



Welcome



Technology in 2024 is evolving faster than ever, bringing a world of exciting possibilities—and some real challenges, too. Businesses, like yours, are right in the thick of it, adapting to new advances in AI and digital tools that are transforming how we work, shop, and connect. This report dives into the latest thinking amongst business leaders, exploring how companies are embracing these changes.

Insights are drawn from the Business Tech State of Play research study with 192 owners and decision makers from businesses with 100-499 employees. The research also surveyed 1,000 Australian businesses with less than 99 employees and 1,000 Australians about how they use technology when shopping and at work.

In this fast-moving environment, we know it's not always easy to make the right choices with technology, especially when resources are tight. At Telstra, we're dedicated to helping businesses make the most of these opportunities. We provide the expertise and support needed to help you thrive in this digital age.

Steve Long

Mid Market Segment Executive,
Telstra Business

[Business Tech State of Play Research Study](#) →

What's inside

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Business insights for organisations with 100-499 employees taken from the [Tech State of Play research](#).

Overall, the businesses we spoke to in our research are not standing still, with 61% reporting some form of short-term growth aspiration. This growth intent sets the scene for strong technology adoption.

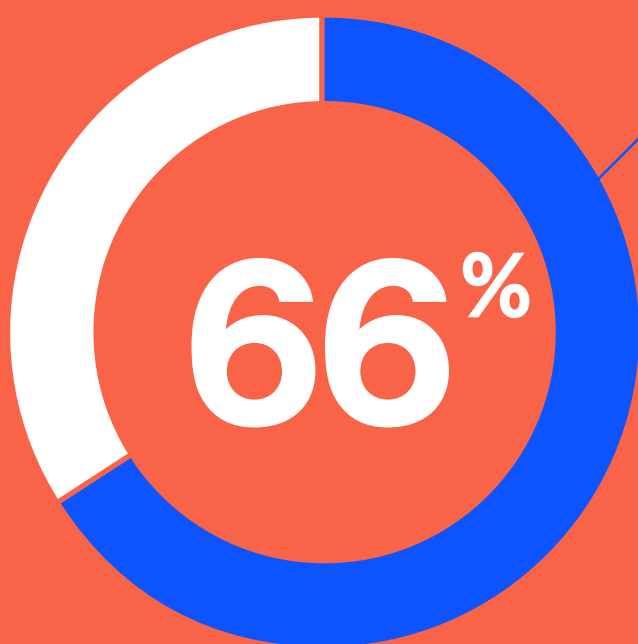
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There is a need to learn from the expertise of others in our industry worldwide and import or design technology which will give us an edge over our competitors.

Recycling industry leader, 170 employees

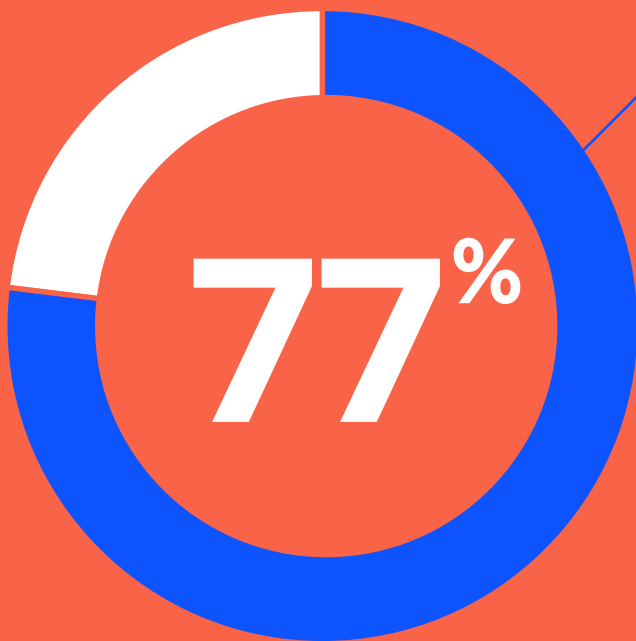
Question: Do you plan to do any of the following in your business over the next 1-2 years?

