



MONEY MATTERS

Compounded by AI

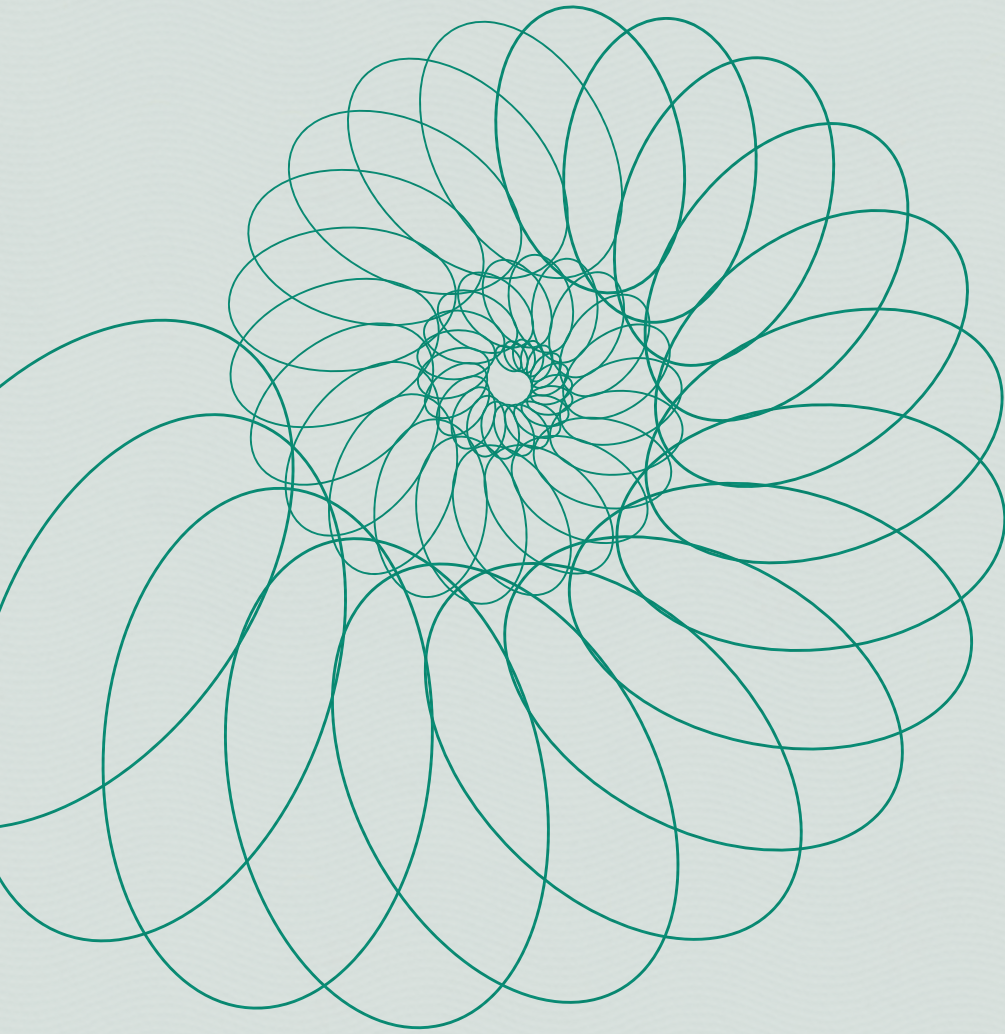
AI: The
new teller

Banking
on AI

End of
data overload

AI guides
creative solutions

Taking responsibility
for AI assistance



FINANCE REIMAGINED

The financial world is about to undergo a revolution driven by GenAI's cutting-edge capabilities. What was once distant is now streamlining back-office operations, dissecting complex data for sharper decision-making, and tailoring financial products with pinpoint accuracy. Brace yourself for a future where AI eliminates the drudgery of finance, empowering human expertise to focus on what truly matters: You.

