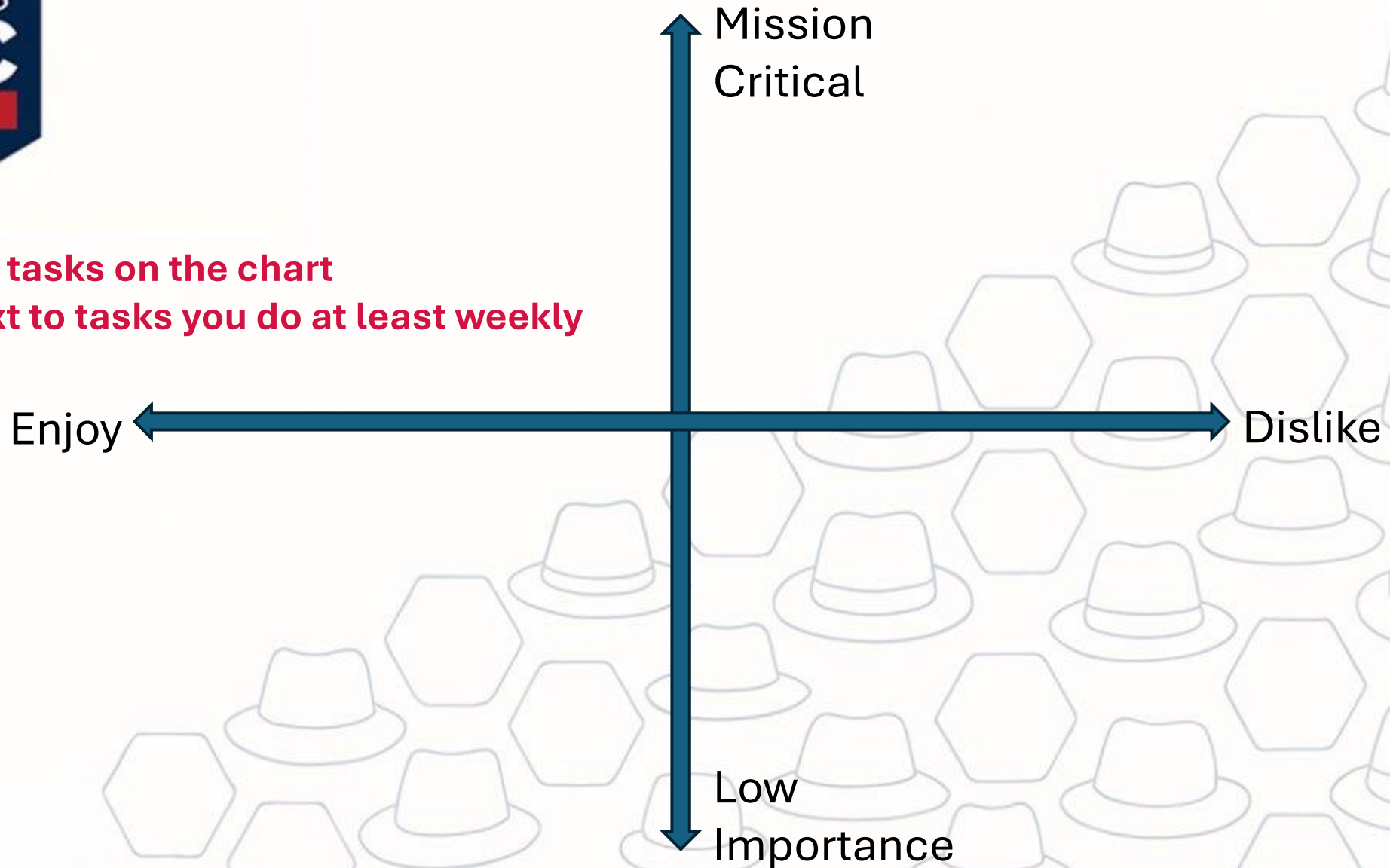
## Activity: What Tasks are a Fit for AI?

