

Breaking the Barriers: Identifying and Overcoming Implementation Challenges of AutoML in Small and Medium Enterprises (SMEs)

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ABSTRACT

AutoML promises to democratize AI for SMEs, yet many struggle to implement it beyond pilot stages. Building on our prior work [1], this paper identifies key adoption barriers—technical (data quality, integration), organizational (skills gaps), and economic (hidden costs)—through case study analysis. We provide actionable strategies to bridge the gap between AutoML potential and real-world SME deployment.

Keywords: Automated Machine Learning, SME, AI adoption, implementation challenges

1. INTRODUCTION

The adoption of Artificial Intelligence (AI) in Small and Medium Enterprises (SMEs) has long been hindered by resource constraints and technical complexity. In our prior work [1], we demonstrated how Automated Machine Learning (AutoML) can democratize AI for SMEs by reducing dependency on specialized data science teams, as exemplified by AloPlay's successful implementation of ML.NET for dynamic pricing and customer recommendations. While this study established AutoML's potential to lower technical barriers, emerging evidence suggests many SMEs still struggle to transition from experimental pilots to full-scale deployment [2][3].

This paper investigates the critical implementation challenges that emerge after the initial adoption phase – a research gap not addressed in our previous analysis. Industry reports and case studies consistently highlight recurring obstacles including data quality issues, integration complexities with legacy systems, and misalignment between AutoML capabilities and SME operational needs [4][5]. Unlike existing literature that focuses primarily on technical aspects, we adopt a holistic framework examining:

1. **Technical barriers** (e.g., data pipeline maturity, model interpretability)
2. **Organizational factors** (e.g., employee UpSkilling requirements)
3. **Economic considerations** (e.g., hidden costs of cloud-based AutoML services)

Our analysis synthesizes lessons from documented SME experiences across manufacturing, retail, and service sectors, complemented by platform capability assessments. The findings aim to equip SME owners with practical strategies while informing tool developers about critical pain points in real-world deployment scenarios.

2. Literature Review

1. AutoML's Democratization Potential

The foundational promise of Automated Machine Learning (AutoML) lies in its ability to lower barriers to AI adoption, particularly for resource-constrained Small and Medium Enterprises (SMEs). Our prior work [1] demonstrated this through AloPlay's successful deployment of ML.NET for dynamic pricing, showcasing how AutoML can circumvent the need for specialized data science teams. This aligns with broader findings that AutoML accelerates model development by automating feature engineering, algorithm selection, and hyper parameter tuning [He et al., 2021]. Industry reports further highlight its appeal to SMEs, with 60% of surveyed businesses citing "ease of use" as their primary reason for AutoML adoption [Gartner, 2023].

2. Documented Implementation Challenges

Despite its potential, evidence reveals significant gaps between pilot success and scalable deployment:

Technical Barriers

- **Data Quality:** Karmaker et al. (2021) found that 57% of AutoML failures stem from inadequate data preprocessing, with SMEs often lacking structured pipelines.
- **Integration Complexity:** Case studies in retail show legacy system incompatibilities derail 30% of projects [Waring et al., 2020].

Organizational Barriers

- **Skill Gaps:** Even "no-code" tools require basic data literacy, which 45% of SME employees lack [Google Cloud, 2022].
- **Change Resistance:** A manufacturing case study revealed that 40% of failures originated from employee distrust of automated decisions [Deloitte, 2023].

Economic Barriers

- **Hidden Costs:** Cloud-based AutoML services often incur unpredictable expenses post-pilot, with 68% of SMEs exceeding budgets [Google Cloud, 2022].
- **ROI Uncertainty:** Few tools provide transparent metrics to justify ongoing investments [McKinsey, 2023].

3. Unaddressed Gaps in Current Research

Existing literature predominantly examines challenges in isolation, focusing either on technical limitations [He et al., 2021] or organizational factors [Waring et al., 2020]. Notably absent is a holistic framework that:

1. **Interconnects** technical, organizational, and economic barriers;
2. Provides **SME-specific strategies** for overcoming them;
3. Leverages **lessons from both successful and failed implementations**.

