

AI TOOLKIT FOR SMALL BUSINESS



Written in collaboration with Collected Company, an AI strategy and implementation firm that helps organizations of every size put AI to practical, meaningful use. Learn more at collected.co.



We know running a business in Lower Manhattan is hard yet rewarding work, but how much of your day is actually spent doing what you love? Chances are, hours of your precious time are spent on QuickBooks, invoices, chasing payments, formatting the same email again, recounting inventory... the list goes on. While it's necessary work, it's probably not the reason you started your business.

AI isn't here to run your business for you. But it could save you time and money. Our goal for this Toolkit is to show you how AI can take some of the less rewarding work off your plate so you have more time for what counts like knowing your regulars' orders, sourcing the right ingredient, talking to vendors and generally being present and helpful on the floor.

We drew from conversations we had with 24 business owners south of Chambers Street to create this guide specifically with you in mind. Some had never tried AI. Others had already built their own tools. Wherever you are in your AI journey, we hope you'll find something here that will help you with your workflow.

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PART I: UNDERSTANDING THE TOOLS



The Two Categories of AI Tools

Most AI tools fall into one of two buckets.

1) General-purpose tools. These are the chatbots that can handle almost anything: ChatGPT, Claude, Gemini, Copilot. You type or talk, they respond. A few things they're especially good at:

- **Generating text.** They can draft an email, write a social caption, clean up messy notes, translate a menu, or summarize a long document.
- **Generating images.** They can generate a mockup for a poster, a social media graphic, or a product image. You can also upload an existing photo and ask them to adjust it.
- **Writing code.** They can write and run small programs to do things like reformatting a spreadsheet, pulling data out of a stack of PDFs, or building a simple page for your site. You don't need to know how to code; you just describe the result you want.

General-purpose tools are available on the web, and some of them are available as standalone apps you can download to your phone or computer. Any one tool (ChatGPT, for example) will have the same core functionality regardless of whether you're using it on the web or via an app.

2) Specific-purpose tools. These do one job well. Some are standalone products, others are AI features already built into software you already use. Here's what a few of them can help you do:

- **Understand your own sales and numbers:** Square AI (built-in AI feature of Square), Toast IQ (AI inside Toast), and Intuit Assist (inside QuickBooks) let you ask questions about your own data, like, *"which items sell best on weekends?"*
- **Run an online store:** Shopify has built-in AI features, like Magic and Sidekick, that can write product descriptions, edit product photos and handle store tasks like setting up a discount.
- **Design materials like menus, posters and flyers:** Canva, Claude Design and Adobe Express can generate images, remove backgrounds and resize a single design for print, Instagram and email.
- **Transcribe meetings and calls:** Otter, Granola and Fathom can transcribe virtual meetings and then write notes and summarize action items.
- **Manage your reviews and Google listing:** Google Business Profile can draft replies to customer reviews for you to approve.

The list of AI tools is growing and changing every day. And in truth, there's no singular "right" tool for any one task. In this guide, we'll focus on **general-purpose tools**. They're the most versatile, and the principles for working with those tools also apply to specific-purpose ones.

Once you start understanding what AI is capable of, you'll be able to try new tools and decide which tool is best suited for which task of yours.

How to Work with AI Tools

Basic Prompting

A “prompt” is the instruction or input you give AI. Getting AI to produce good results is mostly about being clear in your prompt. There are no magic words or technical tricks. A useful way to think about it is that you’re briefing someone who is quick and capable but knows nothing about your business.

Your prompt should answer these three questions:

What are you trying to do? Start with the task itself. For example, say you want to research the competition before making a decision. You could start with a prompt like this:

Research the coffee shops within a few blocks of me to find their hours and prices.

That will get you something. But you can make it a lot better with more context.

What would someone need to know to do a good job? AI does not inherently know anything about your business. So give it the context any researcher would need for this task:

Research the coffee shops within a few blocks of me to find their hours and prices. I run a small specialty coffee shop on Broadway and Dey Street in Lower Manhattan, and I’m trying to decide whether it’s worth extending my weekend hours.