- Write down 6 tasks that you do as an SBDC consultant
- Next to each task in your list, make a note about their frequency
  - Daily? Weekly? Monthly? Few times/year?
- What tasks do you really dread or dislike? Mark with a D
- What tasks do you really enjoy? Mark with an E
- What tasks are mission critical/high value? Mark with an M



# Activity: What Tasks are a Fit for AI?

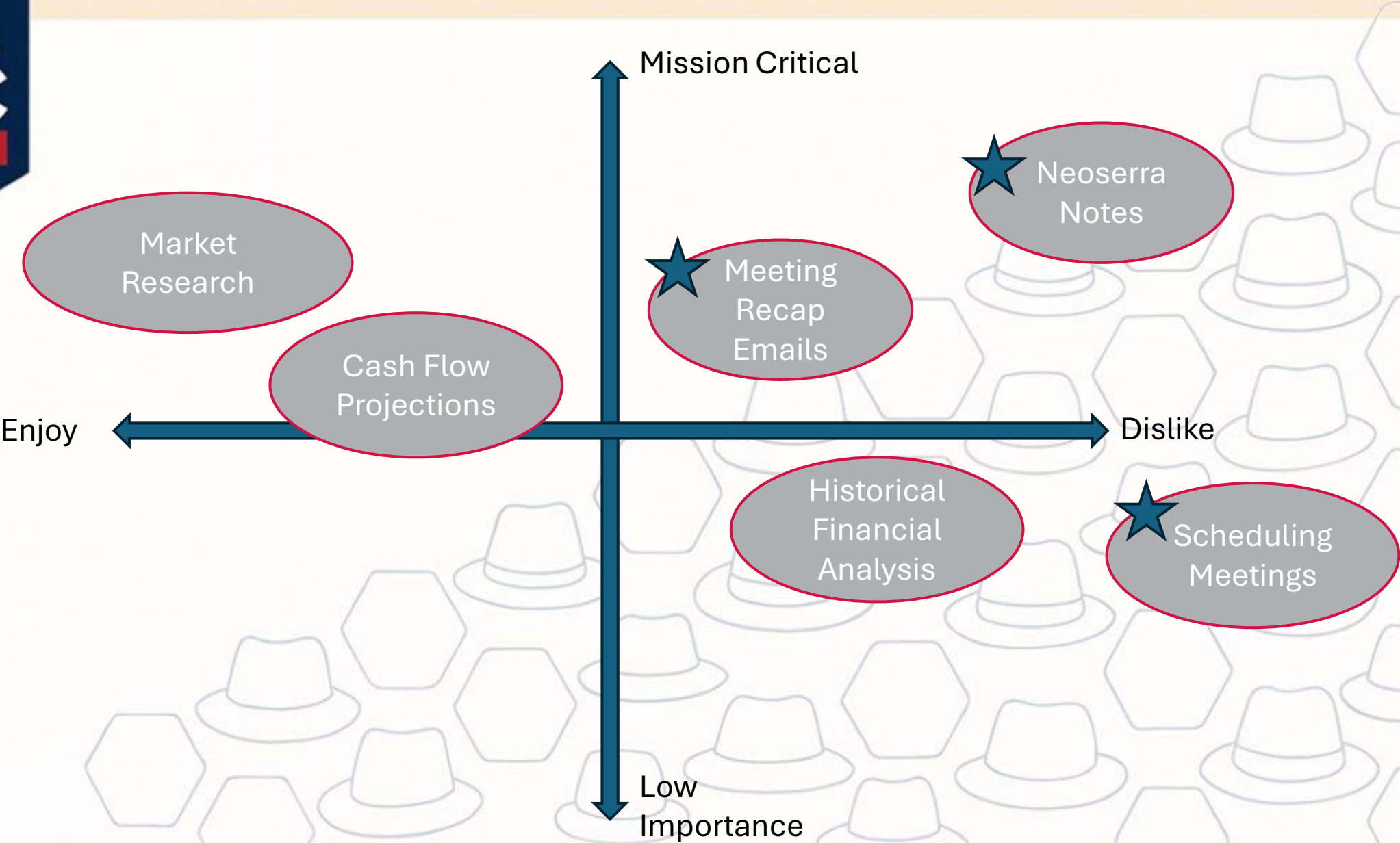
Map out your tasks on the chart  
Put a star next to tasks you do at least weekly







# Activity: What Tasks are a Fit for AI?





## Activity: What Tasks are a Fit for AI?

- Report out – Volunteers share 1 item they would prioritize for AI and 1 task they will continue manually
- Think about – what other reasons besides frequency, joy, and value affect what tasks are a fit for AI?
  - Data sensitivity
  - Risk/hazard of hallucinations – do you need accuracy? or creativity?
  - Ability to validate results
  - Tool limitations (token/chat limits)



