
State of AI

*Canadian startups, growth companies
and mid-market businesses*

2026

FULL REPORT

Introduction

What are businesses actually getting from AI, and how does their experience compare with yours? We undertook Prelia's State of AI survey to explore that question with Canadian startups, growth companies and mid-market businesses in our network. We wanted to understand what businesses could learn from one another's experience and apply to their own use of AI.

We asked how AI fits into everyday work and the products and services businesses offer. Alongside those uses, we examined what organizations spend and whether they are sticking with the tools they have chosen. We also explored the concerns that accompany adoption, including how businesses handle information shared with AI and review the work it produces. With most respondents expecting their organization's use to grow over the next year, we looked at where they plan to focus next.

Respondents describe better output and less repetitive work, with benefits already appearing among recent adopters. Looking more closely at how AI is used reveals further connections. Wider weekly employee use is associated with more reported productivity gains, while respondents estimating larger time savings are more likely to report cost savings or new commercial opportunities. Broader use, however, does not consistently come with stronger policies and oversight.

As you read, we hope the experiences shared here give you ideas about how you might get more out of AI in your own business.

The findings at a glance

76%	report approved AI use or pilots in their organization From small experiments to embedded workflows.	P. 04
30%	estimate four or more hours saved per week, on average, for each employee who uses AI in their organization Overall, 68% estimate at least one hour saved per week, including the 30% estimating four hours or more.	P. 08
73%	of those whose organizations first used or evaluated AI within the past year report increased individual productivity 70% of that group report faster drafting or turnaround.	P. 09
33%	report a written AI policy in place at their organization This figure is 9% among those at organizations with fewer than 50 employees (p. 16).	P. 15
89%	expect their organization's AI use to increase moderately or significantly over the next 12 months	P. 27

In this report

See [page 30](#) for methodology.

AI use

Page 04

Benefits and concerns

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Tools and spending

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Managing AI use

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Plans and priorities

Page 25

The businesses behind the findings

Respondents represent businesses of different sizes, stages and industries. Most of these organizations are based in Eastern or Western Canada.

77%

are founders, owners, CEOs, general counsel, or leaders in finance, operations, legal or compliance

EMPLOYEE SIZE

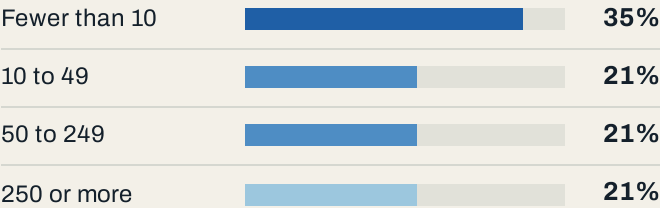


Exhibit 01

LEADING ORGANIZATION STAGES

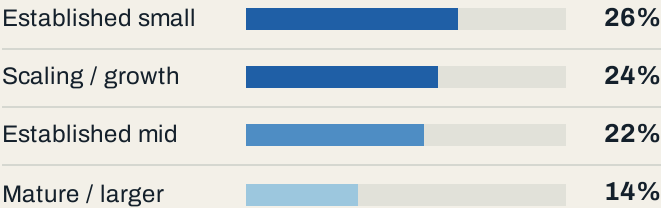
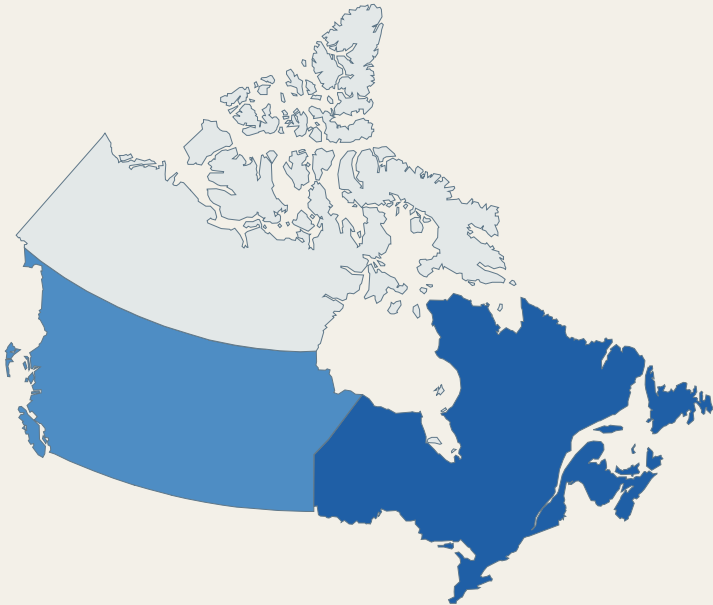


Exhibit 02

WHERE ORGANIZATIONS ARE BASED



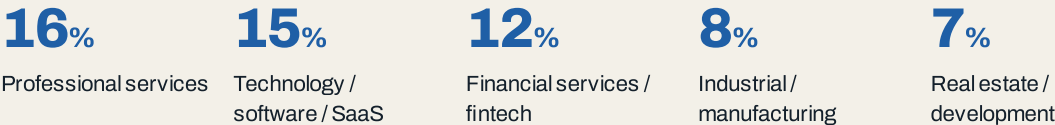
RESPONDENTS BY ORGANIZATION'S REGION



PRIMARY BASE OR HEADQUARTERS

Exhibit 03

SELECTED INDUSTRIES



121

Survey responses

01 How far has AI reached?

Approved AI use ranges from small pilots to tools embedded in everyday workflows.

76%

of respondents report approved AI use or pilots in their organization

The five highlighted stages below make up this total.

12%

of respondents report possible informal employee use, with no approved AI use in their organization

Furthest stage of AI use in the organization

One answer per respondent

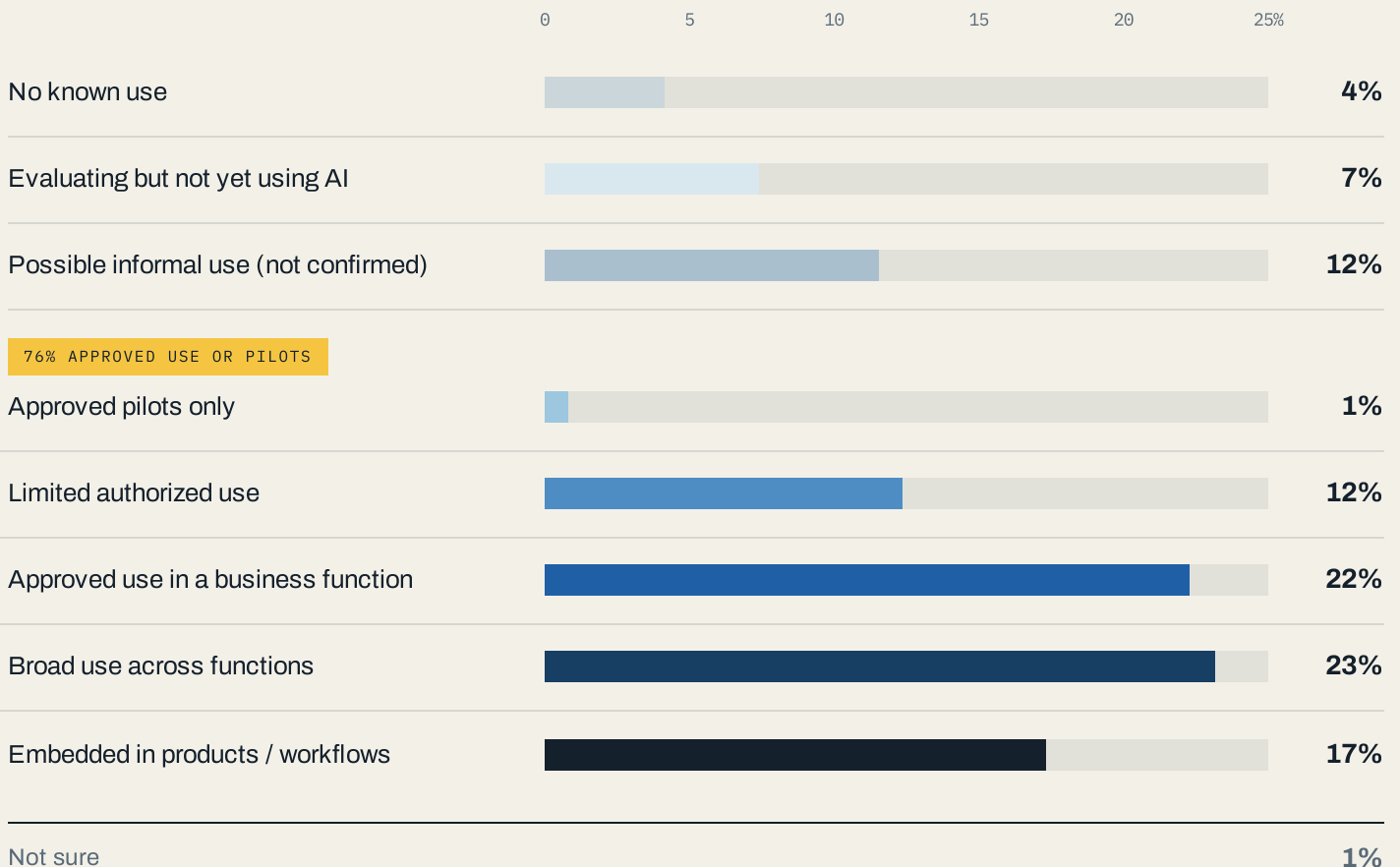


Exhibit 04

HOW THE FIVE APPROVED-USE STAGES ARE GROUPED IN LATER CHARTS

Pilots, limited or functional use

Combines approved pilots, limited authorized use and approved use in a business function.

Broad or embedded use

Combines broad use across functions and AI embedded in products or workflows.

How widely is AI used, and when did it begin?

Nearly half of respondents say most employees at their organization use AI at least weekly.