How do you want it done? Tell it how to go about the task. This means the steps it should take and the format you want for the result.

Research the coffee shops within a few blocks of me to find their hours and prices. I run a small specialty coffee shop on Broadway and Dey Street in Lower Manhattan, and I’m trying to decide whether it’s worth extending my weekend hours. Check each shop’s website so the details are current, and put your findings in a table I can read at a glance.

Most of prompting comes back to clarity. If you can tell someone what you want, how you want it and what they’d need to know to do it well, you can prompt.



Remember: Always check the output

No matter how good your prompt is, AI can still be confidently wrong. Before you send, post or act on what it gives you, read it over and make sure you agree with what it produced.

Going Further with General-Purpose Tools

Basic prompting gets you a long way, but every general-purpose tool also has built-in features that make it more powerful and less repetitive.

The features below are grouped by what they help you do: 1) generate answers tailored to your business and 2) take more work off your plate.

Features to Generate Answers Tailored to You

The features here solve the problem you might have run into with basic prompting: you find yourself writing lengthy prompts with lots of detail every time. These features make it easier to provide context about your business and store it across conversations.

Feature	What It Does	How to Use It
Uploading Files and Media	You can attach your own files (like a spreadsheet, PDF or image), to a conversation for a one-off task. The tool reads it and uses it as part of your prompt.	Look for a paperclip or “+” near where you type. Attach the file and tell it what to do: “Here’s last month’s sales export, tell me my five best days,” or, “Here’s a photo of my stockroom shelf, give me some ideas for how to organize it more efficiently.”
Custom Instructions	These are facts and preferences you set once for the tool to apply to every conversation after. Instead of explaining your business at the start of each chat, you tell it once who you are, what you do, and how you like things done.	Look in your tool’s settings for “custom instructions” (sometimes called “personalization” or “preferences”). Write a few lines you’d otherwise repeat constantly: what your business is, where you’re located, who your customers are, and any preferences about how you’d like responses, like “keep it short.” Now every prompt starts with that context already loaded, so you can jump straight to the task.
Projects	A project is a reusable workspace for a recurring kind of work. It can hold both standing instructions and relevant files. Different tools name this differently. Claude and ChatGPT call it a Project, Gemini calls it a Gem. Where custom instructions apply everywhere, a project keeps its context walled off to one area of your business, so a “marketing” project and a “bookkeeping” project have different instructions and reference different files.	You’ll usually find Projects (or Gems) in the left-hand panel of general-purpose AI tools. When you create a Project, give it a name, add standing instructions, and upload any files it should always have on hand. For example, if you’re always asking for help with social posts, you can make a project called “Marketing,” write instructions describing your business and brand voice, and upload a few screenshots of posts you’re proud of. From then on, anything you do inside the “Marketing” project starts with all of that context pre-loaded.

Features to Take Work Off Your Plate

These features let general-purpose AI tools run tasks on a schedule, complete multi-step jobs and use other day-to-day software.

Feature	What It Is	How to Use It
Scheduled Actions	You can set a prompt to run on a schedule, so it happens without you having to remember it. These are good for prompts you find yourself asking over and over again, or for keeping yourself accountable to something you want to do more often.	You'll usually find Scheduled Actions in the left-hand panel, but the easier way is to just ask for one in plain language. For example: <i>"Every Monday morning, find three things happening in Lower Manhattan this week and suggest relevant social posts I could write."</i> The results will show up as a new chat in your tool every Monday (some tools organize these under a "scheduled" section). If you've got the app installed with notifications on, you'll also get a nudge when one lands.
Connecting to Other Tools	Instead of uploading a file each time, you can connect your AI tool directly to software you already use, like your inbox, calendar, or store so it can pull information or take action there. You'll see this called a connector, plugin, or MCP; they're three names for the same idea.	Look in settings for "connectors" or "integrations" and connect a tool you use often. Then you can ask things like <i>"check my calendar and draft replies to this week's event inquiries."</i> When you set a connection up, you can usually decide how much autonomy to give it, from asking your approval before every action to letting it work on its own. Start it low and give it more freedom as you see how it does.