# AI Usage Guide for Minnesota SBDC

[Conceptual Draft]

***Not a Formal Policy Yet, a Conversation Starter.***



# Acceptable Use

## What You *Can* Do

### ✓ DO: Use AI to...

- Draft content, emails, or templates to **save time**
- Brainstorm ideas or explore **different perspectives**
- Summarize **non-sensitive** notes or documents
- Use AI outputs as a **starting point**, not the final product
- Keep your **AI tools approved** and reviewed
- Ask for **client permission** when using AI during consulting
- Complete **AI U training** before using AI with clients





# Prohibited or Cautioned Use

## What You *Shouldn't* Do

### ✗ DON'T: Use AI to...

- Input **client names, financial statements, or sensitive data** into public tools
- Generate **final business plans, legal docs, or financial projections** without review
- Rely on AI for **decisions** about hiring, funding, or compliance
- Assume AI is **accurate or unbiased** without validation
- Use **personal AI accounts** for SBDC work
- Represent AI-generated content as your **original** without edits or review
- Skip your own **judgment and accountability**

*Certain misuses of AI — like using it to promote your own business, copy content, or favor one client over another — can cross ethical lines already outlined in our Code of Conduct.*



# Protecting Client Data in AI Tools

## **Confidentiality is Non-Negotiable.**

Never enter client-identifiable or sensitive info into unapproved AI tools. Assume anything you type could become public

### ✓ **Best Practices:**

- **Use Anonymized Data:**  
“Smith’s Plumbing” → “Client X, service biz, \$500K revenue”
- **Stick to Vetted Tools:**  
Only use AI platforms approved by your SBDC or host institution
- **Get Client Permission (Rare):**  
Written consent required if using sensitive data — minimize and verify security first
- **Protect Internal Info Too:**  
Don’t input HR, budgets, or internal docs into unapproved tools



# Other Data Privacy and Confidentiality

*Remember, this builds directly on our Code of Conduct. The same confidentiality rules apply — whether you're speaking with a client or using an AI tool. Entering sensitive client info into a public AI tool is a breach of both this guide and our Code of Conduct.*

- Use secure networks, encrypted devices, strong passwords, and MFA
- Don't save sensitive AI drafts on unsecured systems or personal devices
- Assume AI tools may retain your input — treat everything you type as potentially public
- Never input client names, financials, or internal strategies into unapproved tools
- Privacy responsibilities extend beyond AI tools — good data hygiene still matters





# Human Oversight & Accountability in AI Use

AI is a **powerful assistant**, but **you** are still responsible for everything you deliver

- **Always Review Before Sharing**

Treat AI like a junior assistant — useful, but error-prone.

- **Watch for Hallucinations**

Double-check facts, stats, and sources. If it sounds made-up, it probably is.

- **Use a Second Set of Eyes**

Important client work? Have a colleague review AI-assisted drafts.

- **You Make the Decisions**

AI offers suggestions — **humans make the final call.**

- **Trust Your Judgment**

If AI output feels off, fix it or start fresh. You're accountable for results. When in doubt, pause and verify.

*AI doesn't remove your professional accountability — you're still responsible for outputs, just like you are under the Code of Conduct when advising clients.*





# Ethical AI Use, Bias & Fairness

SBDC advisors serve diverse clients — **AI must reflect our values.**

## ✓ **Keep It Ethical:**

- **Bias Check**  
Watch for stereotypes or exclusion. Correct biased or insensitive outputs.
- **Stay True to SBDC Values**  
No fake testimonials, shady tactics, or content that feels manipulative.
- **Avoid Plagiarism & Infringement**  
Don't pass off AI-generated content as original if it mimics real sources. Rewrite or cite.
- **Be Transparent (When It Matters)**  
You don't need to say "AI wrote this," but don't mislead. For major deliverables, acknowledge AI help if relevant.
- **Maintain Client Trust**  
Ask: Would the client still trust this if they knew how it was created? Always add the human touch.

### **Bottom Line:**

Use AI in ways you'd proudly explain to a client or your director.



# Intellectual Property & Attribution

AI tools don't know copyright law — **you** are responsible for what you share.