Weekly employee use

Share of respondents selecting each answer

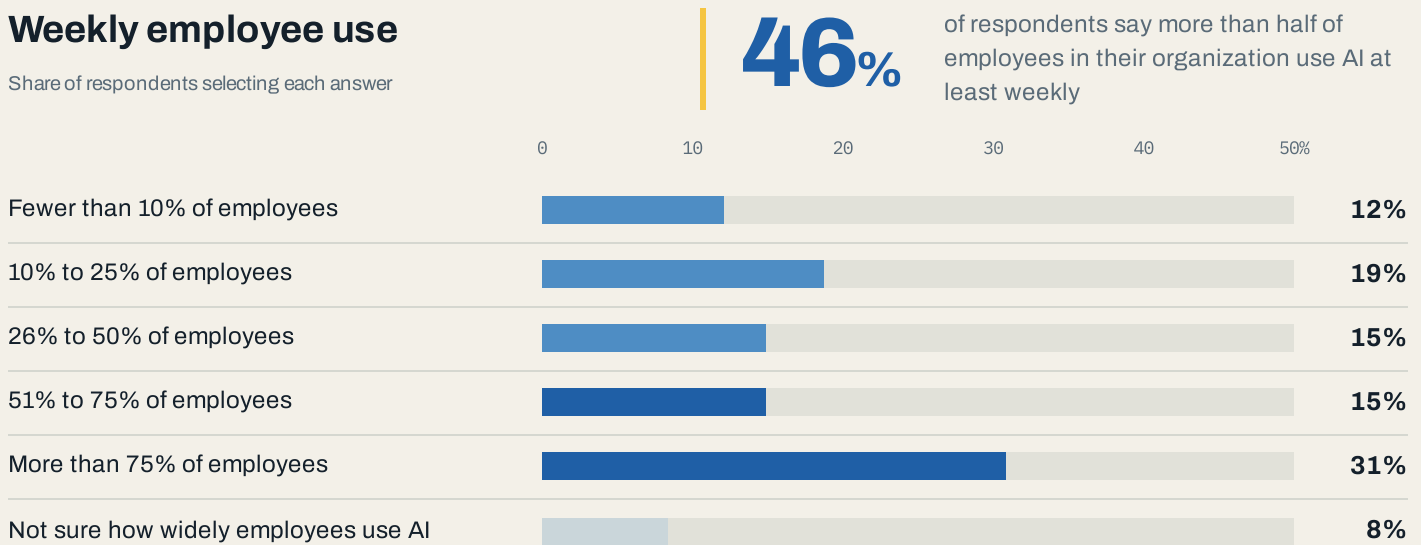


Exhibit 05

These figures cover approved AI use and possible informal employee use. They also include responses from people unsure about their organization's AI use.

When use or evaluation began

Share of respondents selecting each answer

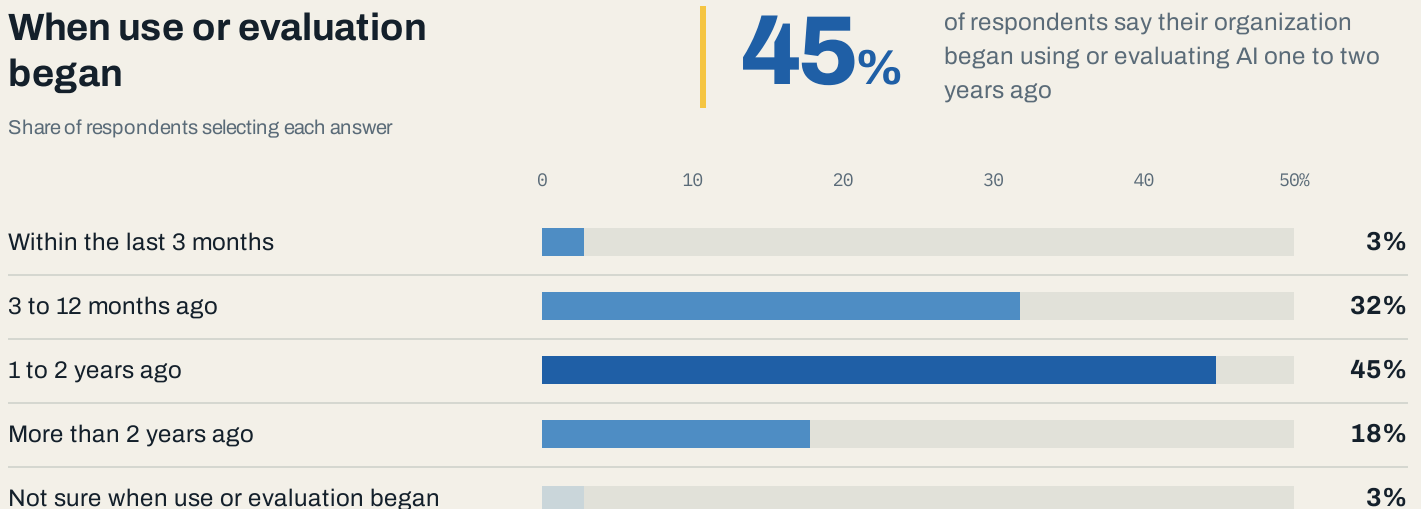


Exhibit 06

Timing includes evaluation before formal use.

Where AI gets to work

AI reaches across the business, with writing and research leading the everyday tasks.

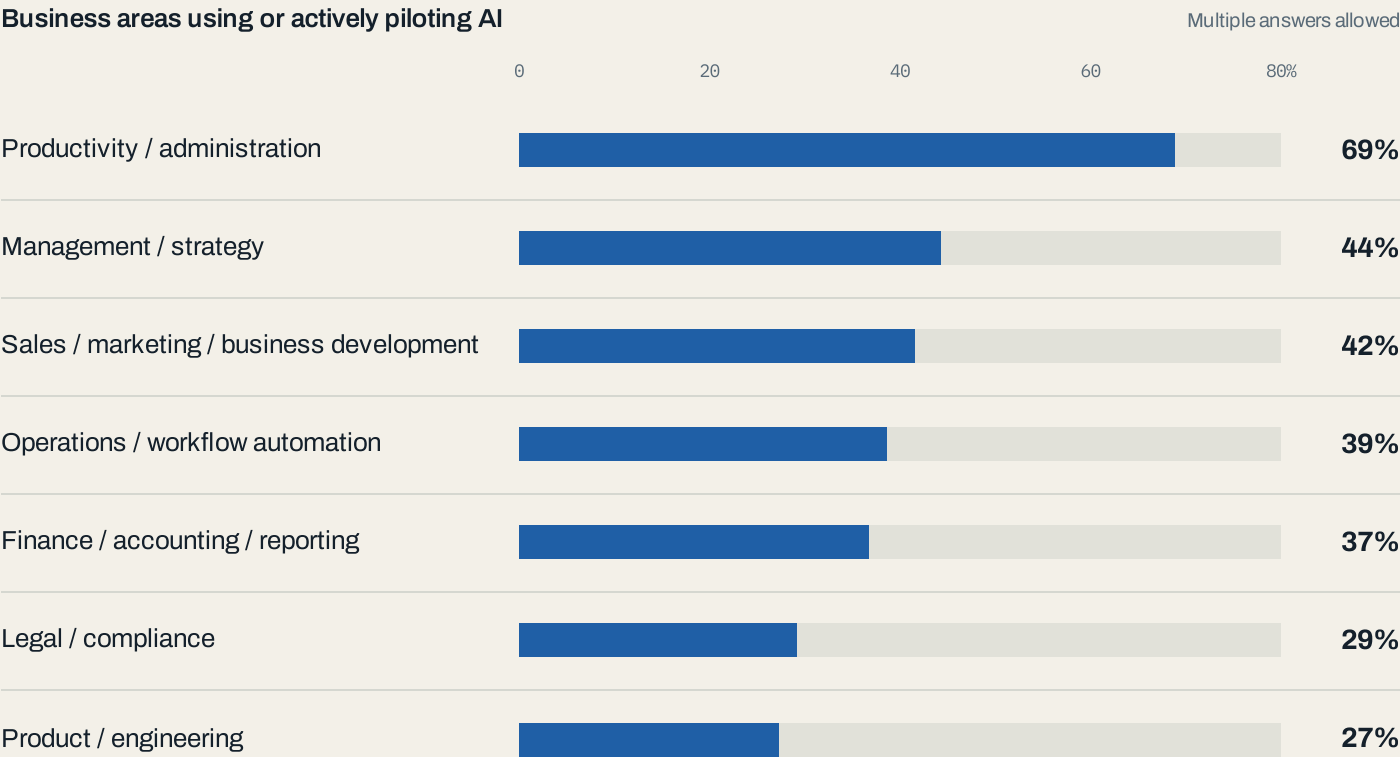
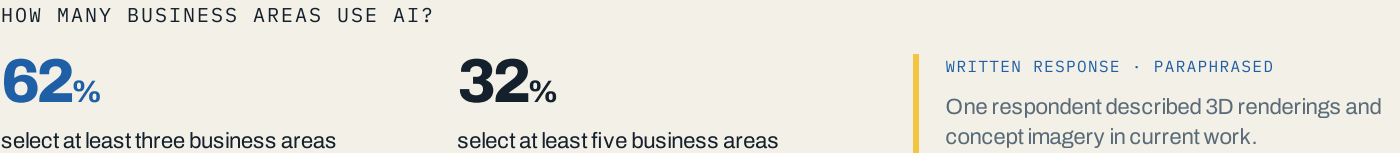
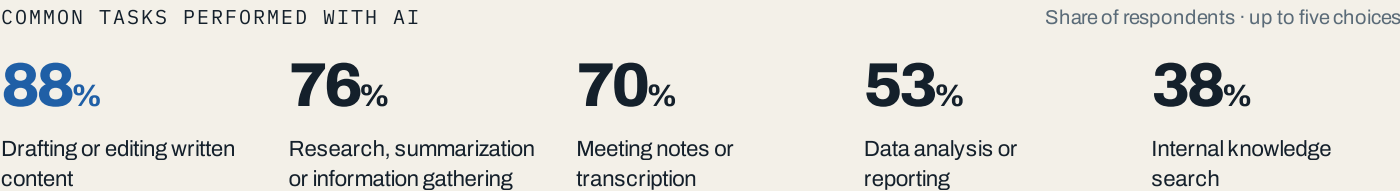


Exhibit 07

The results above and below exclude respondents reporting no known AI use or evaluation without use.



02 Value starts with everyday work

The most commonly reported benefits are higher productivity, less repetitive work and faster access to information. Improvements in quality are also common, while cost savings and new commercial opportunities are less widely reported.

90%

of respondents report at least one speed or productivity benefit in their organization

Faster drafting, less repetitive-task time, greater individual productivity or faster information and research.

