



The AI Race Is On!



In October 2024, industry thought leaders gathered at the Big Sky AI Conference, presented by **Digital Wealth News™** and **AI & Finance™**, in Bozeman, Montana. At this event, discussions and presentations focused on AI's impact on the wealth industry and what it means for advisors and their clients, wealth organizations, and Fintech solution providers as AI continues to evolve.

This whitepaper provides additional thought leadership presented by two of GreenLine Consultant's attending experts on how organizations must incorporate their AI roadmap into their business vision and strategic goals.

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01 **AI: An Exciting New Tool**

Undoubtedly, AI is changing how we do everything, from how we work to how we play and live. The shiny new thing—AI—mustn't distract you from your organization's mission, goals, and clients. It's vital to be clear about these because AI is evolving exponentially. To keep pace, today's organizations will need to integrate IT/AI strategies frequently to ensure continued alignment with business and client aspirations.

A survey of the Big Sky attendees by GreenLine Consultants found that the majority of the attendees are either piloting or scaling their AI programs. This is not surprising as the attendees are early adopters.

As with all new capabilities, there will be first adopters, close followers, and others who are slower to integrate AI into their organization's business and IT strategies. How they adopt will also vary widely. An early decision point will be to 'build or buy' with larger firms that have scale and expertise in implementing in-house while others look to leverage innovation from third-party providers and/or deploy innovation provided by current vendors. One thing is common across all. AI isn't a phase. It is changing how the industry provides the highest level of service to our clients, and everyone must plan how they will 'get in the race'.

GreenLine's Guglielmo and Wong-Doo advise that firms to approach getting into the AI 'race' as they would any business challenge or opportunity.

Set your strategy

Clearly define the opportunity and/or challenges at hand.

Your organization's business strategy for future growth must be the 'North Star.' Identifying the role that technology, including AI, could play in its delivery is next. As with all winning plans, it is best to start by prioritizing the opportunities and challenges your firm faces.

For example, your most significant challenge might be automating or making your advisors' day-to-day non-client-facing tasks more efficient. With increased efficiency, they can handle more clients. If this is a critical problem or an opportunity to create faster growth, it can be part of the action plan and potentially a place to consider AI as part of the solution.

Or your organization might want to enhance competitiveness by improving its portfolio management capabilities.

Once you've identified your goals, you have a starting point as you work toward a solution.

Organizations often experience significant events that act as catalysts for change. For example, a compliance-related challenge might trigger the urgent need to update operations and streamline processes to support professionals without compromising advisors' ability to deliver." - Mark Guglielmo

Know how you will measure success

Once you have a clear North Star, it's critical to know what success will look like, how your IT (and AI) strategy will support delivery and how you will constantly measure and improve along the way. With AI, you must monitor your organization's strategic, competitive position more closely and frequently because AI makes everything move exponentially faster. Constant measurement of progress and effectiveness against the problem you're trying to solve will allow you to become more opportunistic about how AI can help you win the race.

AI is exciting. If you are clear about what your goal is and how you are measuring – whether its cost/transaction or revenue targets – you can get more creative, using AI, to solve for those targets." - Hilda Wong-Doo

For example, organizations sometimes focus on cost-cutting, which won't lead to long-term growth. Understanding that your vision and mission must include being a trusted advisor is paramount. Therefore, you must think carefully before prioritizing your organization's needs over your clients' needs and get the balance right.

Look Up

The practice of multi-year annual plans no longer support the way business moves today particularly as AI capabilities create new opportunities and challenges at an accelerated pace. It's important to have the strategy. It's also important to integrate that strategy with your IT/AI project implementations and ensure that the two are continuously aligned. It may be that something you have learned during your project delivery may compel you to reconsider your business strategy based on new information about opportunities or challenges you were unaware of at the time you made your plan.

Client-focused delivery is imperative

The non-negotiable for clients is trust. They don't think about APIs, AI, or back-of-house technology; they think about the holistic service experience they receive from their advisor.

AI may be the talk of the industry, but it won't deliver value unless it is tied to your business imperative." - Hilda Wong-Doo

When revolutionary technologies emerge, people get excited and are eager to bring them into their organizations. This is the case with AI; everyone wants the shiny new tech. However, bad outcomes can occur when you don't consider how AI will impact clients and your relationship with them first.

Our responsibility as an industry to safeguard client and business data is foundational to trust and an important consideration when evaluating AI initiatives.

Addressing AI and data quality, protection, and sharing possibilities is vital. Remember, AI is generative; choosing to use your organization's sensitive data can be positive or negative.

Many data-sharing tools enable organizations to bring enormous amounts of data together. However, it is paramount to confirm data quality and reliability before advising clients based on AI recommendations. If the data is 'flawed,' so to speak, the recommendations and clients' outcomes can be disastrous to their financial independence and a firm's reputation.

On the other hand, with proper training, AI can improve client conversations and help advisors focus on client service by using language learning models to 'listen in' to question-and-answer sessions.