## ✓ Best Practices:

- **Know What You Own**

You may “own” AI output, but it could still contain copyrighted content.

➤ Use AI as a *starting point*, not a final product.

- **Attribute Carefully**

Don't cite the AI — find the original source and cite that. For public docs, consider a disclaimer:

*“This document was AI-assisted and reviewed by the SBDC team.”*

- **Avoid Infringement**

No AI-generated images or text that mimic copyrighted works.

➤ Run outputs through plagiarism checkers when in doubt.

- **Advise Clients Too**

If a client brings AI-created content, flag potential ownership issues.

### **Rule of Thumb:**

Treat AI like an intern — smart, but legally clueless. You set the boundaries.



# Example Use Cases and Scenarios







# SBDC Use Cases

## Top 8 Easy AI Wins for SBDC Consultants & Leadership

- Drafting client session notes (e.g., for Neoserra)
- Summarizing meeting transcripts or recordings
- Writing follow-up emails after client sessions
- Assisting with research & business plan outlines
- Drafting client success stories & testimonials
- Outlining grant proposals & reports
- Coaching clients on marketing content using AI
- Creating newsletters, social posts, or internal comms



# Example Scenario #1

Jane, an SBDC advisor, is working with a client preparing for a product launch. Instead of writing the marketing content for the client, Jane uses the session as a teaching opportunity. Together, they explore how AI can help generate a draft of a social media post and an email newsletter. Jane inputs general, non-confidential product details into the AI tool and walks the client through the draft it generates. She explains which parts are helpful, which need to be revised, and how to spot generic or inaccurate language. Jane encourages the client to personalize the message and add real data from their market research. (Policy check: No confidential information was entered, and the advisor maintained human oversight. The client was coached, not handed a finished product — aligning with SBDC's mission to educate and empower rather than do the work for clients.)



# AI in Action: Marketing Content Creation Demo

Jane, an SBDC advisor, is helping a client brainstorm promotional ideas for a new product launch. She uses the opportunity to demonstrate how AI tools can generate draft marketing content — like social media posts or email copy — using general, non-confidential product info.

## What Jane did right:

- **Used generic prompts** (no client-sensitive data)
- **Modeled safe AI usage** in a live session with the client
- **Reviewed the AI output** and discussed what to revise
- **Helped the client personalize** content and add real data

## Result:

The client left with a clearer understanding of how to use AI responsibly for marketing — and content they could confidently refine and share.

# Example Scenario #2

Carlos, an SBDC advisor, is helping a client who's drafting their first business plan. To support the conversation, Carlos uses an AI tool during the meeting to show how it can generate a basic business plan outline and summarize recent industry trends. He uses general prompts without client-specific data and explains to the client how to evaluate AI-generated content critically. Together, they compare the AI's trend summary to current SBA data and identify areas to customize the outline based on the client's unique business model. Carlos advises the client to use the AI output as a starting point — not a final product — and supports them in adjusting financial projections and key narrative sections with real data. (Policy check: Carlos used AI for demonstration and structure only, kept client data out of the tool, verified facts, and emphasized that the client owns and completes the plan. This reinforces the SBDC's role in guiding, not writing, business plans.)



# AI in Action: Business Planning Support

Carlos, an SBDC advisor, is working with a new client who feels overwhelmed about writing their first business plan. To help guide the process, Carlos demonstrates how AI can generate a general outline and summarize current industry trends. He uses broad prompts that don't include any client-specific information.

## What Carlos did right:

- **Used general prompts** (no client revenue or PII)
- **Positioned AI as a tool**, not a shortcut
- **Verified the AI's industry trends** against trusted sources
- **Helped the client tailor** the outline to fit their actual business model
- **Discouraged copy-pasting**, especially for financials

## Result:

The client walked away with a personalized, realistic plan they understood and owned — supported by AI, shaped by Carlos's expertise.