Benefits organizations have experienced from AI

Share of respondents reporting each benefit · multiple answers allowed

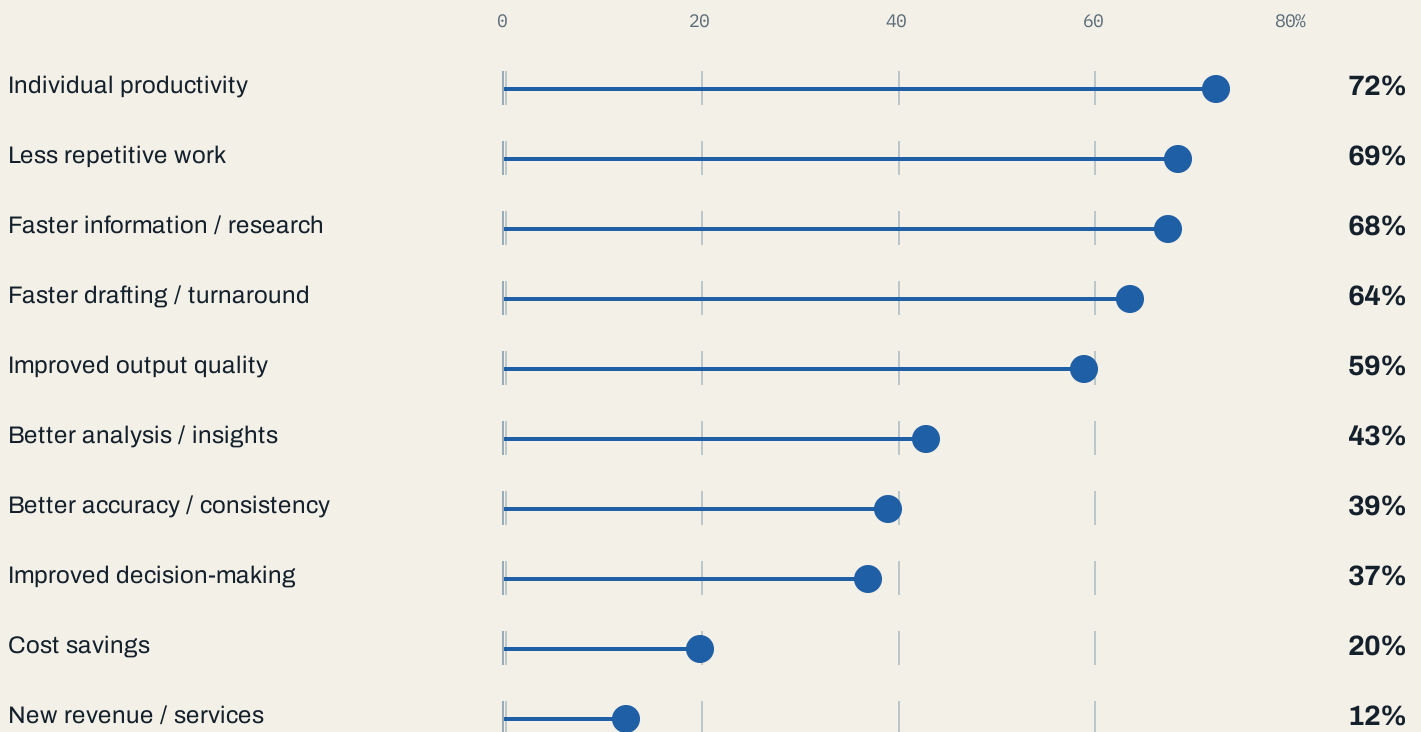


Exhibit 08

PRODUCTIVITY, QUALITY AND COMMERCIAL BENEFITS

55%

of respondents report both increased productivity and improved output quality in their organization

23%

of respondents report cost savings, new revenue or service opportunities, or both, in their organization

How much time does AI save?

Reported time savings vary widely. Those estimating larger savings are also more likely to report commercial benefits.

30%

of respondents estimate four or more hours saved per week, on average, for each employee who uses AI in their organization

Overall, 68% estimate at least one hour saved per week, including the 30% estimating four hours or more.

Estimated average hours saved per AI-using employee each week

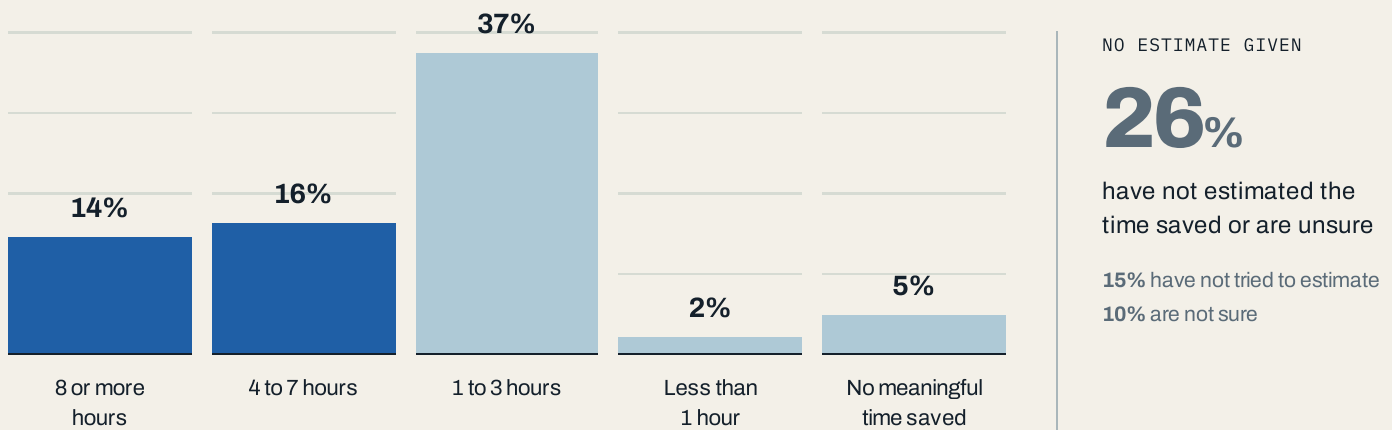


Exhibit 09

Larger time savings, more commercial benefits

Among respondents estimating four or more hours saved, 56% also report cost savings, new revenue opportunities or service offerings. For those estimating less time saved, that figure is 9%.

Share reporting commercial benefits

At least four hours saved

per AI-using employee weekly · n=32



Less than four hours saved

including those reporting no meaningful time saved · n=46



Exhibit 10

Recent adopters are already seeing benefits

Respondents at organizations that first used or evaluated AI **within the past year** already report a range of benefits.

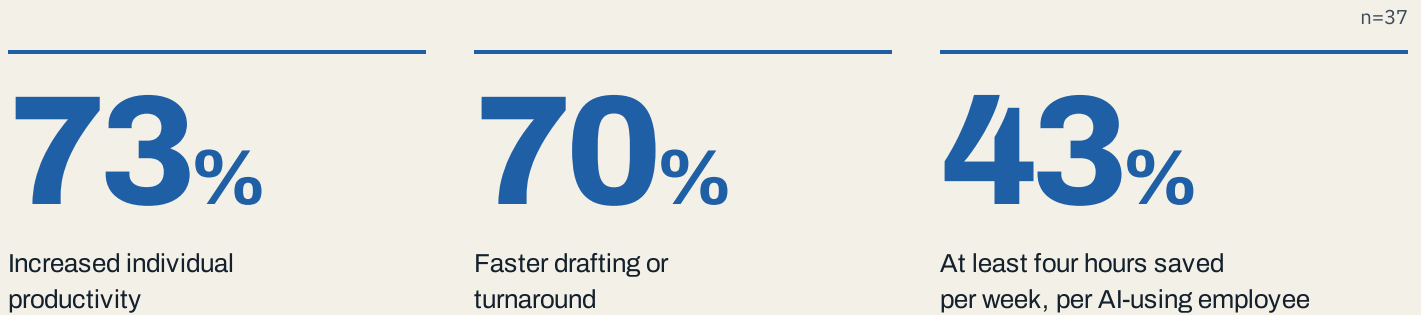


Exhibit 11

Wider weekly use, benefits beyond productivity

Percentage reporting each benefit within each group, regardless of when AI use began.

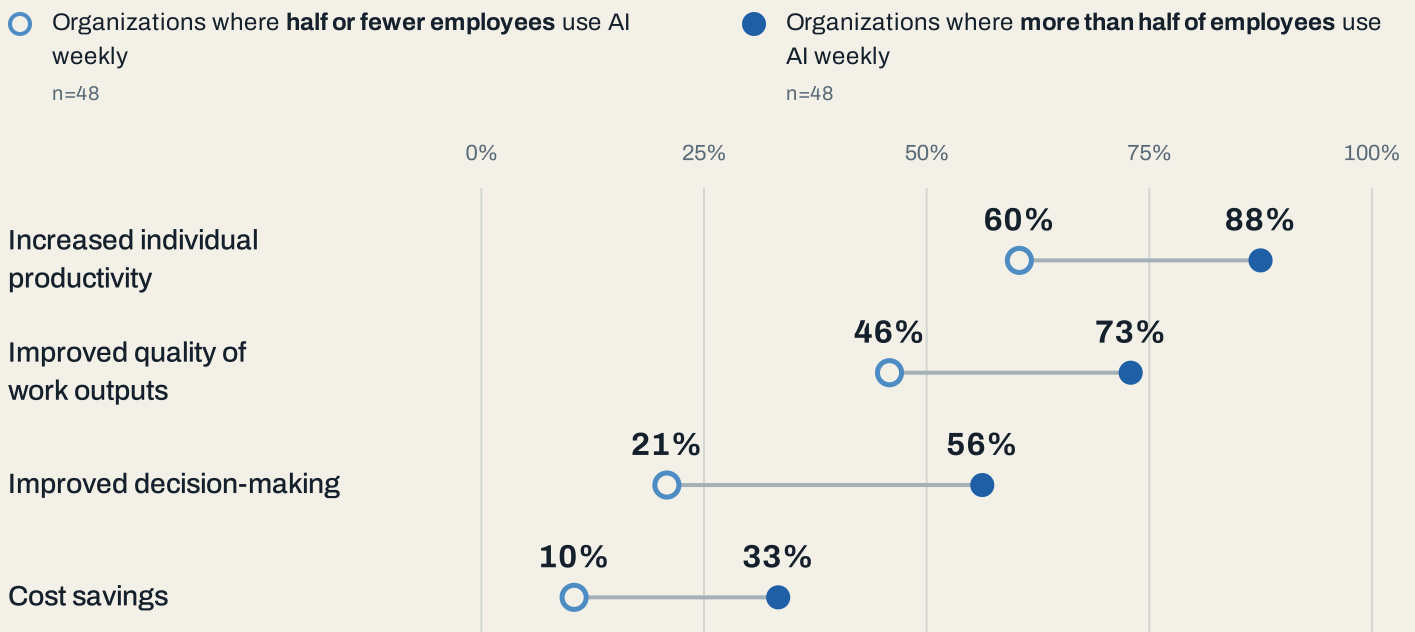


Exhibit 12

For businesses still getting started with AI, the findings are encouraging. Recent entrants already report benefits, while wider weekly use is associated with gains beyond productivity.

What concerns businesses about AI?

We asked about barriers or concerns affecting AI use in respondents’ organizations. The chart compares all respondents with two groups based on how extensively their organizations use AI.

Selected concerns about AI use

Up to three answers allowed

Each percentage is the share **within that column** who selected the concern. Read across a row to compare the groups.

Concern	All respondents Including organizations not yet using AI · n=119	Pilots, limited or functional use Approved-use group · n=42	Broad or embedded use Approved-use group · n=48
Confidentiality / data leakage	49%	64%	44%
Accuracy / reliability	34%	36%	35%
Privacy / personal information	31%	38%	25%
Cybersecurity	24%	36%	21%
Lack of employee training	18%	21%	19%
Integration with existing systems	13%	12%	17%

 Darker cells indicate a higher share of respondents.

For example

Confidentiality concerns are selected by **49%** overall, **64%** in the Pilots, limited or functional use group and **44%** in the Broad or embedded use group.