Last year, Morgan Stanley launched a proprietary generative AI chatbot that allows their advisors access to their own intellectual capital. The tool puts close to 100k reports at an advisor's fingertips. That's changing the conversation." – Hilda Wong-Doo

01 **AI: The Strategy and Action Plan**

Incorporating AI into your business strategy will involve organizational readiness. AI has the potential to address problems across all aspects of our business, from new products and services to efficiency to defensive solutions for cybersecurity and risk management.

Once you identify where AI can support your organization, consider how you will use it. Will you use AI to complete mechanical tasks, add new capabilities to your organization, expedite business growth, and/or support more frequent and higher-quality client conversations?

AI addresses all these options quite differently.



A Pragmatic Approach

It's vital to start by taking inventory of your tools and identifying gaps. Your perspective might be on tools in an advisor's hands: what they have, what they are missing, and how a new tool will enhance the clients' experience.

For example, to prepare for a client meeting, the advisor must prepare client performance data, research investment data, prepare a model portfolio, etc. So, the vision might be for an AI tool to quickly compile years of research and analytics based on data to structure model portfolios for the client.

The pragmatic approach to this scenario is that the AI tool will give advisors time to have better conversations with more clients, thus increasing AUM.

It is also important to consider what else you will need to implement AI: other technologies, data quality, advanced integrations, outside AI experts, technology, and practice management consultants. Your AI strategy will also likely require assigning in-house individuals to AI with no other areas to manage or oversee directly.

Assembling Your Team

Taking the 'big leap' into AI may be more successful if implemented in small steps with clear metrics for success along the way.

Our attendee poll indicated organizational readiness as an area of concern.

One of the biggest concerns is that AI is going to take away people's jobs. When robo-advisors were introduced, there was similar concern. AI will change jobs and create new ones. Organizations should have an intentional change management strategy as it relates to their staff. Blending in-house expertise with new thinking and training is an opportunity that benefits clients, firm, and employees and is a win all around.

All organizations want to ensure that their operations, support professionals, and advisors have all the tools they need to grow efficiently. However, if they move too quickly in one area, another might be compromised. For example, using AI tools to generate rapid client acquisition might challenge an organization's foundational technologies.

AI implementation happens in months, not years, but your commitment to transformation should be continuous. Ensure you have the right capabilities and skills, which may require bringing in outside specialists with deeper expertise to supplement your in-house team." - Mark Guglielmo

Technology is crucial in financial services, but innovation budgets are often the first to be cut during economic or other challenges. Adding AI to the budget is vital because this technology accelerates rapidly. Without allocating financial and human resources to AI, firms risk falling behind faster than ever.

As an organization, you must stay dedicated to incorporating technology solutions, including AI, into your strategy - budget for it, give it parameters and the people resources it needs to be successful."

- Mark Guglielmo

Regulation and Compliance Considerations

Organizations must also consider AI's regulatory and compliance ramifications, especially concerning customer data and reports - those types of material must be vetted and approved. Our poll of Big Sky attendees found a significant number of the attendees believe compliance is a top priority when implementing AI solutions.

Before implementing AI solutions, organizations must consider the risks and benefits to the client, data exposure, who owns the data, privacy, and more. While AI may save time for advisors, or create operational efficiencies, determining the right solution requires alignment across your organization's compliance, legal, risk, practice management, procurement, and vendor processes.

Data security

Our industry already has comprehensive rules and regulations designed to safeguard clients and their data. Dialogue about potential changes or enhancements required to ensure AI usage does not compromise those standards is ongoing. For organizations deploying AI solutions, it's important to be aware that they may need to respond rapidly as regulation in this space evolves.

Your organization must be adaptable as AI regulation evolves." - Mark Guglielmo

Clear Strategy, Pragmatic Approach to Win the AI Race

As with most new frontiers, AI presents tremendous opportunity and many as yet unanswered questions. Getting into and winning the AI race requires clear business and client goals, defined measures of success and a pragmatic approach with the right team and resources to deliver. With these elements in place, organizations will be positioned to take advantage of the exciting potential of AI while managing the challenges its implementation may present along the way.

About GreenLine Consultants

GreenLine Consultants specializes in working with firms that are implementing change - from delivering new digital experiences and refining workflows to integrating systems during acquisitions. Successfully adopting AI requires attention to the same critical change management elements while demanding even greater flexibility, responsiveness, and attention to internal readiness than ever before.

<https://greenlineconsultants.com/>

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***Digital Wealth News*[™]** is a comprehensive media platform that delivers news, thought leadership, partner content, and industry updates, all with a focus on the evolving fintech revolution. Our coverage spans digital currencies, the new token economy, trading technology, digital investing platforms, WealthTech, robo-advisors, and legal and legislative issues within fintech.

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About *AI & Finance*[™]

***AI & Finance*[™]** is a new venture from the creators of Digital Wealth News. With a weekly newsletter reaching 300,000 financial professionals, including FAs, B/Ds, VCs, fintech C-suites, hedge funds, family offices, and institutional investors, we uniquely cover the intersection of artificial intelligence and finance, offering unparalleled industry insights.

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