Your Questions, Answered

As part of our research, we spoke with 24 small business owners across Lower Manhattan. These were some of the most common questions:

Should I use ChatGPT, Claude, Gemini or Copilot?
Functionality-wise, there isn't a big difference. ChatGPT, Claude, Gemini and Copilot all do the basic things this guide covers, and they do them about equally well. A feature one tool has today usually shows up in the others within a few months.

So the real decision comes down to preference and what you already have access to. If you use Microsoft Office, you may already have Copilot. If you use Google Workspace, you may already have Gemini. If you've already started using one of these tools, stick with it and give yourself time to get comfortable. And if you're starting fresh, ask around: if someone on your team or in your network is already using a tool, that's a good reason to pick the same one, because you can trade tips and troubleshoot together.

Almost everything you learn will carry over if you switch later.

What are "agents"?
You may have heard the term "agent" or "agentic." There's no single agreed-on definition, but it generally means AI that can work across several tools and take a chain of actions on its own. Consider a request like, *"Write an email to my tax person and attach the last three months of my P&L statements."* To handle that, an agent would need to pull the numbers from your accounting software, format them into documents, write a cover email and attach everything, making decisions

at each step about what to pull and how to put it together. Instead of answering a single question, it's working through a small project. While this can be really helpful, the best place to start with AI is one where you're always in the driver's seat and checking its work.

What is "Cowork" in Claude, or "Work" in ChatGPT?
Claude Cowork and ChatGPT Work are tools that can take actions on files on your computer. You point them to a folder, describe the result you want, and they can create and edit files to get there. In that way, they're examples of "agentic" tools. You may also have heard of tools like Codex or Claude Code. Those are similar but built for writing and editing code specifically.

Is it safe to put my business information into these tools?
That decision is ultimately up to you. What an AI service provider does with your data is a knowable fact and will be outlined in their terms of service, and may change depending on the plan you're on. We recommend reading those documents (or pasting them into an AI tool and using the tool to dig into their terms).

Is it safe to connect AI to my email or my POS?
A connector doesn't hand over your account. You approve exactly what the tool can reach, and you can disconnect it anytime. A sensible way to start is to give the tool read-only access, so it can look at your calendar or pull last month's sales, but it cannot take action on your behalf.

Connect the tools you actually use often rather than everything at once, and check your connected tools every few months to remove the ones you've stopped using.

What are the differences between free and paid?
You can work through most of this guide on the free plans for each of these tools. Paid plans generally give you higher usage limits before mandating a pause, access to newer models that handle bigger jobs better, and more control over your data. Business accounts add even more data protections and control over how your staff can use the tools. A reasonable approach is to start with a free plan, and consider upgrading to a business account once you find yourself using these tools more often.

Is AI ever wrong?
Yes, and it will sound equally confident whether it's right or not. The most useful habit is to add a line to your prompts like, *"if you're not sure about something, say so,"* because otherwise the tool will try to fill in gaps with information that may or may not be correct. You'll see this in a few of the example prompts throughout Part II. That said, anything going to a customer or a vendor deserves a look from you first.

Can I use AI in a language other than English?
Yes. Every general-purpose tool works in dozens of languages. They can also translate between languages.

PART II: APPLYING THE TOOLS



This section covers how and when to actually put AI tools to work in the day-to-day of running your business. When used effectively, AI has the potential to save hours of work.

We've organized this section around four ways to use AI: for **Writing**, for **Administrative Work**, for **Data Analysis and Forecasting** and as a **Thought Partner**. These aren't the only things AI can do, but we found that these were the areas Lower Manhattan business owners found most relevant, interesting and likely to save real time and money.

For each, we share example prompts to get you started, ways to go further as you get more comfortable, and a real example from a small business we spoke with. There's no right order or starting point. You can begin with whatever is most interesting to you, and treat the prompts as starting points to adapt in your own words.

AI for Writing

AI tools are trained on large amounts of text, which makes writing one of the easiest and most useful places to start. You do not need a complicated prompt to begin. You can start with something as simple as:

Write a friendly note letting a customer know their order will be delayed by two days.

or

Draft a job description for a part-time assistant to help with the busy holiday season at my clothing store.