# Example Scenario #3

An SBDC consultant, Priya, needs to send a follow-up email summarizing recommendations from a recent client meeting. To save time, she uses an AI writing tool and inputs a general summary of the meeting (with no sensitive information or client-identifying details). Before doing so, she explains the process to the client and gets their permission to use AI to assist with drafting. The AI produces a well-structured draft, but Priya notices a few issues: the tone is too formal, a key follow-up action they discussed is missing, and one sentence incorrectly assumes the client has already launched their business. She adjusts the tone to reflect her usual voice, adds a specific reminder about reviewing financials, and removes the inaccurate statement. Before sending the email, Priya personalizes the message to ensure it feels authentic and consistent with her communication style. She also uses AI to help draft internal session notes for Neoserra. She inputs a general recap, reviews the AI-generated summary, and makes sure the notes are factual, neutral, and appropriate for internal records. (Policy check: Priya excluded confidential information from the AI prompt, obtained the client's permission to use AI, and verified and edited both the client-facing and internal content. Her actions demonstrate responsible, transparent use of AI aligned with professional conduct and documentation standards.)



# AI in Action: Client Follow-Up & Internal Notes

Priya, an SBDC consultant, needs to send a follow-up email to a client after a recent meeting. To save time, she uses an AI writing tool to help draft the message and her internal session notes for Neoserra. She first gets the client's permission and only inputs a general summary with no sensitive information.

## What Priya did right:

- **Obtained client permission** before using AI
- **Excluded any PII** from the AI prompt
- **Reviewed the AI-generated email**, fixing tone, adding a missing next step, and correcting an inaccurate assumption
- **Personalized the message** to match her own communication style
- **Used AI to assist with internal notes**, but edited them for clarity and professionalism

## Result:

The client received a helpful, accurate follow-up in Priya's voice — and Neoserra records were completed efficiently and responsibly.





# Choosing the Right AI Tool: What to Know

Not all AI tools are safe or appropriate for SBDC use.

Before using any AI tool, **ask the right questions** — about privacy, accuracy, security, and fit. Federal standards apply!

## **Before you adopt a tool:**

- Ask the right questions
- Protect client data
- Avoid shortcuts that create risk

**There's a 10-point checklist in the AI Usage Guide.  
Use it. Document your choices. Do your due diligence.**



# Federal Compliance Standards for MnSBDC (SBA-Funded)



- **NIST 800-53:** Follow federal security & privacy controls
- **FISMA:** Maintain a documented info security program
- **FedRAMP:** Use only approved cloud services for federal data
- **Secure Software Use:** Align with EO requirements & SBOM practices
- **Data Encryption:** Minimum 128-bit for all external transmissions
- **Quarterly Scans:** Scan internet-facing systems for vulnerabilities
- **SBA Cooperative Agreement:** Follow all administrative & audit terms

*We DO have Federal standards to follow!*

# Federal Compliance Standards for MnSBDC (SBA-Funded) So, what tools can we actually use?

Platform	Version	Acceptable?	Notes
ChatGPT (OpenAI)	Pro (ChatGPT Plus) using GPT-4-turbo	✓ With precautions	No FedRAMP, but OpenAI allows custom GPTs with privacy controls. Avoid using it for sensitive data unless under strict internal policy.
Microsoft Copilot (in M365 apps)	Enterprise	✓ Yes	Runs on Azure's FedRAMP-moderate environment. Ideal for document drafting, email, etc.
Google Gemini (in Google Workspace)	Enterprise	✓ Yes	Google Cloud offers FedRAMP-compliant infrastructure; use Workspace Enterprise version.
Claude (Anthropic)	Paid business plans (Claude 2, 3)	✓ With caution	No formal FedRAMP yet. Avoid using it for sensitive SBA data; good for internal/general-purpose tasks.
Perplexity.ai	Free or Pro	✓ For research only	Not secure for PII or client data; OK for general market research or fact-finding.
Hugging Face	Public models	✓ / ✗ depends	Most models are open-source, but unless self-hosted securely, don't use for client data.

