Gold to Paper to Digits™
Digital Since 1996
GLE@DFIN.com 858.210.0486
Gary Lewis Evans

AgenticDfin = Agentic Digital Finance

DFIN Has Been a Leader in Digital Finance Since 1996

Ai Project Adoption Outline

A Business Case for Banks, Credit Unions, and Other Financial Firms

Section A – Define the Project – Management Discussion Framework

1. **Purpose / Focus – At its core, this initiative is about disciplined automation**
    a. It can support a start-up bank, an existing bank, a credit union, or another regulated financial business.
    b. The project may be enterprise-wide or focused on one high-value operating area.
    c. Begin by identifying a specific task, workflow, or decision point that would benefit from automation.
    d. Start with a contained project outside the most sensitive production workflows if that reduces execution risk.
        i. Some institutions may decide to prohibit unsanctioned tools entirely.
        ii. Others may allow limited use, but only through designated LLMs and approved software tools.
            1. A practical example is controlled experimentation by development or innovation teams before wider rollout.
        iii. Look for friction points that slow work, create rework, or increase customer effort.
        iv. Prioritize opportunities that improve accuracy, trust, consistency, and scale.
2. **C-Suite leadership should initiate and oversee the process**
    a. First determine what, if anything, the institution's core processor or primary banking platform already offers.
        i. Core processors often provide stronger built-in security, integration support, and regulatory alignment than standalone tools.
    b. Target areas where automation can produce measurable value quickly.
        i. Accounting and finance operations
            1. Microsoft has already embedded AI capabilities across Microsoft 365 productivity workflows.

ii. Loan processing and preparation for underwriting
iii. Loan review processes that can become more thorough, repeatable, and auditable
iv. Customer service functions across the institution
    1. Build consistency in how questions are answered and requests are routed.
    2. Allow AI to operate only within pre-approved answers, policies, and escalation paths.

3. Establish the vision and the transformational business case

a. The primary benefit is time saved for employees and faster response for customers.
    i. That time can support lower operating cost, stronger controls, or additional business development capacity.
    ii. In a growth strategy, the same staff base may be able to serve more customers and products.
        1. The best outcome is not just savings, but a stronger and more scalable business.
b. Best case: leadership sees a path to materially improve efficiency, responsiveness, and quality.
c. Worst case: the initiative is driven only by fear of missing out rather than a grounded operating need.
d. Define specific targets, with efficiency as a starting point but not the only goal.
    i. What customer problems will this solve?
    ii. What internal operating problems will it solve?
    iii. What should be ranked first, second, and third for execution?
        1. Re-rank priorities as more is learned about cost, risk, data quality, and adoption.
    iv. The strategy should clearly support:
        1. Growth
        2. Efficiency
        3. Accuracy
        4. Security
    v. Risk reduction through better controls, fewer manual errors, and clearer accountability
    vi. Higher service quality in a digital finance environment where response speed and consistency matter

e. Oversight for AI use in a regulated financial setting

    i. Identify regulatory considerations, policy implications, and likely examiner questions early.
    ii. Confirm whether the project architect and leadership team have the right experience.
        1. If not, determine how those gaps will be covered through internal experts, advisors, or implementation partners.

f. **Retrieval-Augmented Generation (RAG) technology – important for controlled enterprise use**
   i. Consider RAG to improve protection of proprietary information and to ground responses in approved enterprise content.
      1. Staff can then work with general knowledge, a selected LLM, and approved internal data under controlled access rules.
   ii. Restrict staff access where appropriate.
      1. General policy and procedure access
      2. Approved customer letters, templates, and departmental knowledge bases
         a. Access should be controlled by department, role, and business need.
   iii. Protect proprietary information through data classification, role-based permissions, logging, and vendor controls.
   iv. Evaluate and price multiple providers before making a platform decision.
      1. IBM
      2. Microsoft Azure
      3. Amazon Web Services (AWS)
   v. Decide which LLM or model family will be used, under what conditions, and for which business tasks.
   vi. Three major drivers of this shift are already clear:
   vii. AI must be trustworthy at scale—hallucinations and black-box outputs continue to slow adoption in regulated environments.
   viii. Unstructured data is now mission-critical because much enterprise knowledge sits in PDFs, recordings, messages, and other non-tabular formats.