Net. Any growth mention (expand, launch products, increase capacity)	61%
Reduce costs / increase cost efficiency	48%
Increase operational capacity e.g., via hiring, extended hours, increased production	40%
Launch new products or services	34%
Expand into new markets e.g., new geographic areas or market segments	32%
None of these – our plan is largely ‘business as usual’	22%
Wind up, sell or transition the business to someone else	5%



66% of business leaders surveyed agreed that more than ever before, their business is willing to try new technology solutions to get ahead.

Technology is no longer just about working faster or smarter. It's become an essential part of how businesses compete. In fact, 77% of business leaders surveyed noted that they see technology as a fundamental part of how a business competes.



77% of business leaders surveyed agreed that Technology is now about much more than efficient working; it's become part of how a business competes.

“

We need to update and improve so we stay competitive.

Health and community services sector leader, 130 employees

“

Although we're a not for profit, we are still part of a competitive marketplace. We generate revenues so we do have to think about technology.

Recycling industry leader, 170 employees

AI and other advanced technologies will only become more important in the years ahead. Overall sentiment from the business leaders we spoke to recognise that without embracing these innovations, they risk falling behind and ultimately staying competitive.

While most organisations recognise the importance of staying competitive through technology, a majority also acknowledged challenges, particularly deciding which technology investments will yield the greatest returns.

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There's always a technology solution that can help, but it's about managing cost, integration with current systems, and upskilling staff so they can use the technology to its full advantage.

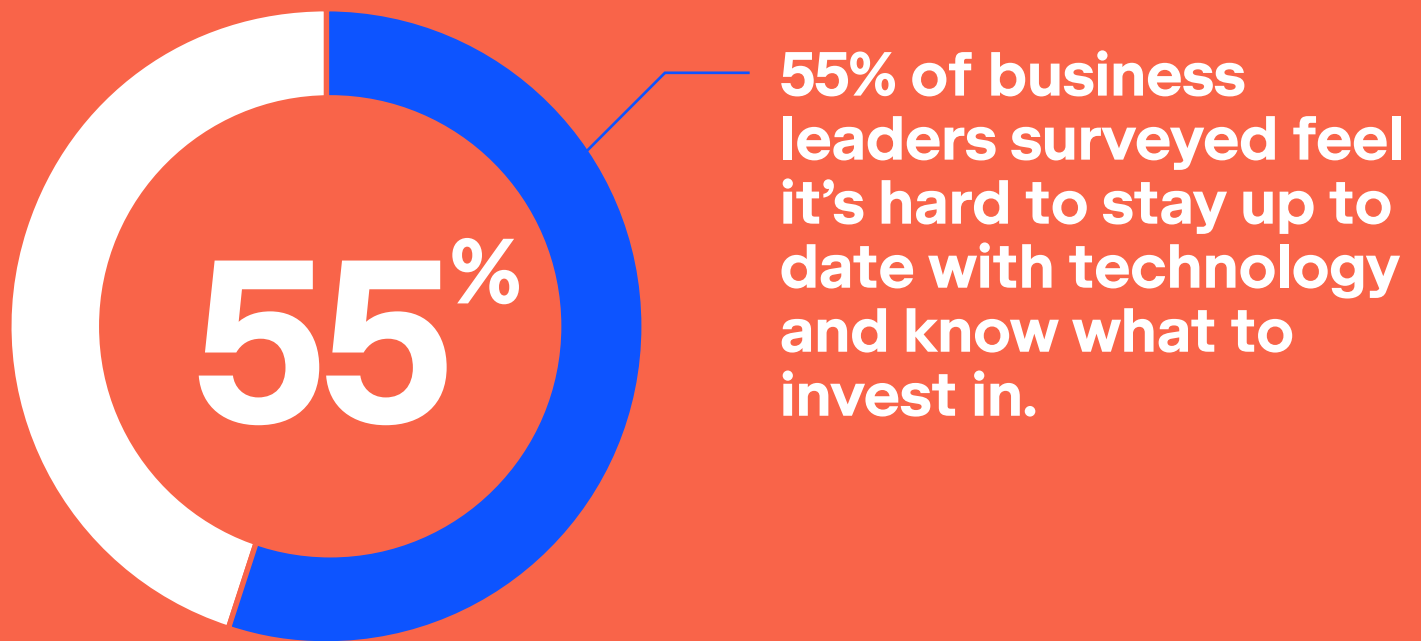
Government sector leader, 110 employees

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We're trying to move forward with technology plans, but so far we have implemented a lot of 'on-the-run' stuff.