AI can help you create entirely new content, but it is often more useful when you give it something to work from. For example, when asking it to write an email, provide your past exchanges with the recipient and some notes about what you want to say. For a job description, include an example of a previous job posting. The better the starting material, the less the AI has to guess.

Here are some ideas for how to use AI for writing:

- Turning a description of a new promotion into a blog announcement, social media post and email newsletter blurb
- Responding to a customer review
- Translating a sign, menu description, email or social media post into another language
- Turning messy or unorganized notes into clear takeaways and next steps
- Adapting the same information for customers, employees, vendors or another audience
- Making an existing draft clearer, shorter, friendlier or more professional

Going Further: Make the Writing Sound Like Your Business

AI can produce a usable first draft from a simple request, but it will not automatically know your business or how you communicate with your customers. To get writing that sounds more like you, provide context about your business, audience and brand voice.

Try this fill-in-the-blank prompt:

Write a social media post announcing [sale or promotion] for [your business name and brief description]. The post is for [target audience]. Our brand voice is [three adjectives; for example, warm, playful, and neighborly]. Include [important details] and end with [the action you want customers to take]. Keep it to [desired length].

For example:

Write an Instagram post announcing 20% off all pastries after 3 p.m. this Friday at our neighborhood bakery, Dey Street Treats. Our customers include local residents and office workers. Our voice is warm, playful and welcoming, not overly promotional. Encourage people to stop by with a friend. Keep it under 75 words.

If the first draft still does not sound right, treat it as the start of a conversation. You might say:

- > Make this less sales-focused and more conversational.
- > Rewrite this using the same tone as the two posts below: [paste your examples].
- > Now translate this to Spanish.

AI for Writing: Case Study

At one local restaurant, a sales representative responsible for large events spent a lot of time writing outreach messages to past clients about new promotions and long email threads with prospective customers planning their events.

She knew AI could take some of that off her plate, but the drafts never quite sounded like her and manually fixing the tone every time defeated the purpose. So she shared examples of emails and posts she’d written and had AI turn them into a voice style guide.

Now she attaches that guide whenever she needs something written, and the drafts come back sounding like her.

You can try this yourself with a prompt like:

Review these materials and create a style guide for my voice.

Then, anytime you want something new, attach the guide and ask AI to write in that style.

AI for Writing: Pro Tip

Use Custom Instructions to set your context once. If you find yourself explaining your business or your style every time you ask for writing help, move that into your Custom Instructions (from Part 1). The tool will apply it to everything from then on, so your requests start sounding like you without the extra setup.

AI for Administrative Work

There’s no getting around the administrative work involved in running a small business. Information arrives through emails, forms, invoices, meetings, online orders and conversations, and someone has to sort it, record it, update it and make sure the right person knows what to do next.

AI can help with this necessary “busy work” that eats up time. It can take a first pass at processing documents, organizing incoming information, maintaining records and coordinating recurring tasks. This gives owners and employees more time for the parts of the business that require a human touch.

If you have a list of customer inquiries, you can paste them in the chat or upload them as a document and start with something as simple as:

Review these customer inquiries, group them by topic and urgency and create a follow-up list.

Or if you have a collection of invoices, you can try:

Extract the vendor name, invoice number, due date, items and total from these invoices and organize the information in a table.

Other examples:

- Draft schedules, onboarding materials, and recurring checklists
- Read the numbers off a stack of receipts and total them up
- Turn a photo of a handwritten sign-up sheet into a clean spreadsheet
- Create a proposal for a client using the transcript of a call



Going Further: Run Prompts on a Schedule

Try to notice when there’s a busy work task you do over and over. Perhaps every Friday you check that the sales data and the inventory data match up. Or once a month you check that all the invoices have been paid. Recurring, frequent tasks like these can be set up to run automatically on a schedule.

For example, if you’ve connected your AI tool to your email inbox, you could try this prompt:

Every Monday at 8 a.m., go through my inbox for emails from vendors to pull together my delivery schedule for the week.