# Federal Compliance Standards for MnSBDC (SBA-Funded) What tools NOT to use?

Tool	Concerns	Use Case to Avoid
ChatGPT <b>Free</b> (OpenAI)	Logs data unless privacy settings are adjusted. No enterprise-level agreements or encryption for compliance.	Entering client names, business plans, or financials.
Claude <b>Free</b> (Anthropic)	No enterprise-level data controls. Terms don't guarantee FedRAMP-like protections.	Asking Claude to write business plans using real client data.
Otter.ai ( <b>Free or Pro</b> )	Stores transcriptions on cloud servers with <b>no FedRAMP or public security audit</b> . Often logs audio without secure encryption-at-rest.	Using Otter to record client intake sessions, calls, or workshops.
Notion AI	Data used to improve models unless turned off. Not FedRAMP-compliant.	Drafting or storing documents that include identifiable business information.
Grammarly (AI features)	Sends content to cloud-based servers for processing. Terms do not ensure compliance with NIST/FISMA.	Having it rewrite client reports, proposals, or legal documents.
Canva AI (Magic Write, Text-to-Image)	Data used to train models unless opted out; not built for sensitive content.	Creating grant proposals or pitch decks with client data.
Tome.app (AI deck builder)	Not FedRAMP-compliant. No strong data protection policies for federal use cases.	Uploading client presentation materials.
<b>Zoom AI Companion</b>	Transcripts and summaries may be stored depending on settings; not default FedRAMP compliant.	Using summaries or chat notes from sensitive internal/client meetings.
Lumen5 / Pictory / Video AI tools	Often run on public cloud infrastructure with unknown storage locations or permissions.	Using real client footage, names, or brand data.



# Choosing the Right Tool

*FedRAMP is the “seal of approval” for cloud tools that handle federal or client data*

- **Think twice before enabling the newest AI feature.**  
Just because it's helpful doesn't mean it's compliant.
- **Read the terms and conditions — or at least the privacy section.**  
Know where your data goes and who can see it.
- **As a rule of thumb: free versions are generally *not* approved.**  
No cost = higher risk.
- **If you're handling client or sensitive data, assume stricter rules apply.**  
Don't guess — check first.
- **Use AI for general tasks, not client records, unless it's FedRAMP-approved.**  
Brainstorming? Fine. Storing PII? Not without safeguards.
- **When in doubt, ask your IT/security contact or check the FedRAMP Marketplace.**  
(It's easier than explaining a breach.)





# Decentralized Oversight = Shared Responsibility

There's no "AI police" in the SBDC network — **we lead ourselves.**

That's our strength. It also means we all play a role.

## ✓ **How We Keep AI Use Strong & Safe:**

- **Own It** – Each person is responsible for ethical, secure use
- **Model It** – Leaders set the tone by using AI responsibly
- **Learn It** – Ongoing training is key to staying ahead
- **Share It** – Support each other and swap ideas, wins, and risks
- **Report It** – If something goes wrong, speak up early
- **Improve It** – This guide will grow with feedback and new tools

**We are all AI ambassadors. Let's innovate responsibly — together.**



# Partners in Practice

**SBDC Code of Conduct** (The Backbone)

+

**AI Usage Guide** (the Extension)

=

**Helping you stay innovative while honoring the trust our clients place in us.**

- Respect client confidentiality (always).
- Stay impartial and ethical — no shortcuts.
- Be transparent and accountable.
- Use tools responsibly — and report issues early.

Break – 10 minutes





# Introduction to Prompt Engineering

- Definition: The skill of crafting effective instructions for AI systems
- Understand what makes an effective prompt
- Learn structured approaches to prompt writing
- Master techniques specific to business advising contexts
- Practice applying these skills to SBDC scenarios
- Leave with practical techniques you can use immediately





# The Mental Model: "Genius in the Other Room"

- Imagine communicating with a genius through notes under a door
- They can't see you or ask follow-up questions
- The context and instructions you provide are critical
- Better instructions = better results

The "genius in a room" mental model to help w/

**Prompt Engineering**





# 4 Key Elements of Effective Prompts

- **Role:** Who you want the AI to be (business consultant, marketer, etc.)
- **Task:** Clear instructions on what you want done
- **Format:** How you want the information presented
- **Context:** Background information and constraints



# Before/After: Effective Prompt

- **Before:** "Write a business plan for a bakery"
- **Role:** experienced business consultant with expertise in small business startups
- **Task:** create a detailed outline for a business plan for a boutique coffee shop
- **Format:** Structure it with the following sections: Executive Summary, Company Description, Market Analysis, Organization Structure, Product Line, Marketing Strategy, and Financial Projections.
- **Context:** The coffee shop will be located in a college town with 30,000 students. The owners have previous experience running a café, but not a coffee shop. The business plan should be tailored for a small business lender audience.