Energy sector leader, 100-499 employees

The enthusiasm for technology however, is tempered by concerns about implementation, integration, and the ability of staff to keep up with these new tools.



AI – highly topical in today's business world with some companies jumping in with both feet and some holding back.

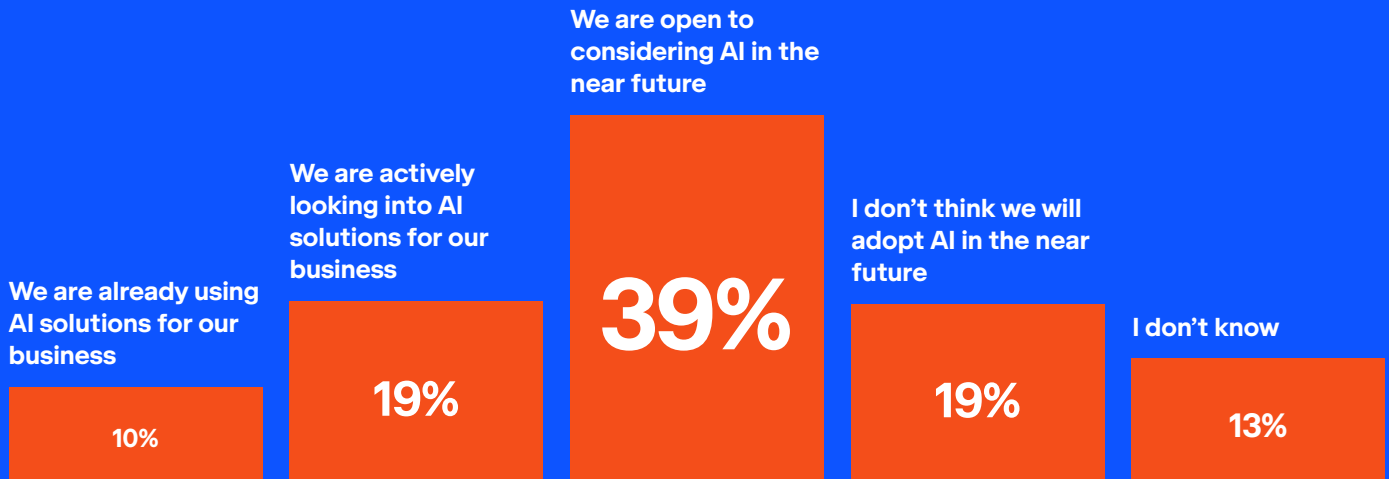
Of the business leaders surveyed, 29% reported having either already adopted AI or are actively looking into solutions. In contrast, 39% of business leaders surveyed noted they are not actively looking. Whilst they are open to AI when the right solution presents itself, they aren't ready yet.

Our research also found that 19% of business leaders surveyed are not convinced about AI as a near-term investment, while a further 13% haven't made up their minds about AI.