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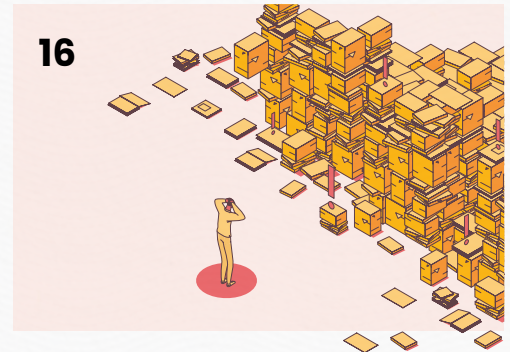
AI guides creative solutions

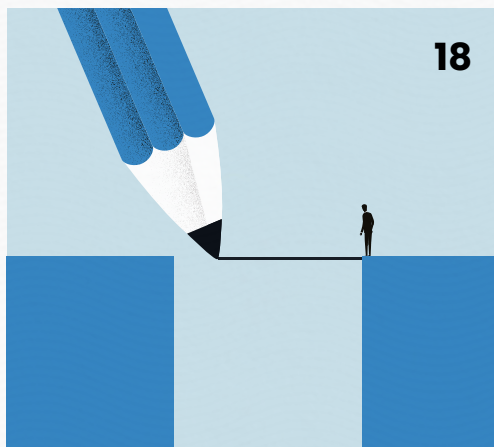
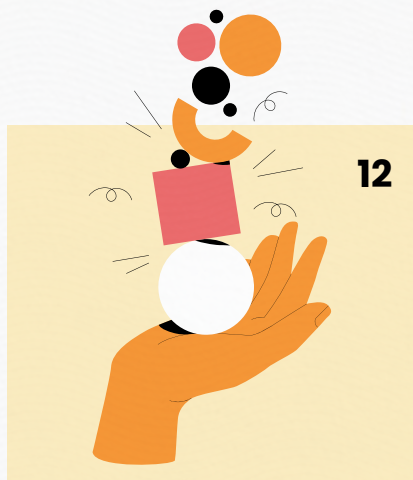
To harness AI's full capabilities, teams must collaborate with it as a creative partner, not just a tool

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Marshall Goldsmith shares his latest AI avatar, MarshallBOT, during his recent visit to India





EDITOR'S NOTE

Agents of change

Financial services firms are shifting their perspectives on GenAI

Businesses in the highly regulated financial services industry are rarely early adopters of innovations. But when they do, it signals change across all markets.

"Our clients were initially apprehensive about GenAI, but now acknowledge it's here to stay," says Gaurav Sharma, client partner at Fractal.

The big question arises as to how this assimilation will lead to adoption that unlocks value. The answers in banking and insurance could provide important lessons for all other businesses contemplating progress on their GenAI journeys. Our main feature on page 6 explores five GenAI use cases in financial services.

We also interview Daragh Morrissey, director of AI at Microsoft Worldwide Financial Services, about responsible AI tools that provide banks confidence in new solutions. Turn to page 13 for the full interview.

We look into how a global financial services firm is already yielding benefits of adopting GenAI solutions whose teams are making better decisions and increasing productivity thanks to a new tool that does the heavy lifting to get insights from its data.

There's much more in this issue, including insights into the challenges being addressed with Marshall's exclusive India visit the fascinating reasons why some businesses are failing with AI-based problem-solving.

I hope you enjoy the read.



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AI: THE NEW TELLER

**How can you tell when a new technology
has established itself in the mainstream?
One way is to look at how financial institutions
are approaching it.**





Companies that handle people's savings, loans and investments – not to mention sensitive data – face hefty demands when it comes to risk and regulations. It's vital that these businesses know their data and analytics are accurate, secure and well managed so they can be confident they are making the right decisions. At the same time, they need to prove to regulators that their operations meet stringent standards in every respect.

As a result, when a technology like Generative AI (GenAI) steps into the spotlight, financial services firms are typically more hesitant to adopt it than other industries. When risk prevention and security are your top priority, you need to make sure every step of your transformation journey is managed appropriately, with no data leaks or privacy concerns.

Change is underway, though. Financial firms' initial hesitation is gradually being replaced by curiosity about what GenAI can help them achieve.

"The past year has been fascinating because everyone wants to talk about GenAI," comments Gaurav Sharma, client partner, consulting financial services at Fractal. "Our financial services clients have been aware of GenAI for a long time, but their focus has been on other technologies. Now, they are moving our conversations towards GenAI and making it a point in any discussion."

The tone of the conversation has also changed from mild curiosity to an enthusiastic quest for knowledge.

"Last year our discussions were much more about information and knowledge sharing as well as thinking about what GenAI can do in terms of use cases and proof of concept (POC) projects," adds Sharma.

"This year, clients are asking us how they can scale those use cases and POCs. They want to demonstrate the value GenAI can deliver so they can replicate it in other use cases, too."

Fractal combines its expertise in designing innovative AI solutions with a deep understanding of the risk and governance issues involved.