## Before/After: Effective Prompt

- **After:** Act as an experienced business consultant with expertise in small business startups. Create a detailed outline for a business plan for a boutique coffee shop. Structure it with the following sections: Executive Summary, Company Description, Market Analysis, Organization Structure, Product Line, Marketing Strategy, and Financial Projections. The coffee shop will be located in a college town with 30,000 students. The owners have previous experience running a café, but not a coffee shop. The business plan should be tailored for a small business lender audience.





# Role-Based Prompting for SBDC Advisors

## Framework:

- Act as a [ROLE] with expertise in [DOMAIN].
- Complete [TASK] for [SPECIFIC CONTEXT].
- Format the response as [FORMAT].
- Include [SPECIFIC ELEMENTS] and consider [CONSTRAINTS].

### Role: (Act as a)

- Business Consultant
- Entrepreneur
- Investor
- Accountant
- Copywriter
- Project Manager
- PM + Business Owner
- Inventor + Accountant

### Task:

- **Create** an Essay
- **Draft** a Proposal
- **Write** a Blog
- **Script** a Podcast
- **Help me** Forecast
- Help me Improve
- Help me Organize
- **Analyze and share** Insights

### Format:

- List
- PDF
- HTML
- Code
- A Table
- World Cloud
- Mark Down
- Graph



# Advanced Prompting: Chain of Thought

## The approach:

- Add "Let's think step-by-step" to your prompts
- Ask the AI to explain its reasoning
- Leads to more accurate results, especially for complex problems

## Example:

Let's think step-by-step about how to price this new service for a small accounting firm. Consider overhead costs, competitor pricing, value delivered, and client willingness to pay. Explain important assumptions at each step so I can provide corrections if needed.



# Advanced Prompting: Few-Shot Learning

## The approach:

- Provide examples of the output you want
- Format: Example Input → Example Output
- AI learns the pattern from your examples

## Example:

I need to provide concise recommendations to small business clients. Example 1: Client Issue: "My restaurant is getting good reviews but low foot traffic." Response: "Based on your location analysis, I recommend: 1) Adjust your signage to be visible from the main intersection, 2) Create a 'happy hour' promotion targeting the office workers nearby between 4-6pm, and 3) Partner with local hotels for a 10% discount referral program."

Now provide a recommendation for: Client Issue: "My online store has high traffic but low conversion rates."





# Advanced Prompting: Retrieval-Augmented Generation (RAG)

## The approach:

- Feed SBDC resources, industry reports, or business plans to the AI
- Ask questions or generate content based on these documents
- Creates responses grounded in your specific materials

## Example:

Using the attached Vertical IQ industry report on restaurants, generate a list of the top 5 challenges facing new restaurant owners and provide strategic recommendations for each.





# Leveling Up Prompts: Advanced Techniques

## Starting Prompt:

- Act as an SBDC small business advisor and write a market research summary for an exotic pet store in rural Minnesota.

- **Chain of Thought:** Let's think step-by-step. First, analyze the demographic profile of Hastings, MN and how it might impact demand for exotic pets. Then, consider regulatory requirements specific to exotic pets in MN. Next....
- **Few-Shot:** Follow the same format, tone, and level of detail as the attached example research summary I completed for another small business client.
  - You can type out examples or attach examples for few-shot with some limitations



# Leveling Up Prompts: Advanced Techniques

## Starting Prompt:

- Act as an SBDC small business advisor and write a market research summary for an exotic pet store in rural Minnesota.

## • RAG:

I've uploaded two documents to help with this analysis: a page on exotic pet regulations and a VerticalIQ industry report. Reference specific data points from the provided documents, including: - The legal constraints outlined in sections 4.2-4.5 of the Minnesota Exotic Pet Regulations - The profit margin benchmarks and supplier information from the VerticalIQ report.