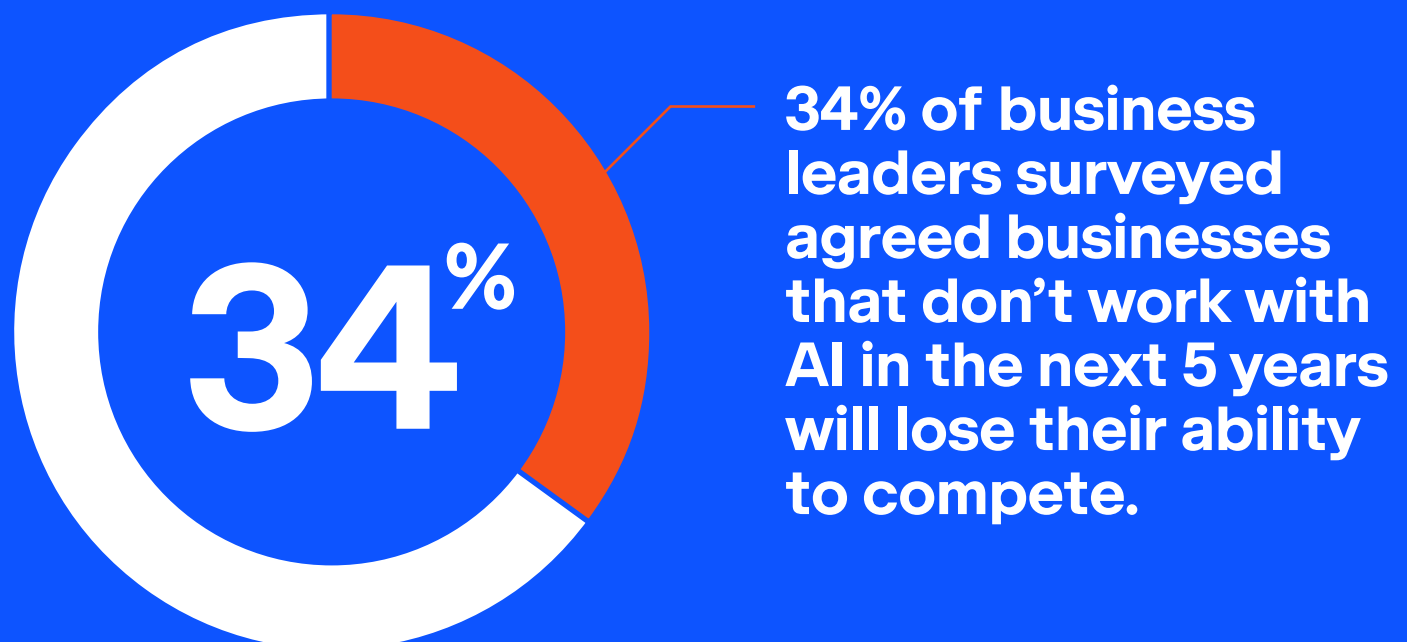
Overall, around half of the business leaders we surveyed (48%) expect AI to have a positive impact on their business. And for early adopters, it's seen as a way to revolutionise productivity and keep their companies competitive in an increasingly digital landscape.

Leaders in businesses with 100-499 employees.

Question: How would you describe your business' openness to using AI in the near future?

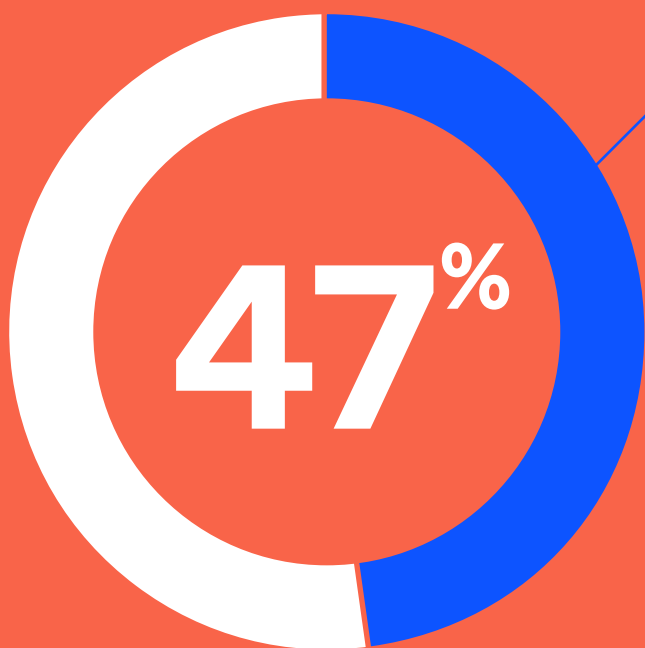


Those at the forefront of adoption go further than simply seeing a positive impact. Thirty-four per cent of business leaders surveyed believe businesses that do not adopt AI in the next five years will lose their ability to compete. For this group, AI is seen as a tool that will revolutionise productivity and be a defining aspect of competition.



Rolling out new technology is often easier said than done. While there's enthusiasm around the potential of these tools, many businesses find it challenging to develop and maintain a robust technology strategy.