The overall column also includes respondents outside the two approved-use groups.

Exhibit 13

RESPONDENTS REPORTING NO KNOWN AI USE, INCLUDING THOSE STILL EVALUATING TOOLS · N=14

71%

say their organization has no clear rules or guidance on public AI use

71%

say their organization has given no employee directions on sharing confidential, personal, client or proprietary information with public AI tools

03 Businesses use more than one AI tool

The bars show reported use of each AI product family, whether approved or informal. Percentages in the three right-hand columns are based on respondents reporting use of that family. Other task-specific or embedded AI tools may also be used.

Which AI product families are being used? Multiple answers allowed

AI PRODUCT FAMILY	Share reporting family use REPORTED USE	Uses reported within each family		
		Everyday tasks	Software coding	Work execution
ChatGPT / OpenAI n=74	69%	89%	23%	20%
Claude / Anthropic n=62	58%	85%	47%	52%
Copilot / Microsoft / GitHub n=59	55%	86%	15%	14%
Gemini / Google n=36	34%	94%	8%	11%
Grok n=11	10%	100%	0%	-
Perplexity n=8	7%	100%	0%	-
Meta AI n=3	3%	100%	-	-

FOR EXAMPLE

69% of respondents report use of the ChatGPT / OpenAI product family in their organization. **Among these respondents, 89%** report use for everyday tasks such as general assistance or productivity.

Work execution covers dedicated AI agents or task-execution features. It does not necessarily mean acting without human approval.

Exhibit 14

USING SEVERAL AI PRODUCT FAMILIES IS COMMON

68%

of respondents report use of at least two listed product families in their organization

46%

of respondents report use of at least three listed product families in their organization

21%

of respondents report another AI product in their organization, beyond the seven listed families

The figure for additional products combines the product-family question and its follow-up. Each respondent is counted once.

Specialized AI tools and employee access

Some businesses use AI tools designed for particular tasks. Employees access AI through company subscriptions, individual accounts and features in software they already use.

AI tools designed for a particular task

Selected tool categories · share reporting use at their organization · multiple answers allowed

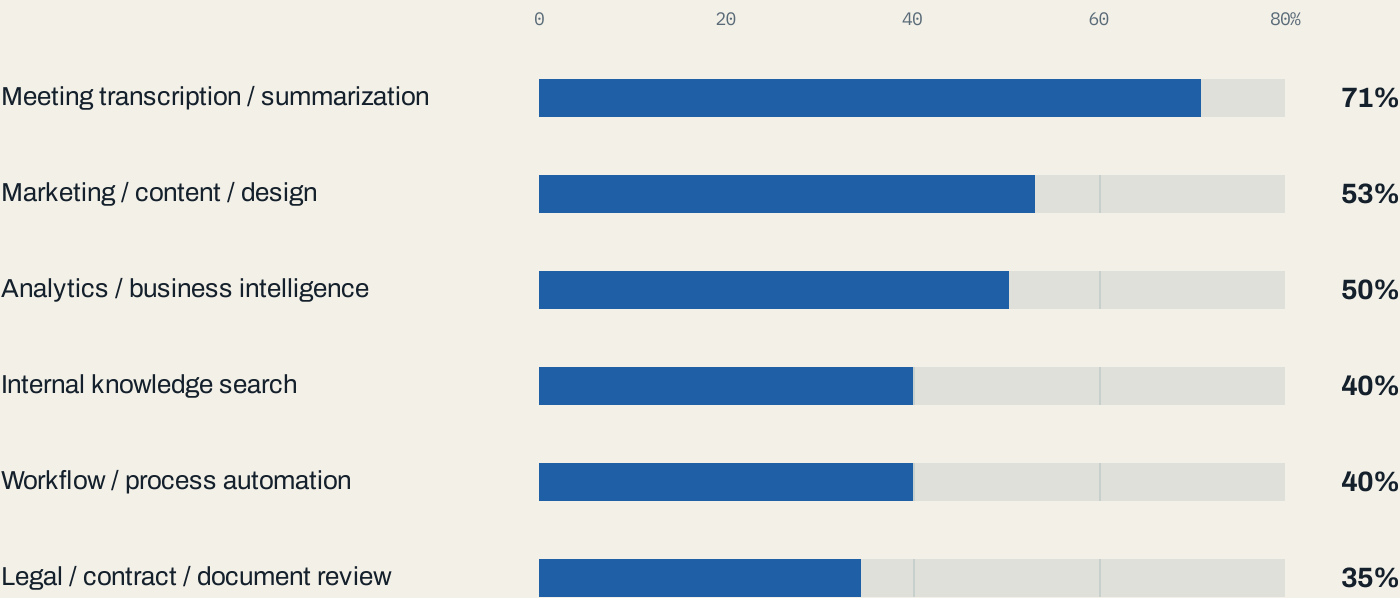


Exhibit 15

HOW EMPLOYEES GET ACCESS TO AI

Share of respondents · access in their organization · multiple answers allowed

32%

Free or publicly accessible tools

51%

Enterprise or centrally managed subscriptions

47%

Paid individual subscriptions

28%

AI features in existing software

COMPANY SUBSCRIPTIONS ARE ONLY PART OF THE PICTURE

45%

of respondents reporting enterprise or centrally managed subscriptions at their organization also report free tools or paid individual subscriptions.

Free tools and individual subscriptions can pose confidentiality and security risks when company information is shared without appropriate safeguards. Businesses should check which tools employees use and make clear what information can be shared through them.

When AI tools take action

Some AI tools create material for people to use. Others send messages, update records or complete workflow steps themselves.

What AI tools currently do

Share of respondents reporting each level

Each respondent selected the highest level used at their organization.

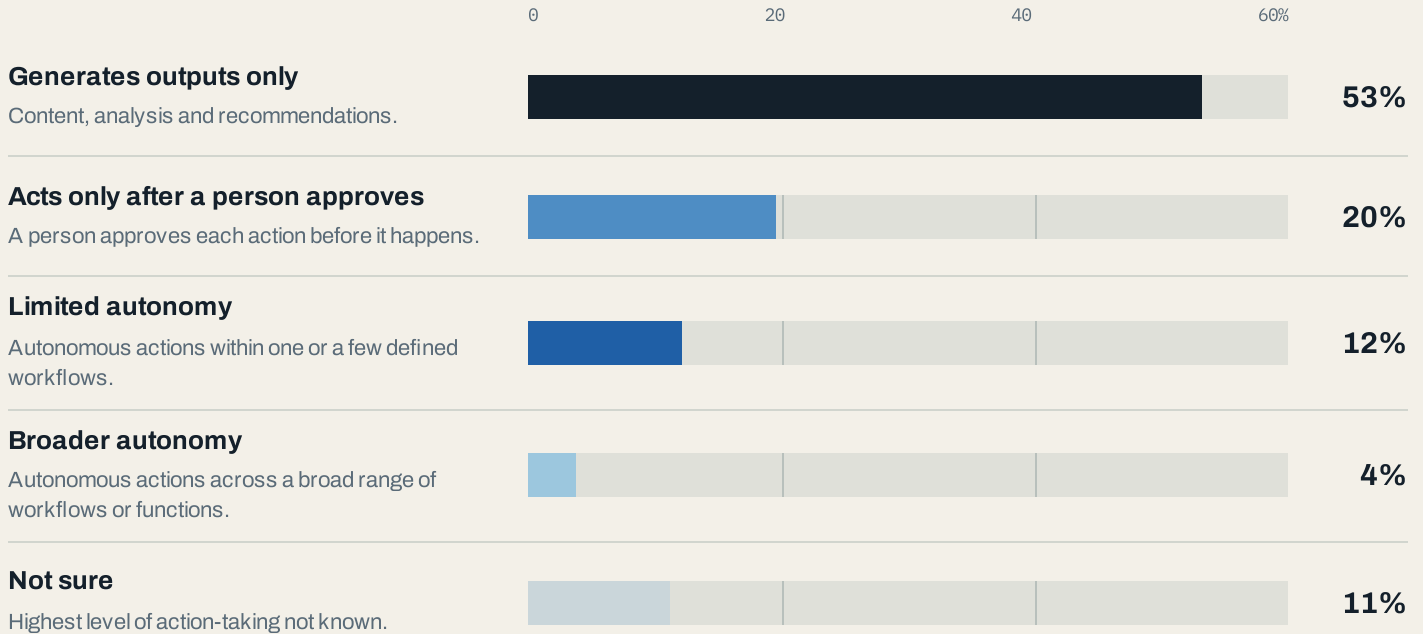


Exhibit 16

FROM THOSE ANSWERS

36%

of respondents report AI taking actions for their organization, with approval or on its own

The figure at right is included in the figure at left.

16%

of respondents report AI taking some actions for their organization without case-by-case approval

WHERE ORGANIZATIONS USE OR TEST AI

Share of respondents · selected activities · multiple answers allowed

26%

Legal, contractual, compliance or regulatory analysis

21%

Financial reporting, forecasting or market-facing communications

21%

Product or service delivery to customers or clients

These figures cover any AI support, including drafting or analysis. They do not mean AI makes decisions or takes actions on its own in these areas.

What businesses pay and what they replace

Respondents reported organizational AI spending and changes in tool use over the past 12 months. Those reporting no known AI use, or that their organization was evaluating AI but not yet using it, were not asked these questions.

THE SPENDING RANGE

47%

of respondents report AI spending of

CAD \$5,000 or less

for their organization, over the past 12 months.

CHANGING OR DROPPING AI TOOLS

23%

of respondents say their organization stopped, replaced or materially reduced use of an AI tool in the past 12 months.

Includes **14%** who report that their organization replaced one tool with another.

AI spending over the past 12 months

Organizational spending in Canadian dollars · share of respondents

Includes dedicated AI subscriptions, features and infrastructure. Excludes employee compensation and incidental AI in general IT spending.

