INTUIT

More with AI Tour

Resource kit

AI glossary

Glossary of common AI terms

Below are some of the most commonly used terms when talking about AI.

1. **Artificial intelligence (AI)**: the ability of computers or machines to perform tasks that usually require human intelligence, such as problem-solving, decision-making, or understanding language

2. **Artificial general intelligence (AGI)**: the label computer scientists apply to the still-unachieved goal of creating AI that can reason and learn in broad ways, apply those skills to new realms it hasn't encountered before, and grow in unpredictable directions

3. **AI bias**: when AI systems produce unfair or inaccurate results due to problems in the training data or the way the system was built

4. **Automation**: use of AI and machines to perform tasks without human intervention, with the goal of improving speed and efficiency

5. **Autonomy**: the capacity of AI to act on its own to achieve a goal without specific human direction at every step—in the physical world (self-driving cars), in virtual environments (non-player characters in games), or on computer networks (personal assistants)

6. **Chatbot**: an AI tool designed to simulate human conversation (e.g., Google's Gemini, Microsoft's Copilot, and OpenAI's ChatGPT)

7. **ChatGPT**: OpenAI's runaway hit service that brought large language models (LLMs) and generative AI (GenAI) into the mainstream by packaging it as a simple chatbot that could converse with users, compose stories and poems, answer questions, and more

8. **Ethical AI**: the study and practice of ensuring AI systems are designed and used responsibly, considering issues like safety, fairness, transparency, and bias

9. **Generative AI (GenAI)**: machine learning-based AI that trains on sets of real-world data—most commonly images and text—to learn to predict or generate the next word or pixel in a sequence, creating the capacity to write new texts and make new images

10. **Generative pre-trained transformer (GPT):** a particular kind of LLM design, introduced by OpenAI, that uses a hybrid training approach, with an initial pre-training that is unsupervised and then a supervised fine-tuning phase

11. **Hallucination:** an answer provided by GenAI that sounds plausible but is incorrect, the result of the program guessing the next words that seem to fit

12. **Large language model (LLM):** machine learning models trained on extensive datasets to generate human-like text (e.g., Google's Gemini, Microsoft's Copilot, and OpenAI's ChatGPT)

13. **Machine learning (ML):** a type of AI where computers learn from data and improve their performance over time without being explicitly programmed for every task

14. **Natural language:** how AI researchers describe the languages humans speak

15. **Natural language processing:** making human language intelligible to machines

16. **Prompt:** a specific input, instruction, or question given to an AI system to guide it in generating a response or performing a task

17. **Prompt engineering:** the practice of crafting specific input to guide GenAI systems in generating accurate or desired outputs

18. **Self-awareness or sentience:** the ability of AI to "know" that it exists and has continuity in time

19. **Supervised training:** when data has been labeled by humans in advance, giving the model AI signposts and hints for how to organize it

20. **Training:** teaching a computer program (the "model") to learn from data so it can get better at a specific task

21. **Training data:** the data initially provided to an AI model for it to create its map of relationships

22. **Unsupervised training:** when the model is simply turned loose on raw data and gradually draws connections among tokens based on proximity

Prompt engineering

Prompt engineering: **the 5 key components of a good prompt**

Clarity: Use precise language to avoid ambiguous results.

Context: Provide relevant details to guide AI outputs (e.g., audience, tone, format, time/date reference).

Tone: Convey style, mood, and attitude for more accurate responses.

Structure: Include examples or constraints to focus the AI's response (i.e., output format).

Specificity: Define goals/objectives and exact details (i.e., word count, format, audience).

Example of a weak prompt

"Write an email promoting our store's upcoming sale 10–15 April at our new location."

Example of a strong prompt

"Write a **friendly** promotional email announcing our **spring** sale at my **boutique clothing** store. The sale runs **10–15 April**, with **20% off all men's apparel** with **promo code: LOOKGOOD**. Please structure the email with a **compelling subject line**, **key sale details**, and a **closing call to action**. I want to encourage customers to shop in-store or visit us online at our **new website [insert website here]**."