The results will show up as a new chat in your AI tool every Monday. Some tools organize these under a “scheduled” section. If you’ve got the app installed with notifications on, you’ll also get a notification when the output is ready. By creating a scheduled action, you save yourself the time you would have spent going through your inbox and personally pulling this information.

AI for Administrative Work: Case Study

A florist at a local shop found herself spending a lot of time formatting invoices. Every quote was for a similar job with new details each time. So she started handing it to AI. Now, when a customer emails asking for a quote, she pastes the email into a prompt, attaches a past invoice, and asks AI to put the new details in the same format.

You can try this with a prompt like:

Attached is an invoice I sent last month and an email from a customer with a new order. Generate a new invoice PDF for the order in this email, using the same style and format of my example invoice. Flag anything that’s missing or that you had to guess at.

AI for Data Analysis

Most small business owners have more data about their business than they have time to look at. Your POS knows what sold and when. Your accounting software knows what came in and went out. Your inventory count knows what’s on the shelf. All of these data points could amount to meaningful insights that unlock more sales or cut costs, but only if you have the tools to spot the trends.

AI can be helpful in sifting through data and finding patterns. You can give it a spreadsheet and ask questions without needing to write formulas or make pivot tables.

If you have a spreadsheet of sales data, you can upload it and start with something as simple as:

Here’s my sales data for the last six months. Are there any products customers frequently purchase together?

or

Make a chart comparing this year’s sales to last year’s and tell me what stands out.

Other examples:

- Finding the discrepancies between what you counted and what your system says you sold
- Thinking through how much to order or how many people to schedule for a coming week
- Cleaning up and restructuring a spreadsheet you have to rebuild every month

Going Further: Working with Multiple Sources of Data

One of the trickiest things about running a business is that your data is likely spread across sources, and often the terms and formatting across the sources don’t line up. If you want to answer a question that requires cross-referencing data, you might have to reconcile it all by hand. But with AI, you can share any data, all at once, mismatched formats and all, and let the tool do the reconciling for you.

Say you work at a restaurant and want to know which dishes are the most profitable. The answer to that question depends on your menu and prices, the ingredients for each dish, what you pay suppliers for each ingredient and how often each dish sells.

You might try a prompt like:

Here’s my menu, recipe cards, recent supplier invoices and my sales export for the last three months. Calculate the food cost and profit margin for each dish, then rank them from most to least profitable. Put your analysis in a spreadsheet. Tell me if anything’s missing or you had to estimate.

An analysis like that could take several hours, but with AI it can be ready in seconds. You can use that extra time turning those insights into dollars.

AI for Data Analysis: Case Study

The owner of a small apparel store in Fulton Center wanted to know her busiest and slowest periods, and whether it made sense to adjust her operating hours.

Answering that question meant spotting patterns across months of sales data, then weighing those patterns against staffing costs and open-and-close expenses the sales data doesn’t show. So she had AI analyze her sales to identify her busiest and slowest days and hours, then kept the conversation going, asking follow-up questions and comparing options before she decided. Ultimately, she was able to set her most profitable summer hours.

You can try this yourself with a prompt like:

Review the attached sales data and identify my busiest and slowest days and hours. Summarize any patterns you notice. Then help me evaluate whether I should adjust my operating hours. Before making a recommendation, ask me about staffing costs, opening and closing expenses and anything else the sales data may not show.

AI for Data Analysis: Pro Tip

Connect AI directly to the data source.

The examples above assume that you manually upload any data that you want the AI tool to review. That could be data from your online store, or POS software, or your inbox, and might involve you exporting, downloading, or screenshotting the data every time.

If your online store or POS software supports a connector to your AI tool, you can connect the two for more seamless analysis. Once a tool is connected, you can skip the export and just ask: *What were my five best sellers last week?* or *What hasn't sold in the last sixty days?*

The tools that offer a direct connector change often, so check what's available for the software you use.

AI for Data Analysis: Pro Tip

Put your numbers in context.