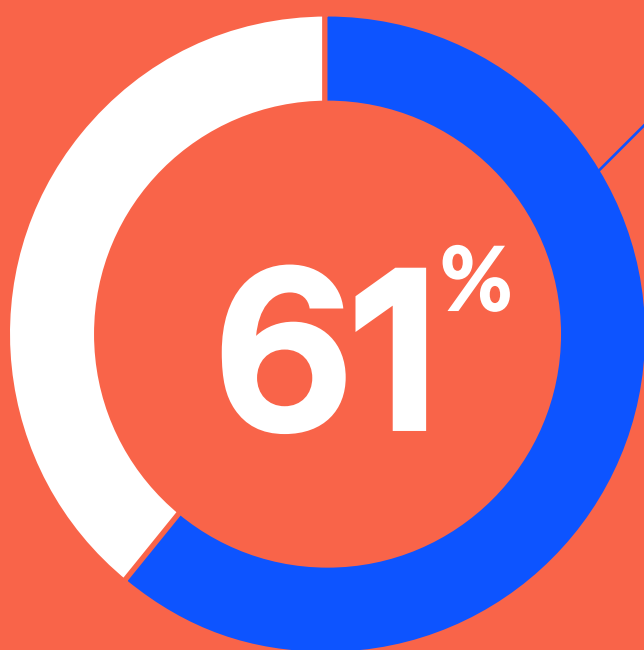
Almost half (47%) of business leaders surveyed stated that they need more help using digital technologies effectively.



47% of business leaders surveyed agreed they want more support to help use digital technologies more effectively.

There's another challenge too, 61% of business leaders surveyed expressed concern over data privacy risks as their businesses embrace greater digital connectivity.

This is a reminder that building a technology strategy isn't just about growth—it's also about balancing risk.



61% of business leaders surveyed are concerned about the risks to data and privacy that come with greater digital presence.

Based on the aforementioned insight, it means it's not only about investing in technology, but also in training and ongoing support from trusted partners. And it's just as important to find the right partners. These partners can facilitate the goals your business is seeking to achieve.

Our research suggests that under half (49%) of businesses surveyed manage IT 100% in-house. It's worth considering if the in-house support you have in place has the capacity to ensure your business can leverage the most from your technology investments and remain competitive.

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We previously worked with a managed service provider who was smaller than us and it always leads to the issue in terms of ‘how do you scale?’ [Partner] service needs to be that of a business that can and will facilitate growth.

Environmental sector leader, 300 employees

When considering your technology strategy, business leaders surveyed noted that they would consider more than just ‘traditional’ use cases for AI technology – identifying different areas that AI could positively contribute in the future. For instance, while AI is often associated with analytics and customer service, it can also be used creatively to automate tasks or improve decision-making processes.

Question: In what areas do you think AI could contribute positively to your business now or in the future?

Data analytics	49%
Customer service (e.g. chatbots to answer FAQs)	41%
Content creation (e.g. generating blog posts and website content)	36%
Marketing	31%
Cyber security	30%
Social media management	28%
Financial management	28%
Customer experience (e.g. virtual shopping assistants, augmented reality)	27%
HR, hiring and recruitment	22%
eCommerce	10%