AI adoption checklist

Responsible AI:
small business adoption checklist

Getting started

Considering how artificial intelligence (AI) can help your small business? Before you start paying for new subscriptions, focus on how you'd use it.

- [ ] **Identify your use cases.** To maximize the impact of AI, first identify specific use cases that AI can help your business with, and then research the right tools for the job. By focusing on needs first, you can ensure the tools you are researching and purchasing truly meet your needs.

- [ ] **What is the time and effort required to integrate this AI tool?** Some AI tools just need access to the internet and a browser, but others may require more robust equipment or integration efforts. Start with the AI enhancements that are included in the products your business already uses, and go from there.

- [ ] **Think about the training you might need to implement AI effectively.** As these tools evolve, new skill sets—like prompt engineering—are developing, and your team may need to learn how to utilize these new tools to really see their benefit. Think about how to train your team and consider a communications or change management plan to help your team get all the information they need to use AI to supercharge your business.

Choosing a vendor and product

You've thought about your business needs and found your perfect AI tool, and now your team is excited to get started. What are some additional considerations when signing up for a new AI vendor?

- [ ] **Evaluate AI vendor transparency and responsible commitments.** Consider that the AI landscape is constantly evolving. Choosing a vendor who understands this and has a plan for keeping up with changes is important. Check their websites, and ask yourself questions like:
    - Do they have a responsible AI program or policy?
    - What are their principles for building and using AI?
    - Are they actively working to understand and address AI issues as the industry learns more?

- [ ] **Is the AI tool specialized for your needs, or is it a general tool?** Some tools will be generalists, which are great for language tasks (summaries) or basic research. For more complicated decisions or recommendations, it's important to pick a tool that is specifically designed to handle those sorts of requests.

- [ ] **What are their data privacy practices?** Protecting your business's and customer's information is key. Your vendor should be transparent about their data handling practices, and they should have a privacy statement that helps you understand:
    - What data they collect, how they use it, and if they share that data with other parties
    - The security measures they have in place
    - What privacy options you may have—for example, they may allow you to delete your data upon request

- [ ] **Where are they based?** Where the AI company is based matters. Data protection laws vary by country, so check to make sure you're comfortable with their location and laws. One way to assess this is to determine which countries the US government prohibits or minimizes doing business with.[1,2]

You're using AI. What should you be keeping in mind?

You've chosen your tools, your team is ready, and you're about to embark on an exciting AI adventure! Let's make sure you're using generative AI (GenAI) smartly and responsibly and take practical steps for AI success.

- [ ] **Watch out for "hallucinations."** Encourage your team to always double-check important details from GenAI. Treat AI like a super helpful assistant, but not a replacement. Always have a team member review to ensure the output is accurate and makes sense. If it needs expert eyes, get an expert involved.

- [ ] **Be transparent.** Let your customers and employees know when you're using AI and its capabilities. Honesty builds trust, especially with tools like call summaries or chatbots.

- [ ] **Perfect your content and leverage feedback loops.** Review all content created by GenAI to ensure it aligns with your business's voice and expectations. Your service provider may provide ways for you to receive feedback about how the service is performing (e.g., "thumbs up" or "thumbs down" buttons or simple forms to gather input from customers and employees). Using these tools can help confirm that the service is functioning as intended.

- [ ] **Embrace the variations and test drive before takeoff.** Get ready for a bit of creativity! GenAI might give you slightly different results each time. Use this to your advantage for brainstorming and exploring new ideas. Before letting AI interact with your customers, give it a thorough test run. Try different scenarios to ensure everything works smoothly. Practice makes perfect!

- [ ] **Proceed with care.** Remember that AI is still evolving. For high-stakes decisions like hiring and employment-related issues, proceed cautiously and consult with experts to meet all requirements.

[1] Bureau of Industry and Security. "Sanctioned Destinations." 2025.

[2] Office of Foreign Assets Control. "Sanctions Programs and Country Information." 2025.