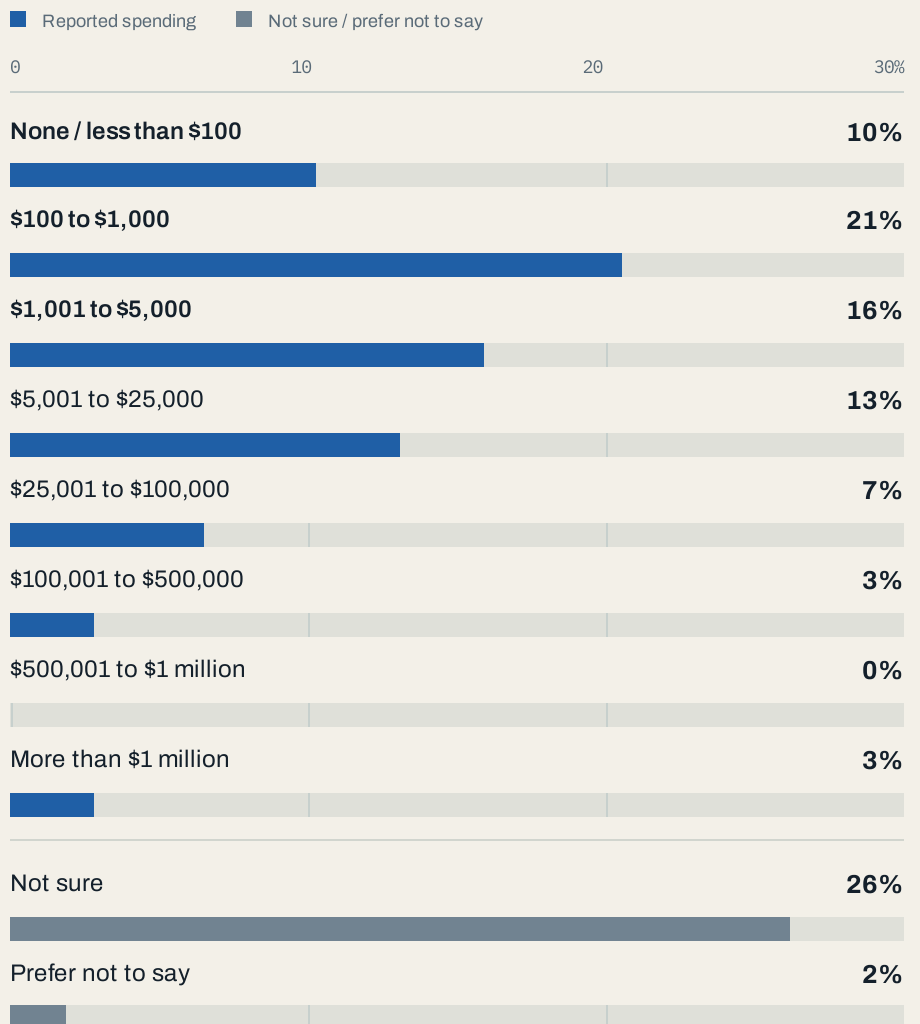


Exhibit 17

77% of respondents reporting AI spending above CAD \$25,000 were at organizations with 50 or more employees.

04

Usage is broad while oversight is uneven

One-third report a written AI policy. Broader AI use does not consistently come with more safeguards.

33%

report a written AI policy at their organization

Includes dedicated AI policies and AI use covered by another policy.

11%

say their organization is developing a policy

50%

report no written policy at their organization

A further 6% are unsure whether their organization has a written policy. The headline figures also include respondents reporting possible informal use or uncertainty about AI use.

Which safeguards are in place at their organizations?

Governance checklist · share within each AI-use group

Compare the two groups across each row. Percentages show respondents reporting each measure at their organization.

SELECTED MEASURES	Pilots, limited or functional use		Broad or embedded use	
	Approved-use group · n=40		Approved-use group · n=47	
Approved tool list		50%		36%
Human review requirements		13%		26%
Existing written policy		40%		38%
Employee training		10%		19%
Vendor review process		10%		4%
Logging or monitoring		8%		9%

Exhibit 18

31%

report none of the measures in the full survey checklist at their organization

Across everyone answering the governance checklist

Company size, written policies and spending knowledge

Written AI policies and uncertainty about spending are more common among respondents at larger organizations.

Written AI policy in place

Share of respondents within each size group

A standalone AI policy, or AI use addressed within another company policy.

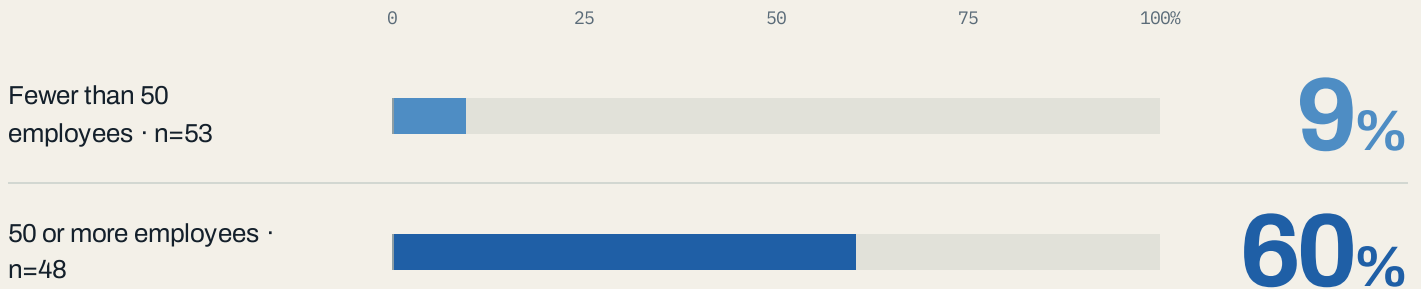


Exhibit 19

Unsure how much their organization spends on AI

Share of respondents within each size group

Share who were unsure of their organization's AI spending over the past 12 months.

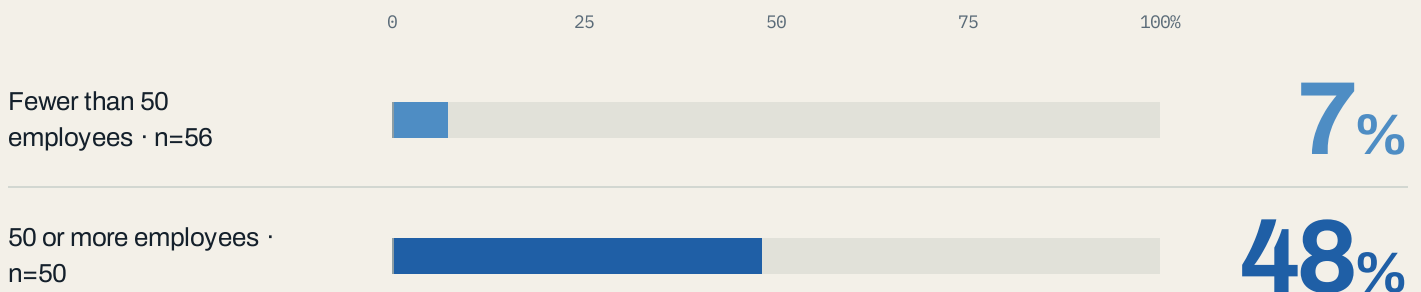


Exhibit 20

These comparisons exclude respondents reporting no known AI use or evaluation without use.

Practical consideration

Two questions for leadership

Can employees find the rules for using AI?

Can someone explain what the organization spends on AI?

AI policies lag behind use

Written policies are more common among earlier entrants. Broad AI use often comes without one.

Percentage reporting a written policy covering AI

When AI was first used or
evaluated for work

Percentage reporting a written
policy covering AI

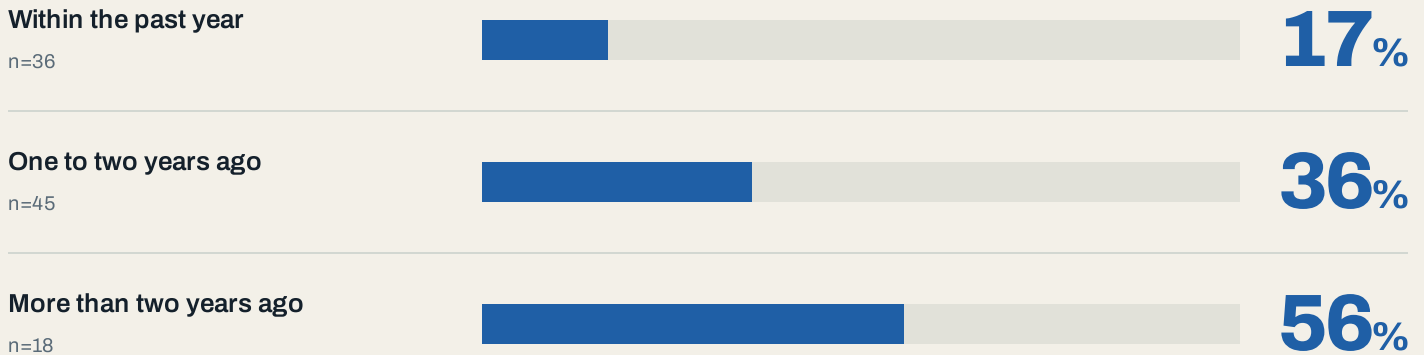


Exhibit 21

n shows the number of respondents in each timing group, whether or not they report a written AI policy.

Written-policy rates also differ by company size, as shown on page 16.

Broad use still leaves a policy gap

40% of respondents reporting broad or embedded AI use have no written policy.

■ Written policy ■ In development ■ No written policy ■ Not sure

Broad or embedded use n=47



Pilots, limited or functional use n=40



Exhibit 22

Who owns AI oversight?

AI oversight often sits with senior leaders, but more than half report no formal updates to leadership.

67%

say executives, founders or owners lead their organization's AI oversight

9%

say AI oversight responsibility at their organization is unclear

55%

report no formal AI updates to their organization's leadership

Who has primary responsibility for AI oversight?

Share of respondents naming each role · selected categories

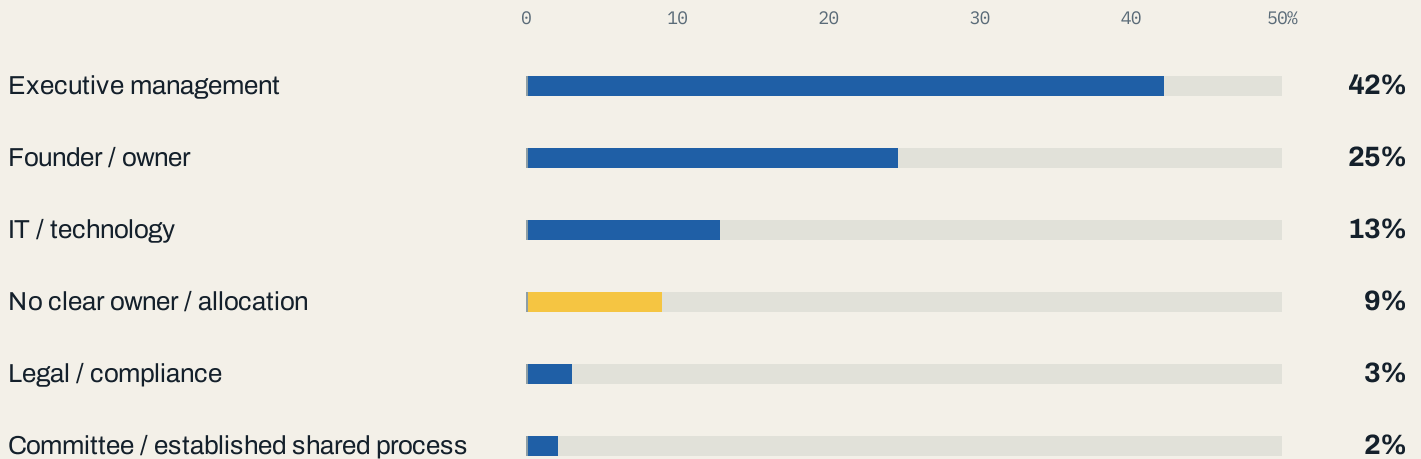


Exhibit 23

Other roles, uncertainty and not applicable together account for 7%.