"Each business is unique in terms of its needs, investment appetite, and top-down support for technology innovation," says Sharma. "Some are still watching and waiting so they can gauge the best direction to take. Others are jumping into GenAI with POCs. Use cases around employee productivity have been extremely popular, for instance, and these often involve using internal chatbots and virtual assistants. The organization can then use feedback from internal users to assess those use cases, figure out how to scale them up, and look at ways to open them to external users."

Designing solutions for people, with people, is a core design principle at Fractal. This principle involves approaching each use case from the client's unique perspective. That includes considering the organization's current position, what it needs, and how it would evaluate, scale, and extend the solution to other users.

Risk, complexity, and governance are the key to this approach for financial firms. Initially, these institutions are much more likely to embrace a use case with lower complexity and reputational risk. When more complexity or risk enters the picture, they need to know they have the structure and governance in place to move forward.

Building on these considerations, Sharma and his team have created a framework to help financial organizations plot their GenAI path. Its five broad industry-focused use cases, detailed below, provide a place to start.

Employee productivity is where many financial firms begin their GenAI journey and it comprises three key areas.

Knowledge management engines allow employees to type in a query about anything from organizational policies to compliance and get a concise, accurate response. Instead of raising individual tickets for human resources, finance, or travel queries, users can have a fast, conversational experience based on information across the company's data. Based on user feedback, these internal-facing knowledge management engines can then be rolled out to face sales agents and contact centers, too.

Summarization engines can provide a similar, conversational experience tailored to roles like credit or analysts. These users create many different reports, so a tool that can summarize information in the relevant templates will streamline the process and save them vast amounts of time.

In the future, self-serve decisioning engines could also speed up financial decision-making. However, this is a longer-term use case that depends on having rock-solid structure, model validations and governance measures in place.

Customer experience is about creating more humanized, contextual interactions that also develop and inspire trust – the crucial element for any financial services customer. That means finding ways to improve search functionality and dynamic content generation across the web and app while making sure every piece of information

is complete and accurate. Cost management and efficiency are the third use case, and this time, the focus is on the financial services middle office and back office. Fractal's Senseforth solution is the star player here. Its capabilities, like chat summarization and real-time interaction insights, can be tailored to end-to-end processes such as underwriting to provide staff a deep, contextual experience.

Fraud, risk, and compliance remain top of mind for financial firms, and GenAI can help address this two-sided coin.

On one side, modeling the risk of fraud is an incredibly complex process. It can be even more difficult when the fraud is a high-severity, low-incidence event because there may not be enough data to build models that will identify it accurately. Synthetic data generation is one way that GenAI can help. It involves building enhanced data to stimulate existing information, enabling better modeling and identifying risk or fraud.

Making that information usable is the second side of the coin. How can the organization bubble the information efficiently and quickly to inform users' decisions? The answer is to create a real-time, on-demand search and information platform for fraud and risk monitoring teams to engage with. This will give the contextualized information they need to make the right decisions on the spot.

Fractal's fifth use case, technology innovation, brings GenAI a broader engineering perspective in financial services. Its purpose is to find ways to help banks along their technology transformation journey. That might address data and cloud modernization issues, for example, as banks need to transfer code from legacy analytics platforms to new, cloud-based ones. Then there's also the question of how to generate, translate, manage, and optimize those codes so they can be

maintained consistently, securely, and compliantly. Fractal has developed accelerators that make it easier for financial firms to do that.

Considering these pathways is helping financial organizations to make significant strides on their GenAI journey. As organizations start implementing their ideas, the industry is experiencing an exciting time.

"I evaluate any kind of a change in terms of three legs: acknowledge, assimilate, and adopt," says Sharma. "Our clients in the financial services industry were initially apprehensive about GenAI, but now acknowledge that it is here to stay. They are assimilating to the change. Most organizations in the industry have started to identify potential use cases to pursue, and many have found 20 or more. Momentum will increase now as more organizations seek to understand what their GenAI use case will be."

"This year's big question is whether the assimilation we're seeing today leads to adoption that unlocks value for those institutions. It's very possible that the value unlocked in one use case can be replicated in another with great confidence in the results. It's time for financial firms to explore those impacts and visualize the incremental value GenAI can bring."

"Designing solutions for people, with people, is a core design principle at Fractal."



“AI will re-shape the operating model of various industries and financial services will be one of the biggest beneficiaries. We’re envisioning a future where AI personalizes every customer interaction, from recommending the right financial product to streamlining account management. This translates not only into a superior customer experience but also unlocks entirely new revenue streams. Think AI-powered wealth management tools or risk assessment models that open doors to a broader customer base.