# Low Hanging AI Fruit for SBDC Advisors

- Success Stories/Press Releases
- Marketing Plans
- Simple LLC Resolutions
- Business Planning
- Market Research
- Social Media Posts
- Translation
- Sales Scripting
- Brainstorming
- Project Management
- Customer Service Support
- Financial Projections (Basic)
- SME Identification
- Agents
- FINDING THE RIGHT WORDS





# Practical Framework for Prompt Refinement

- **Start simple** - Begin with a basic prompt
- **Add structure** - Apply the role-task-format-context framework
- **Test & iterate** - Review the output and refine your prompt
- **Add examples** - If needed, include sample outputs (few-shot learning)
- **Document successful prompts** - Create a library of effective prompts





# Additional Prompt Approaches

- **Interactive Agent** - Act as a business loan advisor chatbot. Ask me questions to gather the information needed to recommend financing options for my client's expansion. After each response, share your insights before asking the next question.
- **Multiple Perspectives** - Analyze my client's pricing strategy from three perspectives: 1. As a financial analyst focused on profitability 2. As a marketing strategist concerned with customer perception 3. As a competitive analyst examining market positioning. For each perspective, share concerns and recommendations
- **Nested Expert Collaboration** - You are a consulting team with three specialists: First, as the market researcher, identify key opportunities. Then, as the financial analyst, evaluate feasibility of these opportunities. Finally, as the implementation consultant, create an action plan based on both inputs.



# Additional Prompt Approaches

- **Reverse Planning** - My client wants to open a second location in 18 months. Working backward from this goal, create a quarterly timeline of actions and milestones they need to achieve, starting from the goal date and moving back to today.
- **Process Documentation** - Document your complete process for developing a breakeven analysis: 1. What information would you gather first? 2. What calculations would you perform? 3. How would you present the results? Explain your reasoning at each step as if teaching a client.
  - "Explain it to me like you were explaining it to a 5-year-old."
- **Deep Research** - Newer tools from Perplexity, ChatGPT, Claude, and others allow the user to conduct deep research of resources on the internet and prepare an in-depth report for the user.
  - Example use cases: market research, regulatory compliance research, industry trends and summary of niche industries



# Live Demo/Activity: Prompt Makeover Challenge

## "Help me price my client's handmade jewelry."

- Role/Task/Format/Context Improvement:
- Chain of Thought Improvement Idea:
- Few-Shot Improvement Idea:
- RAG Improvement Idea:





# Live Demo/Activity: Prompt Makeover Challenge

## "Analyze if my retail client should expand to a second location."

- Role/Task/Format/Context Improvement:
- Chain of Thought Improvement Idea:
- Few-Shot Improvement Idea:
- RAG Improvement Idea:



Break – 10 minutes





# Case Study Activity



<https://bit.ly/3GPstqs>

- **Step 1:** Review the Case Study in your group and brainstorm how to help
- **Step 2:** Draft a prompt and then try it in your AI tool of choice. Reflect on your work using the report-out questions
- **Step 3:** One person from your group will have 1 minute to report out
  - What task/way to help did your group select?
  - What prompt did you create?
  - What surprised you?
  - What's one lesson you want to share?



# Final Thoughts:

## Where Do You Stand?

Every consultant is at a different stage with AI. The key is to **keep moving forward, one step at a time.**

- ✓ **If you're just starting**, test a simple AI tool in your daily work.
- ✓ **If you're exploring**, commit to using AI in your workflow for a month.
- ✓ **If you're using AI**, make it a structured part of your process.
- ✓ **If you've fully integrated AI**, measure its impact and stay ahead of trends.

AI isn't a trend—it's a tool. The sooner you start **leveraging it strategically**, the more valuable your consulting will become.



# AI Resource Lab (for CLIENTS & Consultants New to AI)

*“Working Smarter, Not Harder”*

**\*AI Bootcamp:** 3 videos, ~30 minutes

1. “Demystifying AI”
2. “Getting Started with AI”
3. “Getting the Most of AI”



[westcentralmnsbdc.com/ai-resources-lab](https://westcentralmnsbdc.com/ai-resources-lab)

**\*Interactive AI Tools:** tailored solutions for business growth and innovation...

It all starts with experimentation, confidence building, and curiosity.

**\*Downloadable Toolkit:** tools designed to help you explore, experiment, and apply AI in ways that make sense for your business—at your pace, on your terms.





# Peer Resource Hub (for SBDC / CONSULTANTS)

*“Build by SBDCs, for SBDCs – Powered by Peer Sharing”*

- 1. Peer Exchange Recordings and Handouts**
- 2. Featured SBDC “Extras” Shared by Peers**
- 3. AI Archive**
  - Chatbots for SBDCs
  - Downloadable Content, Tools and Resources



[westcentralmnsbdc.com/mnsbdc-resource-hub](https://westcentralmnsbdc.com/mnsbdc-resource-hub)