How often does leadership receive formal AI updates?

Management, founders/owners or the board

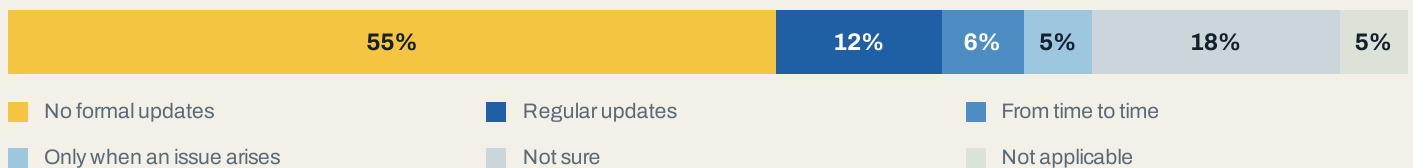


Exhibit 24

Among respondents reporting executive, founder or owner oversight at their organization, 60% report no formal updates

Leaders may still learn about AI through their direct, day-to-day involvement.

How businesses approve AI tools

Business need and technical suitability are the most common review steps respondents report at their organizations. This page also shows how organizations deal with unapproved tools.

19%

selected a formal approved-tool list as their organization's approval approach

37%

report a case-by-case approval process at their organization

17%

report no consistent adoption-review process at their organization

What do organizations review when adopting AI tools?

Share of respondents reporting each step · multiple answers allowed

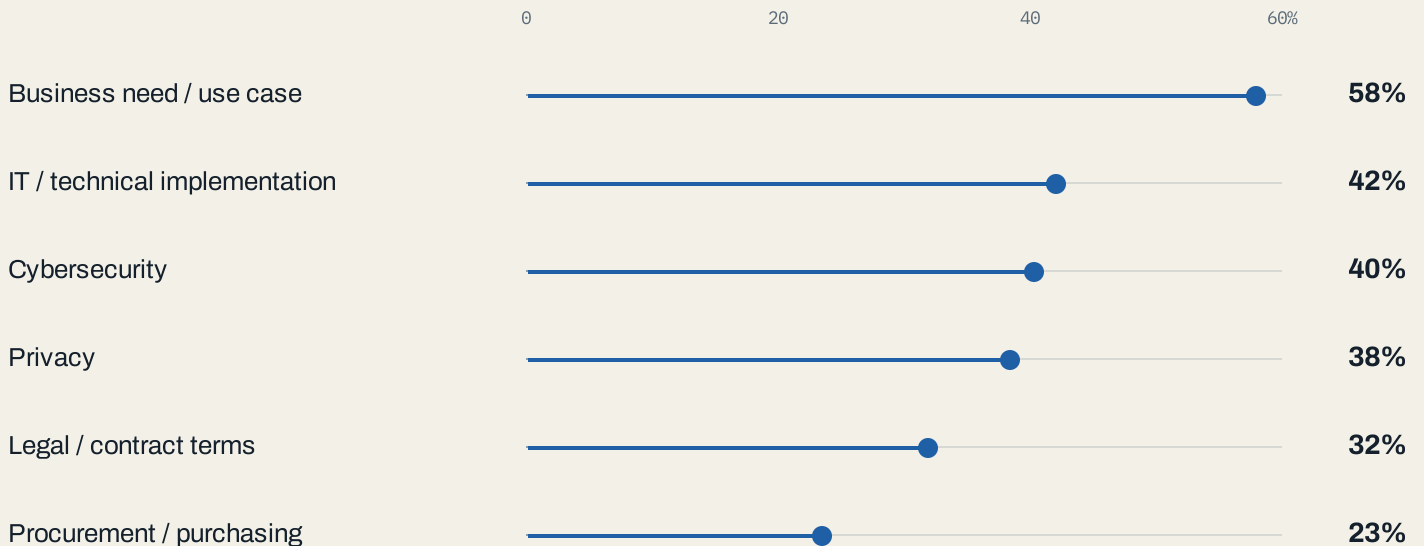


Exhibit 25

HOW ORGANIZATIONS MANAGE UNAPPROVED AI TOOLS

WRITTEN GUIDANCE

TECHNICAL RESTRICTIONS

MONITORING, LOGGING OR
ALERTS

EMPLOYEE JUDGEMENT
WITHOUT SPECIFIC CONTROLS

31%

13%

8%

12%

Share of respondents reporting each approach at their organization. More than one could be selected.

What businesses consider when reviewing AI vendors

Respondents identified the contract and data-use issues their organizations consider when reviewing AI tools or vendors. These include the vendor's use of information, confidentiality and responsibility if something goes wrong.

23%

say their organization considers vendor use of data to train or improve AI

Includes prompts, outputs, uploaded files and information from connected systems.

27%

say their organization considers contract terms

When reviewing an AI tool or vendor.

10%

say their organization considers liability, indemnities or warranties

Who is responsible, what is promised and which contractual protections apply.

What organizations consider when reviewing AI tools or vendors

Share of respondents answering the vendor-review question · multiple answers allowed

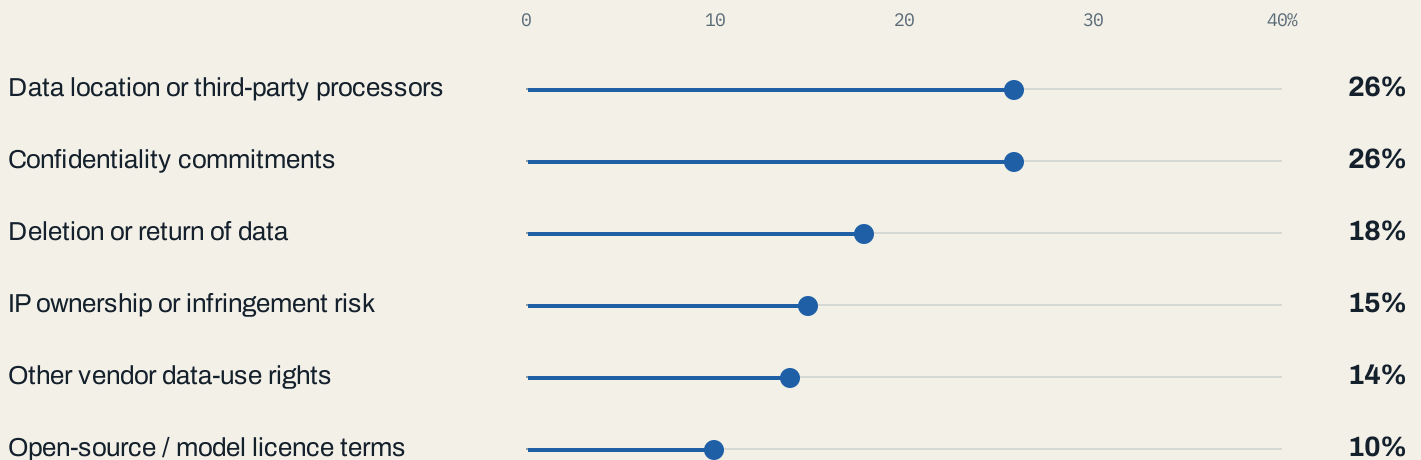


Exhibit 26

Practical consideration

Match the terms to the proposed use

What can the tool access? How may the vendor use it? Who owns the output, and what happens if something goes wrong?

What information do businesses share with AI?

Respondents reported what information employees share with AI tools and the rules covering that use.

41% report that employees share at least one of the five information categories below with AI tools at their organization · n=101

Among respondents reporting information sharing · n=41

46% report no clear information-sharing rules at their organization

32% report free tools or paid individual subscriptions, without selecting enterprise or centrally managed subscriptions
Their answers do not show which tools received the information.

Among respondents with guidance or guidance in development · n=46

43% say their organization permits confidential business information only in approved tools

What information do employees share with AI tools?

n=101 · multiple answers allowed

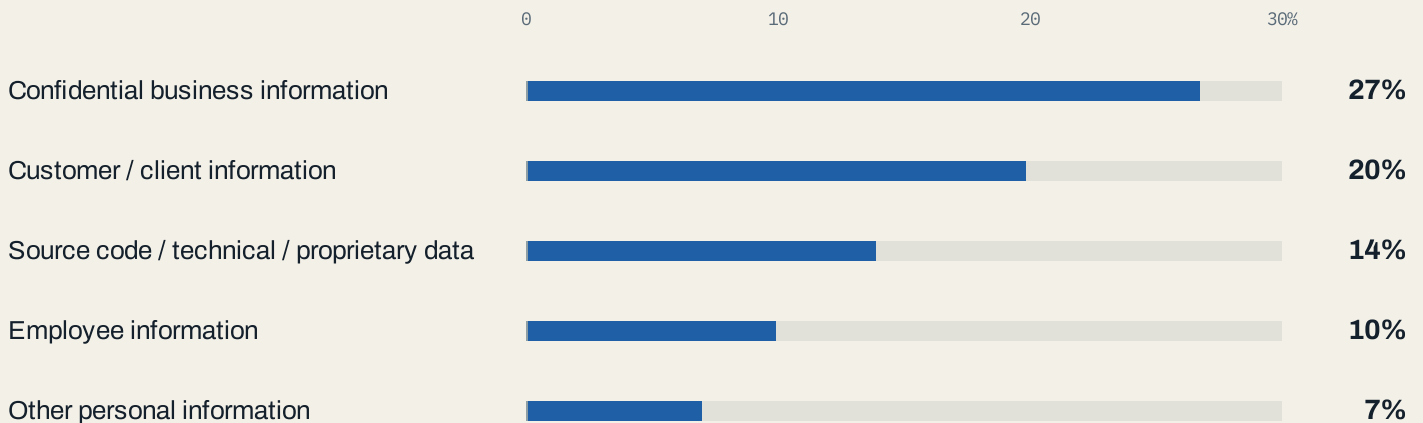


Exhibit 27

What organizational rules guide information sharing with AI?

n=101

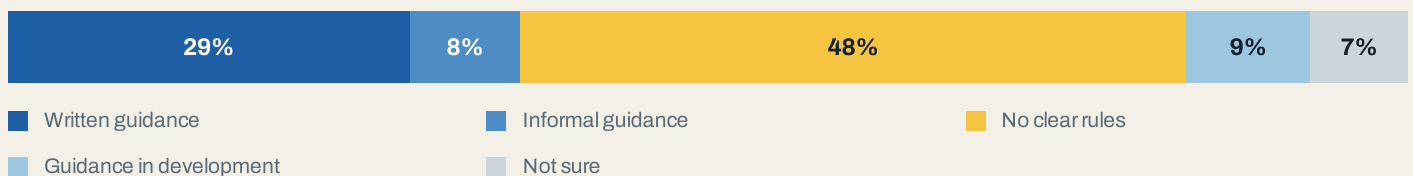


Exhibit 28

How businesses review AI work and customer uses

We asked when organizations require a person to check AI work and what controls they apply when AI is built into products, services or customer interactions.