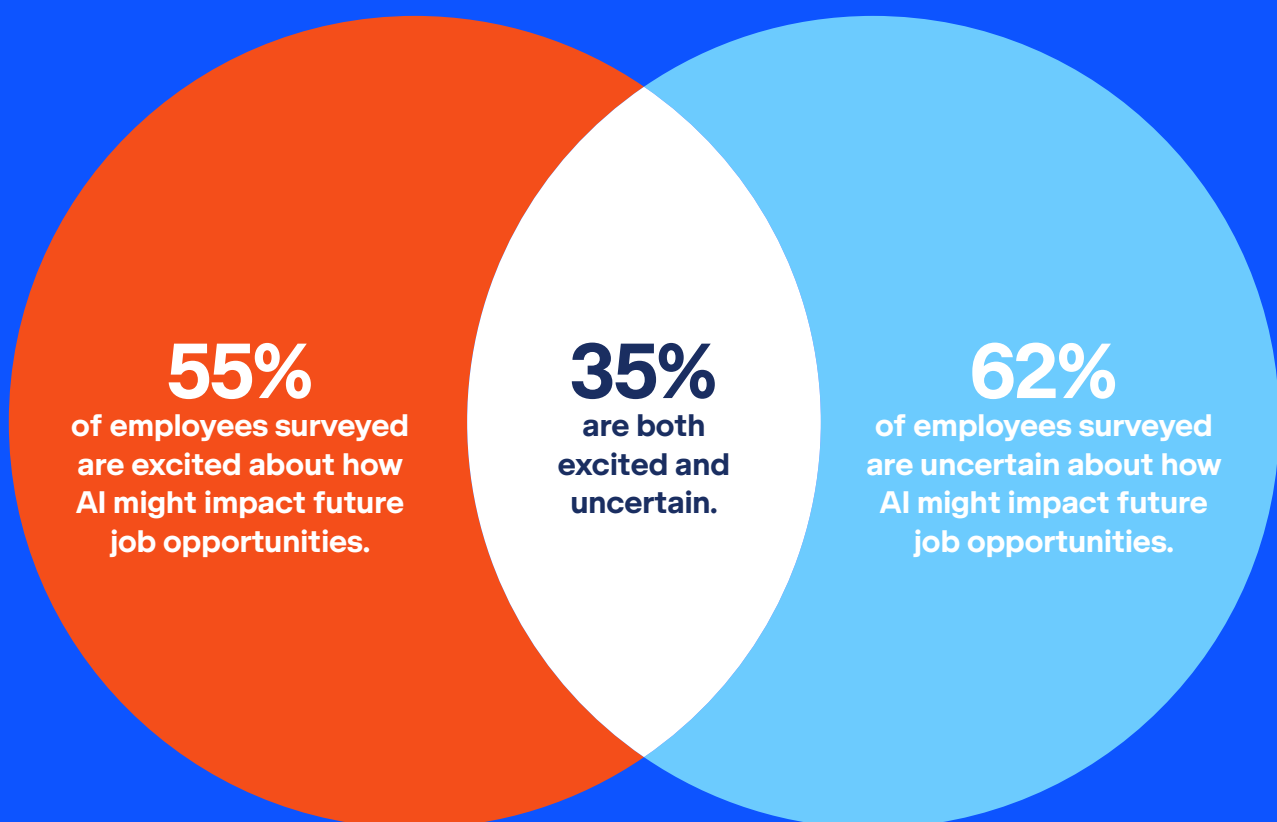
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Maybe we'll get to a point in time where AI can be pre-emptively solving for cyber security vulnerabilities.

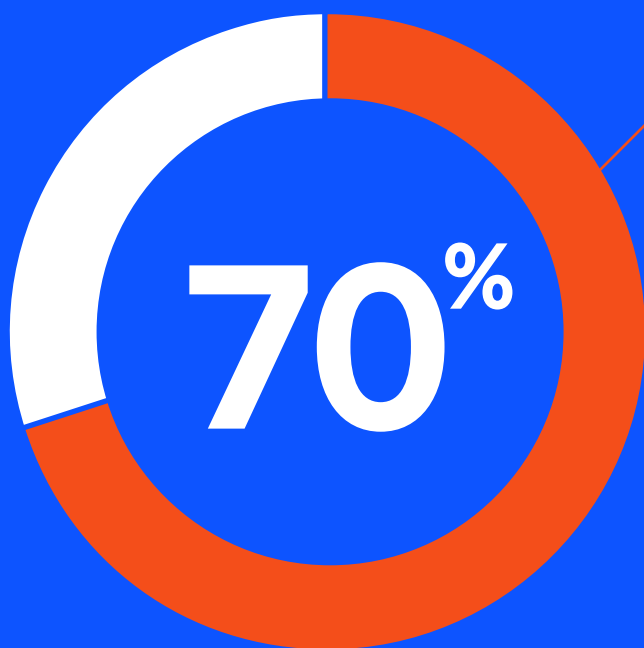
Energy sector leader, 100-499 employees

Getting your workforce on board can be challenging when adopting new technology.

Many employees are excited about AI's potential but uncertain how it will affect their roles and career paths, while others are uncertain. Some employees (35%) feel a mix of excitement and uncertainty.



To ensure the successful adoption of AI, business leaders need to invest in training programs that show employees how to use new tools and how these technologies can empower them to do their jobs more effectively. Our research shows that 70% of employees surveyed want more support in understanding how AI can help them perform better.