Now, integrating this cutting-edge technology within a well-established infrastructure demands a strategic hand. Organizations must navigate this by adopting a phased approach, prioritizing areas where GenAI delivers the most significant impact. APIs and cloud migration will be strong catalyst for seamless integration.

Organizations must also understand the criticality of responsible AI. They must be relentless in ensuring fairness by implementing robust data governance frameworks and invest in explainable AI tools to ensure transparency in decision-making. And most importantly, human oversight will remain a cornerstone. It’s about harnessing the power of GenAI while fostering trust and ethical considerations.

I believe GenAI is a powerful tool with the potential to redefine financial services. As a Senior Global AI Product Manager, I am personally committed to wielding it responsibly, for the benefit of customers we serve and a resilient business model.”

Himanshu Jain

Vice President of Data and Analytics, HSBC

Himanshu Jain

Vice President of Data and Analytics, HSBC

Strategic leader driving global innovation in AI and financial services.



Gaurav Sharma

Client Partner,
Fractal

Gaurav has over two decades of experience in strategy, operations and P/L management, driving growth across finance, digital and healthcare.



AI'S EVOLUTION IN FINANCE

From its inception in the 1950s, AI's integration into finance has evolved from basic applications to sophisticated roles in trading, risk management, and fraud detection, driving efficiency and innovation as the industry continues to harness AI's full potential.

1950s

The idea of AI is born

The revolutionary concept of "artificial intelligence" was coined at the Dartmouth Summer Research Project on Artificial Intelligence (DSRPAI) in 1956. AI is born.

1970s

Discontent in AI discovery

AI research runs smoothly until the mid-1970s before slumping into the "AI winter," with dwindled government funding and interest in AI.

1960s

AI innovation and possibilities

Focused research on Bayesian statistics becomes utilized in machine learning. Bayesian theory finds use cases in auditing for objective, precise decision-making.

1980s

AI finds a footing in financial analysis

Interest in AI rekindles with the British government's Alvey research project in 1983. Over two-thirds of Fortune 1000 companies assign at least one AI project under development. In 1982, AI found its footing in financial analysis when James Simon founded Renaissance Technologies, a quantitative AI-powered hedge fund.

1990s



AI forays into trading and risk analysis

The finance sector gradually warms up to AI. Foundational systems are developed to enable automated trading and risk analysis.

2010s



AI widens its sway in finance

AI evolves with the integrated advancement of deep learning and neural networks. AI now expands its risk management, fraud detection, and algorithmic trading capabilities.

2000s



AI steps deeper into finance

AI use cases in finance become more advanced, with algorithmic trading, robo-advisory services, and banking chatbots entering the picture.