WHEN ORGANIZATIONS REQUIRE HUMAN REVIEW OF AI OUTPUT

Human-review question · n=102

External-facing use

Client-facing work

Legal, financial,
compliance or
disclosure use

Material business
decisions

Employment or HR
matters

57%

53%

46%

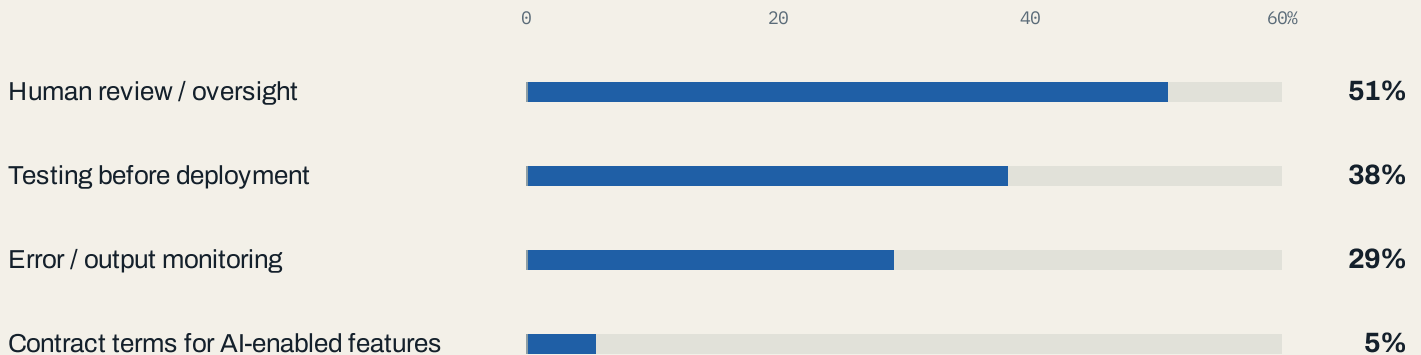
41%

25%

Percentage of respondents reporting that their organization requires human review before each type of use. More than one answer allowed. This question is separate from the governance checklist on [page 15](#) and [page 28](#). See [page 23](#) for the separate HR follow-up.

Controls for AI in products, services or customer interactions

Customer-use question · n=55



The chart above and figures below are based on responses to the question about controls for AI in products, services or customer interactions. Respondents could select more than one control.

Exhibit 29

15% Report no specific controls at their organization

27% Are unsure about their organization's controls

Practical consideration

Decide who checks the work and handles problems

For each use, identify who checks the AI's work, what they check and when they should stop its use. Where AI operates on an ongoing basis, assign someone to monitor performance and follow up on problems.

AI in HR and public company communications

Respondents answered additional questions about their organizations' controls for AI in HR and consideration of AI in public company disclosure. The results cover these two groups separately.

HR / PEOPLE-RELATED USES

HR-use group · n=20

35%

report human review before decisions are made at their organization

40%

are unsure which controls their organization has

PUBLIC-COMPANY DISCLOSURE REVIEW

Public companies / reporting issuers and their subsidiaries or divisions
· n=15

73%

report no consideration of AI in their organization's disclosure, or are unsure

THE TWO ANSWERS BEHIND THIS FIGURE

40%

Report no consideration

33%

Are unsure

27%

report considering AI in disclosure review

THE TWO ANSWERS BEHIND THIS FIGURE

7%

Report AI-specific consideration in regular disclosure controls or review

20%

Report case-by-case consideration when AI may be material

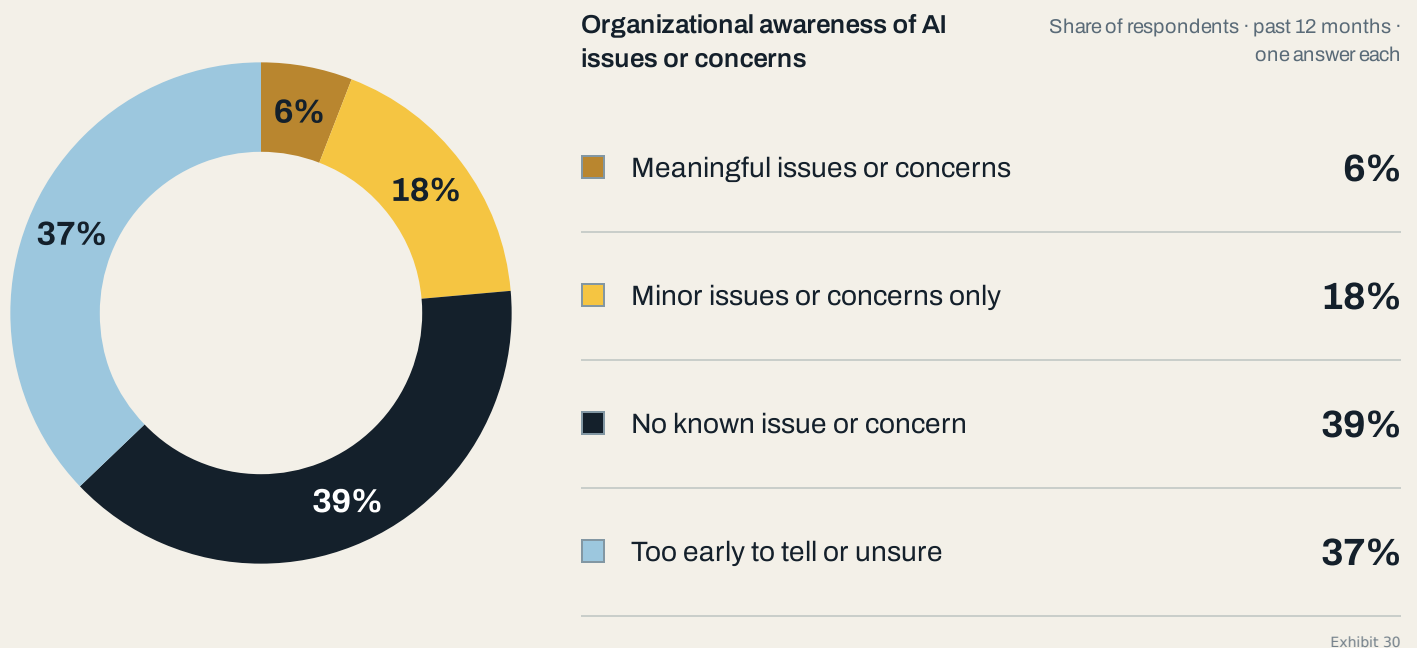
Practical consideration

Make review responsibilities clear

For AI used in hiring and employee decisions, identify what the tool does and who checks its work. For public statements about AI, assign someone to check claims about its use, capabilities and importance to the business.

24% say their organization became aware of an AI issue or concern

Respondents were asked whether their organization became aware of an AI issue or concern in the past 12 months. Most affirmative answers described minor concerns only.



Practical consideration

Make it easy for employees to raise AI concerns

Some respondents reported no known issues at their organization, while others were unsure or said it was too early to tell. Businesses can make clear who receives a concern, who investigates it and how any needed changes are made.

01

Notice

Make it clear what employees should raise.

02

Escalate

Assign someone to investigate and respond.

03

Learn

Use the outcome to refine the guidance.

05 Where AI use may expand next

Productivity and administrative support lead the areas respondents selected for new or materially expanded AI use in their organizations over the next 12 months. Management, finance and sales also feature prominently.

Where organizations may start or expand AI use

Includes organizations not yet using AI - up to three choices

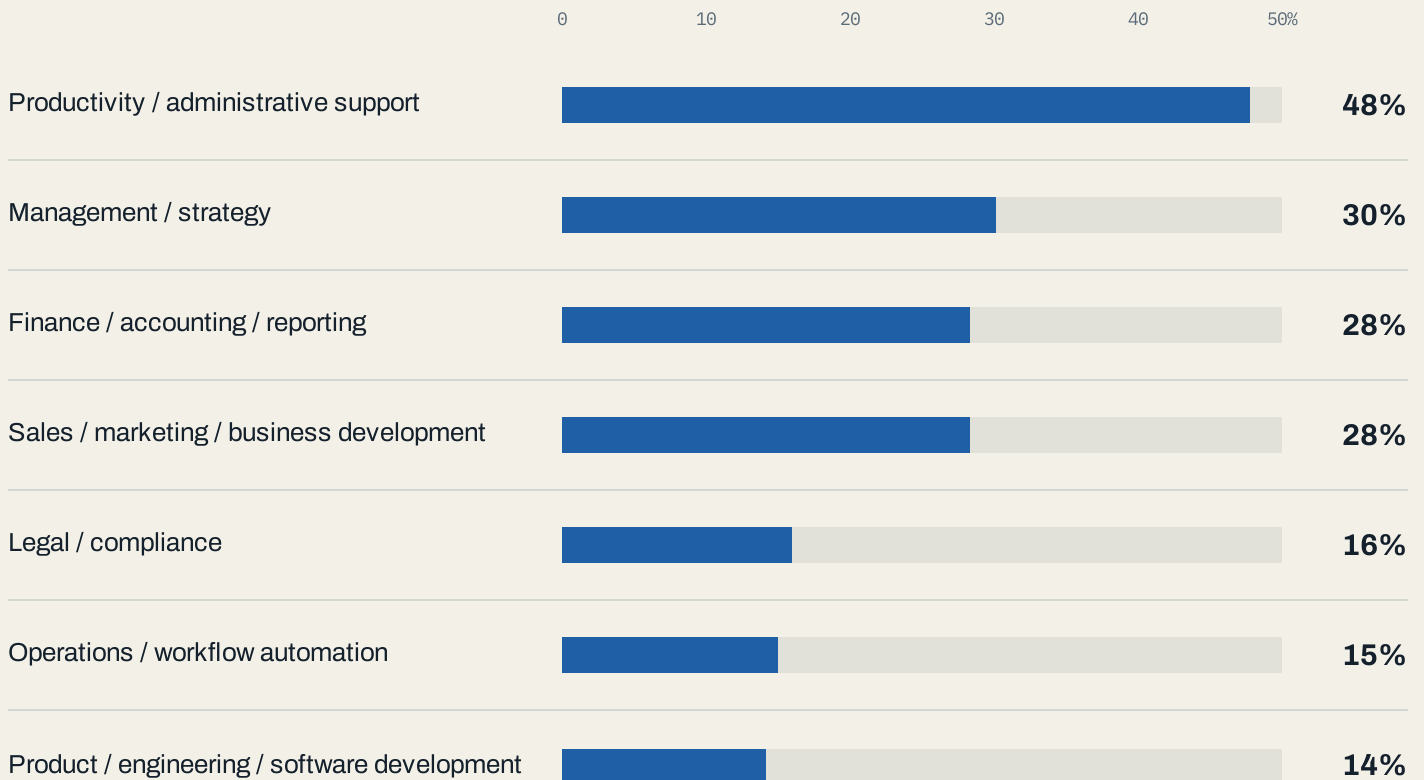


Exhibit 31

4%

say their organization is not currently considering AI use or expansion

11%

are unsure of their organization's plans

Do AI plans build on current use?