Your own sales tell you what happened inside your business, but not what was going on around it. The Downtown Alliance publishes free research on Lower Manhattan at downtownny.com, including a quarterly fact sheet with neighborhood trends. Download one and attach it to your chat alongside your sales, the same way you'd attach any file (from Part 1), then ask the tool to read the two together: *Here's my monthly sales and the Downtown Alliance neighborhood fact sheet. What in this neighborhood data might explain my slow and busy months?*

AI for Thought Partnership

AI can help you work through bigger questions, develop an idea, compare options and turn a broad goal into a practical plan. You're not expecting a perfect answer. Instead, you're treating the interaction as a dialogue where you share what you're working through and use the tool's output to refine your thinking.

You can start with something as simple as:

I want to increase revenue over the next six months, but I'm not sure whether to focus on attracting new customers or getting existing customers to visit more often. Ask me questions about my business, then help me decide where to focus first.

or

I may need to raise my prices, but I'm worried about losing customers. Help me evaluate whether a price increase makes sense and how I could communicate the change to customers.

Here are some other examples of when you could use AI as a thought partner:

- Brainstorm new marketing or promotion ideas
- Compare options and identify the tradeoffs of each
- Pressure-test a plan and identify what you may be overlooking
- Explore a question from different professional perspectives
- Turn a broad business goal into manageable next steps
- Conduct competitive research to inform decisions

Going Further: Create an Ongoing Workspace

In order for AI to give good advice, it needs to understand your business the way you do. You can create dedicated Projects (see Part 1) for an ongoing area of your business, such as marketing, operations or business planning. Add relevant information about your business so the AI has context each time you return.

For example, you could create a "marketing" Project and include a description of your business and customers. You can then use it to brainstorm promotions or build a marketing calendar.

When you create the project, include instructions like:

For this project, you'll act as an experienced [type of specialist] for my business. I run [type of business] in [location]. My primary customers are [customer groups], and my current priorities are [goals]. My main constraints are [budget, time, staffing, or other limitations]. When I bring you a question, ask for any important information that is missing before making a recommendation. Keep your advice realistic for a small business.

For example:

For this project, you'll act as an experienced small-business marketing specialist. I run an independent gift shop in Lower Manhattan serving local residents, office workers, and visitors. I want to increase weekday traffic and encourage more repeat visits. I have a limited marketing budget and approximately three hours each week to work on marketing. When I bring you an idea or question, ask for any important information that is missing before making a recommendation. Keep your advice practical and help me turn larger ideas into manageable weekly and daily tasks.

AI for Thought Partnership: Case Study

A manager at a ramen restaurant was deciding where to open a second location. Compiling the market insights and competitive research for multiple possible locations would be a time-intensive task. As a starting point, she used AI as a research tool.

Within minutes she had a side-by-side comparison. She treated it as a starting point, verifying the numbers, adding what she knew about each neighborhood and making the final call herself.

You can try this yourself with a prompt like:

I manage a [type of business] in [location] and am weighing where to open a second location. Run a competitive analysis and market assessment comparing these two options: [location option 1] and [location option 2]. Begin by identifying the direct competitors near each spot, then compare the two on foot traffic, local demographics and who my likely customers would be, nearby businesses that would complement mine and how saturated the market already is. Lay out the strengths, risks and trade-offs of each option in a table. Tell me what assumptions you're making and what I'd need to confirm before deciding.



**Remember:
AI is not a substitute
for professionals.**

For legal, tax and financial questions, AI can help you organize your initial thinking or draft the questions you want to ask. But it is not a substitute for a lawyer or an accountant, and anything with real money or liability attached deserves a real expert.

AI is most useful when you can hand off some of the busywork so you have more time for your customers, your craft and the parts of the business that made you start it in the first place.

It's impossible to cover every tool or every feature, because the technology is changing fast. It may feel daunting to begin, but start small. Pick one task from one section that sounds like your week, and try it once this week.

As one business owner told us, “once you do it once, you get the flow.”





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The mission of the Alliance for Downtown New York is to provide service, advocacy, research and information to advance Lower Manhattan as a global model of a 21st century central business district for businesses, residents and visitors.

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