Section B – Who, What, and When

1. **Build governance and executive sponsorship**
   a. Adapt the governance model to the size, complexity, and transaction volume of the institution.
      i. In addition to a lead project architect, sub-architects or workstream leaders may be needed.
   b. The project architect should be accountable for overall design, coordination, and delivery.
      i. Key participants usually include operations, deployment, business owners, and implementation team members.
         a. Risk

b. Compliance
c. Technology

2. **Define decision rights**
    a. Approval processes should be documented and consistently followed.
    b. Accountability for risk, quality, and outcomes must be explicit.
3. **Personal agent**
    a. Define the intended outcomes for any personal agent or assistant capability.
    b. Identify friction points the agent is meant to reduce.
    c. Set a high bar for accuracy.
        i. In regulated finance, near-perfect reliability matters because errors can create customer, compliance, and reputational risk.
    d. Design for trust and scale from the beginning.
    e. Clarify whether the agent is employee-facing, customer-facing, or limited to internal productivity use.
4. **Define scope, objectives, and success metrics**
    i. **Set measurable goals from the beginning, such as:**
        a. Automate clearly defined steps rather than vague ambitions.
        b. Improve onboarding, servicing, lending, or finance operations.
        c. Reduce cost, turnaround time, and manual effort.
        d. Increase accuracy, control, and customer satisfaction.
        e. Remove friction for staff and customers.
    ii. **Identify and prioritize the first wave of use cases based on value, risk, data readiness, and implementation speed.**

Section C – Build Strategy

1. **Review**
    a. Review the end-to-end finance and operating workflow.
        i. Break the bank into business areas and sub-areas so opportunities can be assessed systematically.
    b. Identify where AI and automation can deliver the highest value.

c. Prioritize use cases based on:
    i. Impact
    ii. Feasibility
    iii. Data availability and data quality
    iv. Compliance and operational risk
    v. Speed to value

2. **Design the target solution and controls**
    a. Determine whether the initiative has the right data sources, data quality, integrations, security controls, talent, budget, and technology foundation to support implementation and scale.
3. **Assess data, systems, and resource readiness**
    a. Define how AI, rules, workflow, human review, and existing systems will work together.
    b. Build in controls for transparency, validation, model monitoring, privacy, security, and auditability from the start.
    c. Map business rules, exception handling, and escalation paths.
    d. Define human-in-the-loop checkpoints for high-risk decisions, customer-impacting outputs, and exceptions.
    e. Set standards for explainability, evidence retention, and compliance documentation.
4. **Launch a pilot and measure results**
    a. Start with a contained use case that has clear boundaries, manageable risk, and measurable outcomes.
    b. Validate performance against baseline metrics.
    c. Measure user adoption and workflow fit.
    d. Confirm compliance readiness before broader rollout.
    e. Document operational impact, lessons learned, and go/no-go criteria for scaling.
5. **Continuously govern**
    a. After the pilot, expand through a repeatable delivery model. Continue improving models, workflows, controls, and governance so the digital finance program remains effective, safe, compliant, and aligned with business goals.
    b. Challenge what was done.

Gold to Paper to Digits™
Digital Since 1996
GLE@DFIN.com 858.210.0486
Gary Lewis Evans

Section D – Cybersecurity, Audit, Testing, and Regulatory Readiness

1. Cybersecurity

a. Cybersecurity is mandatory and should be designed into the program from the beginning, not added later.

b. Focus on identity, access control, data protection, vendor risk, monitoring, incident response, and logging.

2. Audit

a. Expect evolving audit expectations, including stronger evidence requirements for controls, outputs, approvals, and model oversight.

3. Regulatory

a. Expect additional rules, guidance, and examiner focus over time as AI use expands in financial services.

b. Maintain documentation that shows how the institution manages risk, validates outputs, and protects customers.

4. Testing

a. Testing should be guided by executive leadership, with the CFO and other senior stakeholders helping define acceptable performance, control evidence, and rollout criteria.