70% of employees surveyed agreed they want more support to understand how AI can help them do their job better.

A technology strategy isn't just about planning to and then acquiring the technology—it's about preparing your workforce to work alongside it and enabling them to get the most out of it.

This requires a strategic approach to training and employee engagement, ensuring that staff feel supported and excited about the new opportunities it can create and know how to embrace it.

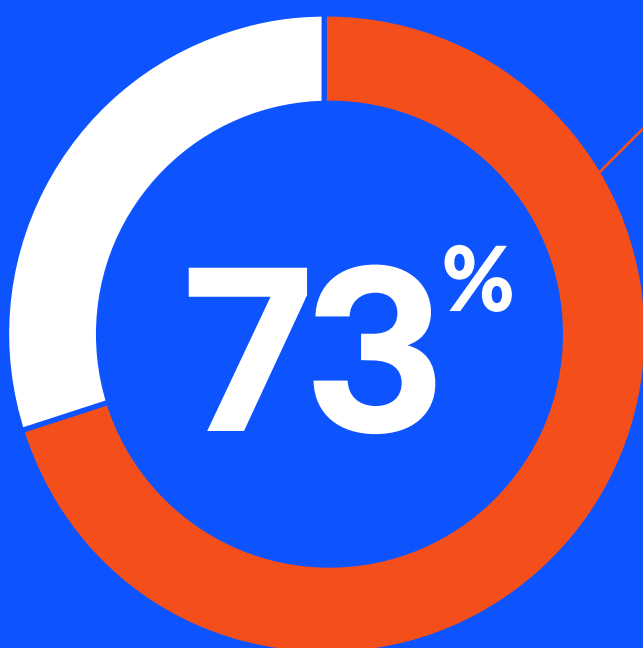
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Technology can be useful only if we have the right staff trained to utilise it.

Manufacturing sector leader, 140 employees

Understandably, ethics are also a key consideration amongst business leaders with 81% of business leaders surveyed acknowledging that it's important that any use of AI is done in an ethical way with attention to fairness, security and privacy to avoid unintended consequences.

The Australian Government's ethics principles for AI, developed with input from Telstra, provide valuable guidelines for businesses looking to adopt AI ethically and responsibly.



73% of employees surveyed agreed it is important businesses use AI in a considered and ethical way to avoid unintended consequences.

Key takeaways

1 Harness technology to stay ahead in the market

We heard that most business leaders will try new technology solutions to get ahead, and a majority see technology as part of a business's competitive advantage.

When it comes to using AI, the stance of business leaders varies considerably, from early adopters to rejecters. And whilst business leaders see a range of AI areas where it could be applied, most have yet to adopt it.

We may see a scenario in Australia where large differences exist between companies that adopt AI and those that do not. This could create opportunities for business leaders who opt to stay informed and ahead, and who understand how to make the most out of emerging technologies.

3 Work with experts for smarter tech decisions

Navigating today's technology landscape is no easy task. Most of the business leaders we surveyed feel it's difficult to stay current with new technology or know what to invest in. We also heard how businesses commonly rely on external partners for IT needs.

Partnering with external experts can fast-track your technology adoption, helping you cut through the noise and make smarter and faster decisions.

2 Consider the AI advantage: Look for AI use cases to drive results

AI use cases such as improving customer service, enhancing data analytics, or streamlining internal processes are continually growing. To make the most of AI it's worth considering more than just the obvious applications—AI has the potential to revolutionise many aspects of your business and it's worth considering strategic applications.

4 Leverage employee excitement and appetite for support

Staff engagement and optimism can be leveraged for better implementation of technologies.

Our research showed that employees are often excited and worried about AI's impact at the same time. As AI tools proliferate, there is a need to guide employees while being thoughtful about ethical considerations and any mixed feelings they may have.

At Telstra Business, we help protect, grow and empower businesses through our people, partners and solutions, all underpinned by our secure and resilient network.

Helping businesses grow confidently

We offer tailored solutions and exceptional support, helping businesses use technology to their advantage to grow with confidence.

Talk to your Territory Manager today about how technology can help your business stay ahead of the competition.

Our network of leading technology partners

Through best-in-class partnerships with global leaders in technology and an extensive network of local partners, we're able to provide tailored support Australia-wide.

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