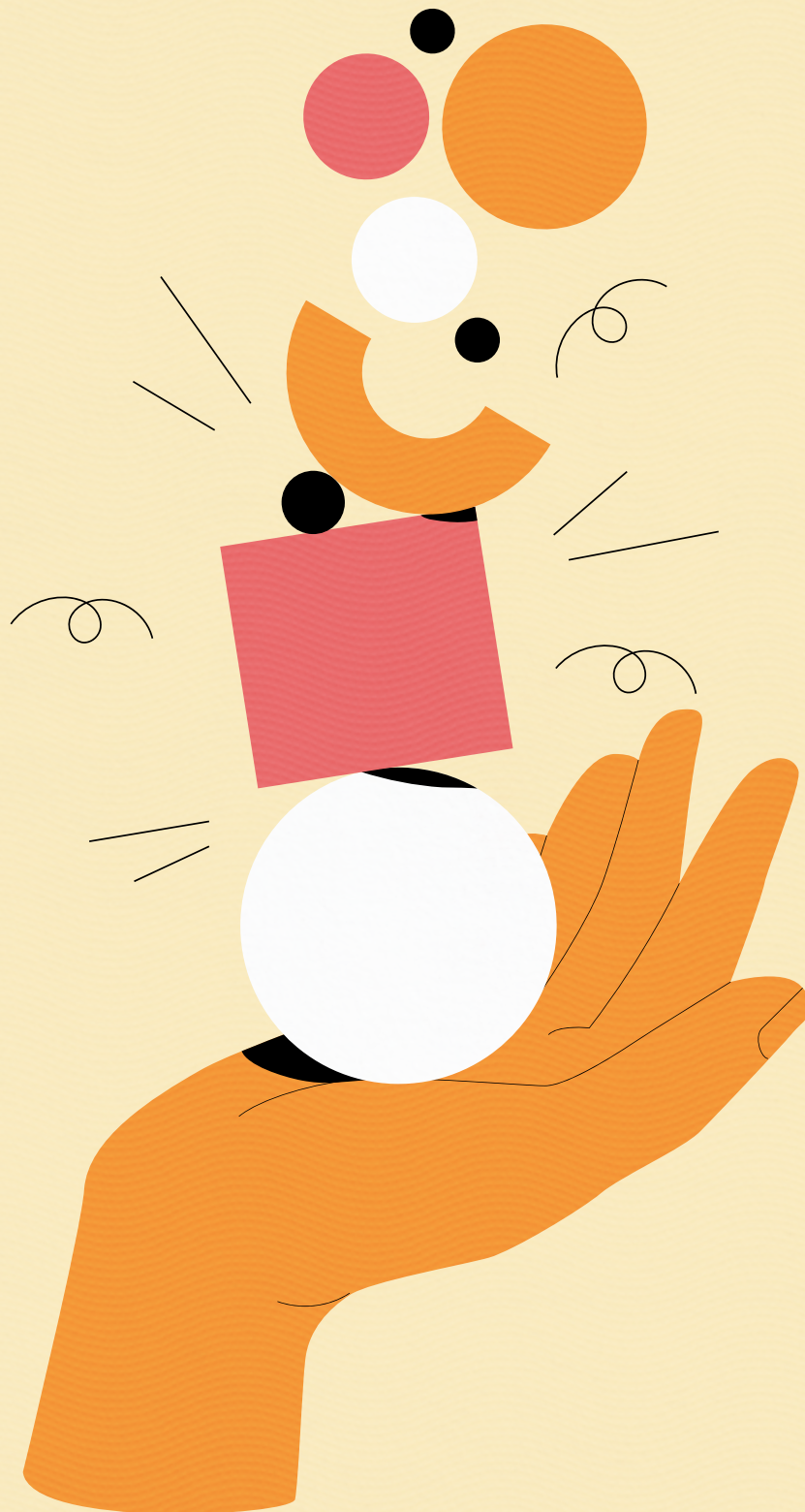
2020s Onwards



AI-forward into the future of finance

AI becomes intertwined with the finance world, lifted by its powers in complex computing and automating processes. AI now becomes the go-to ally for finance service providers to achieve cost-effectiveness, efficiency, and innovation, one solution at a time.

The wheel of time sets forth toward AI's future in the finance industry, deepening the AI-finance equation, where technology marries human creativity in the finance sector for new frontiers.



Interview: Daragh Morrissey

BANKING ON AI

By developing responsible AI tools that offer in built security, Microsoft is giving banks the confidence to embrace a new wave of solutions that promise to transform the financial services industry. Daragh Morrissey, director of AI at Microsoft Worldwide Financial Services, tells us more.

In 15 years at Microsoft, Daragh Morrissey has witnessed many changes in the banking industry. None, however, has been quite as transformational as what Generative AI promises. We asked Daragh how AI is shaping the industry.

Can you share some of the most interesting applications of AI in financial services?

"In contrast to other industries, AI has long lacked a standout application. However, the emergence of Generative AI is flipping the script by making its capabilities more accessible than ever. Through engagement with banks, it's evident they're increasingly clear on how they want to leverage AI, given its integration into their daily routines.

Many banks harness AI to tackle repetitive, low-risk tasks that have traditionally bogged down human resources. AI excels in uncovering patterns, correlations, and anomalies within data, paving the way for compelling applications in fraud detection and prevention. Intriguing case studies abound, showcasing the prowess of predictive AI. Take, for instance, one of our partners has developed a solution for self-driving financial management. This innovative tool delves into customer spending behaviors, autonomously guiding them in managing their finances. Its utility became apparent during the pandemic, enabling banks to identify financially strained customers and extend personalized assistance."

Can you describe how you see the role of humans evolving as AI starts to perform certain tasks more effectively?

"From a regulatory perspective, it's paramount to integrate human oversight into any AI deployment. This entails placing the human at the helm while providing them with an AI assistant, or co-pilot, as we like it. The potential for transformation in this realm is immense.

"From a regulatory perspective, it's paramount to integrate human oversight into any AI deployment."

Take the contact center, for instance. AI can analyze an agent's interactions with customers in real-time, offering suggestions based on the customer's unique circumstances and complete relationship history. This prospect is thrilling because it empowers agents to increase productivity and focus on more meaningful tasks. Consequently, we can enhance customer and agent satisfaction levels, all the while bolstering employee retention rates."