Planned AI expansion often builds on areas where AI is already used or piloted.

Current use or piloting, and next-year priorities

Respondents answering both questions about their organization · n=101

Next-year priorities · up to three choices

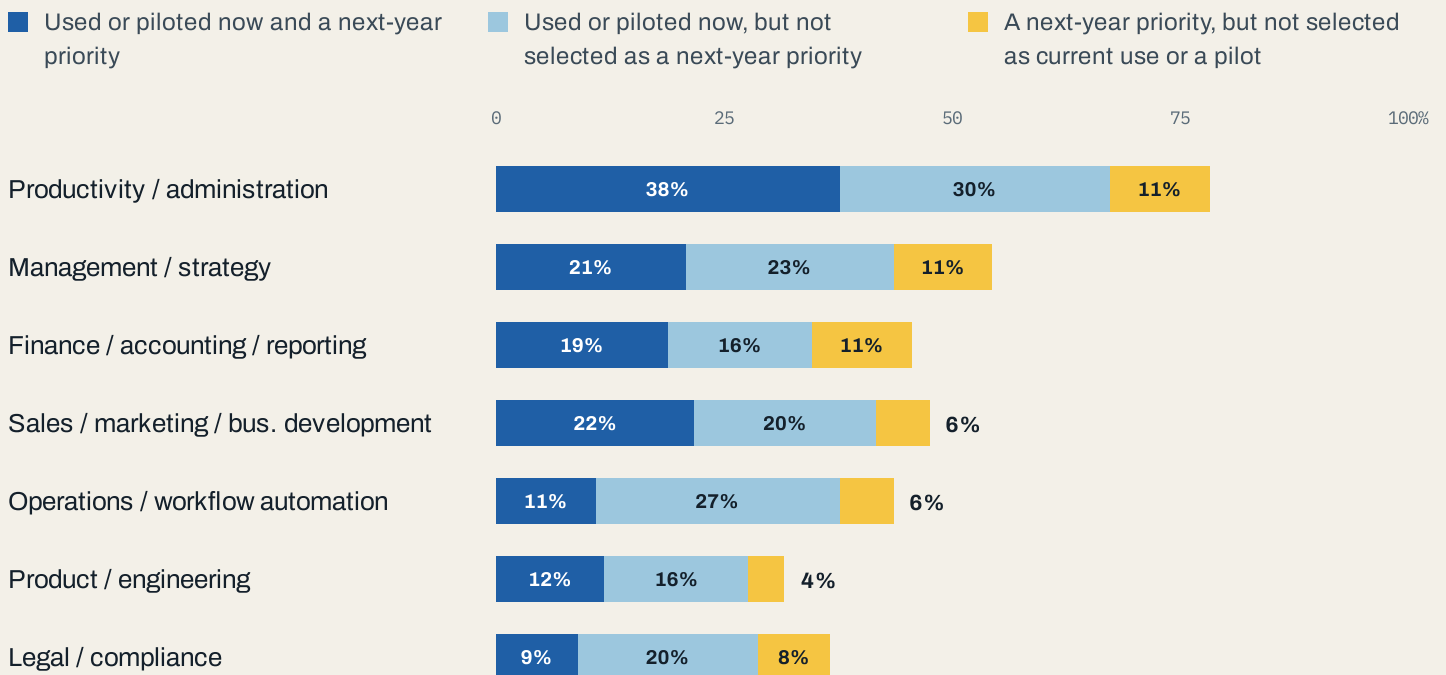


Exhibit 32

78%

of respondents prioritizing productivity and administration for next year report that their organization already uses or pilots AI in that area.

Most priorities build on existing AI use

In every area shown, most respondents selecting it as a priority report that their organization already uses or tests AI there. An organization may continue using AI in an area even if it was not selected among its three priorities.

Will AI use grow, and how confident are businesses in their current safeguards?

Most respondents expect AI use to grow. Confidence in safeguards is common even among those reporting no written policy.



Confidence among those reporting no written policy

No written policy · n=51 · excludes policies in development

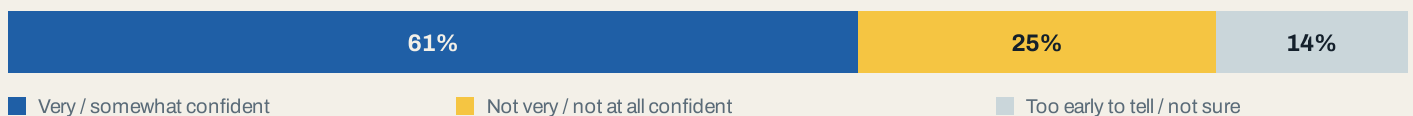


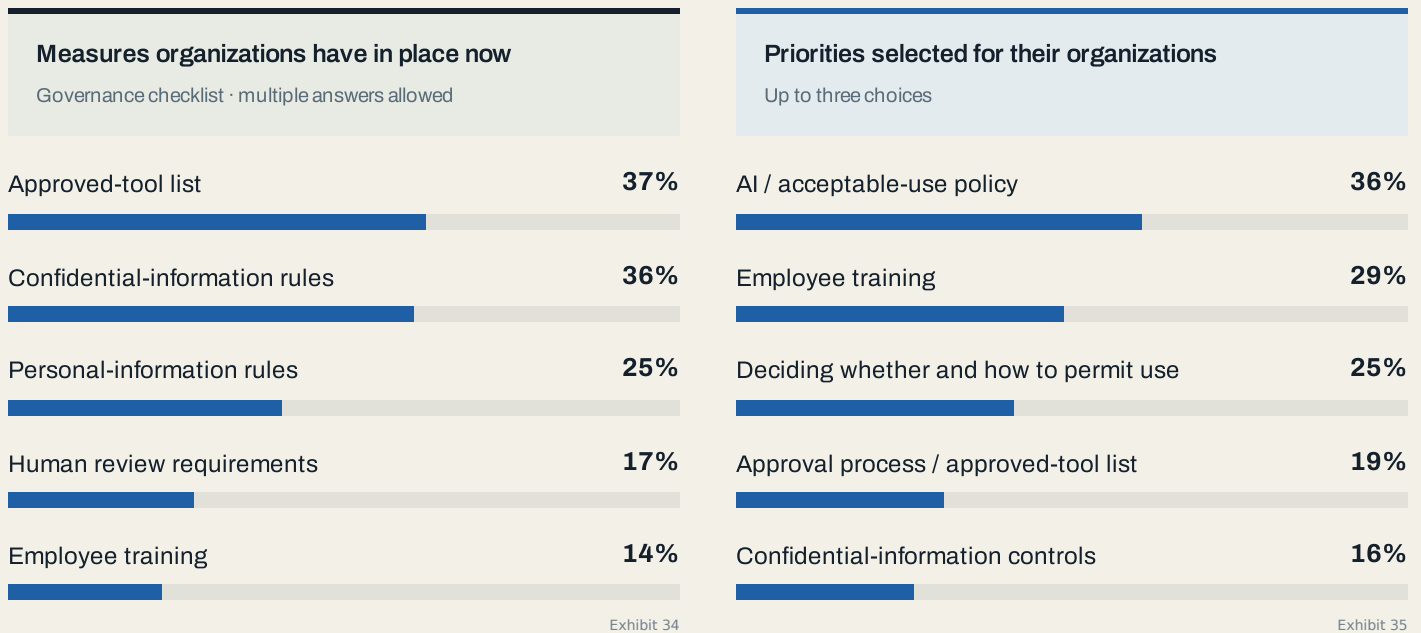
Exhibit 33



Priorities for managing AI over the next year

AI policies and employee training lead the priorities for the coming year. The figures also show which safeguards respondents report today.

The priorities also include organizations not yet using AI.



The checklist is separate from the questions about tool approval approaches on [page 19](#) and review requirements on [page 22](#).

52% of respondents selected an AI policy, employee training or both among their organization's top three priorities for managing AI over the coming year

Practical consideration

Help employees put the rules into practice

A policy can explain which tools employees may use and what they may do with them. Training can show how those rules apply to everyday work.

Put these findings to work.

Discuss what these findings mean for your organization and where clearer AI policies, contract terms or information-sharing rules could help.

AI policies

Set clear expectations for approved tools, permitted uses and responsibility for review.

Vendor terms

Review contract terms in light of the tools you use, the information they access and the work they support.

Information sharing

Clarify what employees may share with AI tools and when further approval is needed.

START A CONVERSATION

AI@prelia.com

For report enquiries or to discuss your organization's AI plans.

You can also contact your Prelia lawyer.

Legal advice for your next move

Prelia helps startups, growth companies and established businesses make confident decisions, manage risk and pursue opportunities. From AI policies and commercial contracts to transactions, governance and disputes, we connect legal advice to your business priorities, with support for domestic and cross-border matters.

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This report provides general information and does not constitute legal advice. Advice should be obtained for your organization's particular circumstances.

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About the survey

This report presents what respondents told us about their organizations' AI use, benefits and management practices.

WHO TOOK PART

The survey received 121 responses, including 113 complete and eight partial responses. Respondents are the individuals who answered about their organizations. Relevant answers from partial responses are included. Most respondents' organizations are based in Eastern Canada or Western Canada. Each response carries equal weight. The findings describe participants and their organizations as reported by respondents, rather than all Canadian businesses.

HOW IT WAS CONDUCTED

The voluntary online survey was offered in English and French and circulated through Prelia's client and professional contact network. Respondents were not randomly selected, so a conventional margin of sampling error does not apply.

READING THE PERCENTAGES

Percentages use the respondents who answered each relevant question or set of questions. Some questions were asked only of respondents reporting approved AI use, possible informal use or uncertainty about use in their organizations. Future-priority questions also included respondents whose organizations were not yet using AI. Where shown, n is the number of responses. Rounding may cause totals to differ from 100%. Multiple-selection totals may exceed 100%. Combined findings count each respondent once. Respondents could select up to five common tasks and up to three concerns or next-year priorities.

UNITS AND TIMING

Employee use and time savings refer to a typical week. Time savings are respondents' estimates of the average per employee who uses AI. Initial AI timing refers to when organizations first began using or evaluating AI. Spending is organizational AI spending in Canadian dollars over the previous 12 months. The report shows selected time and spending ranges without calculating averages from those ranges.

HOW TO USE THE FINDINGS

Comparisons show patterns in the answers without establishing causes. An unselected option does not necessarily mean a practice is absent.

INCLUDED RESPONSE PERIOD

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