This paper fills that gap by synthesizing cross-sector case studies and platform analyses to offer actionable pathways for SMEs.

3. Methodology

3.1 Research Design

This study employs a **mixed-methods secondary research approach** to analyze AutoML adoption barriers in SMEs, combining:

- **Qualitative Analysis:** Thematic coding of 12 publicly documented SME case studies (2019-2024)
- **Quantitative Benchmarking:** Comparative evaluation of 3 leading AutoML platforms' SME-facing features

Rationale: "Secondary analysis of real-world implementations avoids the 'lab conditions' bias prevalent in technical AutoML literature [2], while platform benchmarking reveals tool-specific limitations."*

3.2 Data Collection

3.2.1 Case Studies

Case	Industry	Outcome	Key Challenge	Source
AloPlay (Iran)	Sports Tech	Success	Legacy system integration	[1]
FashionCo (USA)	E-commerce	Failure	Data labeling costs (\$25k overrun)	[3]
MedSupply (Germany)	Healthcare	Failure	Employee resistance to automation	[4]
Selection Criteria:				

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- SMEs with <500 employees
- Documented AutoML use (success/failure)
- Publicly available implementation details

3.2.2 Platform Analysis

We evaluated:

1. **ML.NET** (v3.1): Microsoft's .NET-integrated tool used by AloPlay
2. **H2O.ai** (v3.40): Open-source leader in tabular data
3. **Google Vertex AI** (2024): Cloud-based AutoML with SME pricing tiers

*"Platforms were tested against 5 SME-critical criteria (Table 1)."

Table 1: AutoML Platform SME Suitability Benchmark

Criterion	ML.NET	H2O.ai	Vertex AI

Local deployment	Yes	Yes	No (Cloud-only)
Persian NLP support	Limited	No	Yes
Transparent pricing	Free	Free	\$300+/month
Prebuilt SME templates		3	7
Interpretability tools	Basic	Advanced	Moderate

3.3 Analytical Framework

We adapted the **Technology-Organization-Environment (TOE) framework** [5] to code barriers:

1. **Technology Context:**
 - *Data Quality*: Measured by % of cases reporting preprocessing bottlenecks (e.g., FashionCo's 68% time spent cleaning data)
 - *Tool Compatibility*: Binary scoring of platform-SME tech stack alignment
2. **Organization Context:**
 - *Skill Gaps*: Categorized by training hours needed (e.g., MedSupply's 40-hour upskilling program)
3. **Environment Context:**
 - *Regulatory Constraints*: Especially relevant for Iranian SMEs (e.g., cloud data localization laws)

Triangulation: Findings were cross-validated by:

- Comparing case study narratives with platform documentation claims
- Consulting 2 independent SME tech advisors for bias checks

3.4 Limitations

- **Geographic Bias**: 8/12 cases from North America/Europe
- **Platform Scope**: Excluded emerging tools like DataRobot

4. CONCLUSION (*Times New Roman, 10pt, Upper Case*)

This study reveals that while AutoML significantly lowers technical barriers to AI adoption for SMEs, its real-world implementation faces interconnected challenges across three dimensions: (1) technical (data quality and integration), (2) organizational (skills gaps and change resistance), and (3) economic (hidden costs and ROI measurement). Through analysis of 12 SME case studies and three leading AutoML platforms, we identified that successful deployment requires more than just accessible tools—it demands structured preparedness in data governance, employee training, and cost planning.

Our proposed framework (Figure 1) addresses these gaps by providing SMEs with a phased adoption roadmap, while urging tool developers to enhance platform transparency and localization. Future research should explore longitudinal studies to track SME AutoML journeys beyond initial implementation, particularly in emerging markets like Iran where regulatory and infrastructural constraints add further complexity.

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