“At Microsoft, we’ve integrated built-in tools to mitigate and reduce the risk training predictive AI models with biased data. These tools enable us to scrutinize data for biases and adjust scoring accordingly.”

What are the keys to getting a human-led and AI-enabled approach right to accelerate digital transformation?

“We’ve gathered invaluable insights from developers, among the earliest beneficiaries of AI technology. A few years back, we introduced a co-pilot solution tailored for developers. Initially conceived as an autocomplete tool for coding, it has since undergone significant evolution. Now, it’s equipped to sift through old code, assist with inline documentation, and proficiently convert variables across different programming languages. By closely tracking its adoption and observing developer interactions, we’ve refined our approach and developed new AI tools that are accessible to everyone right off the bat, such as those integrated into Microsoft 365.”

“Furthermore, we offer two distinct types of customized solutions. First, low-code options are available through AI Copilot Studio. For use cases that need more custom code, Azure AI Studio empowers developers to craft tailored generative AI applications. Additionally, we provide accelerators that streamline integrating structured and unstructured data with a broad range of foundational models. Developers can choose from the OpenAI models, and open source models from Hugging Face and Mistral.”

How can businesses ensure they facilitate responsible AI?

“Financial services firms operate under intense scrutiny regarding the security and privacy of their data, necessitating meticulous handling. We advocate for four pivotal principles that underpin responsible AI: design, governance, monitoring, and training. Take, for instance, the imperative of eliminating biases within data to prevent instances like denial of service. A noteworthy case arose where a woman had her credit card application declined, despite having a higher score and earnings compared to her husband. At Microsoft, we’ve integrated built-in tools to mitigate and reduce the risk training predictive AI models with biased data. These tools enable us to scrutinize data for biases and adjust scoring accordingly. Moreover, we don’t solely rely on historical data. We’ve also made these tools open source, ensuring accessibility for all and the potential for integration into diverse products.”

“Another illustrative case is our collaboration with Mercedes. By harnessing the capabilities of Azure Open AI Service and OpenAI foundational models, we’ve empowered Mercedes drivers to use natural language to interact with their car and control car settings like air conditioning. The conversations are protected by our responsible AI filtering to put guardrails around the conversation.”

What advice would you give businesses wanting to be ready for the future?

“Historically, financial services firms have grappled with the complexities of gearing up for AI, especially regarding data organization and acquiring the necessary skills.”

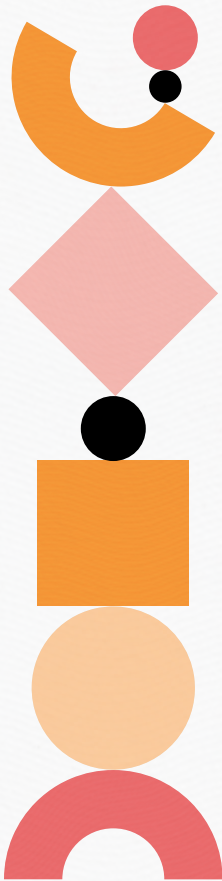
“Fortunately, with the advent of tools developed by companies like Microsoft, the landscape has significantly shifted. Now, deploying AI-enabled solutions and crafting them in-house has become far more accessible. The realm of Gen AI solutions is particularly ripe for exploration—I’ve seen technical staff with basic technology skills developing their proofs-of-concept, a scenario that would have seemed improbable in the past.”

“It’s crucial to recognize that AI is not some distant future; it’s already woven into the fabric of our present reality. And it’s here to stay. Therefore, the sooner firms bolster their maturity in this domain, the better positioned they’ll be. Thankfully, this journey toward maturity can be undertaken securely by leveraging the products we’ve diligently refined and perfected.”

And what do you think is around the corner? Where might we see AI having the biggest impact in five years?

"I anticipate a growing trend of banks embracing GenAI tools to aid their staff across various tasks. It's a secure pathway for institutions to acquaint themselves with AI's potential. As staff become increasingly at ease with AI's capabilities, I foresee banks advancing to incorporate AI directly into customer-facing interactions. In just a few years, engaging in a natural conversation with our bank will become commonplace. AI adeptly handles most requests — a significant departure from many of the rudimentary chatbots prevalent today."

"But that's not all. Future iterations of GenAI solutions will unveil capabilities we haven't even begun to imagine. Reflecting on our strides in the past year alone is remarkable. Without a doubt, an exhilarating future lies ahead."

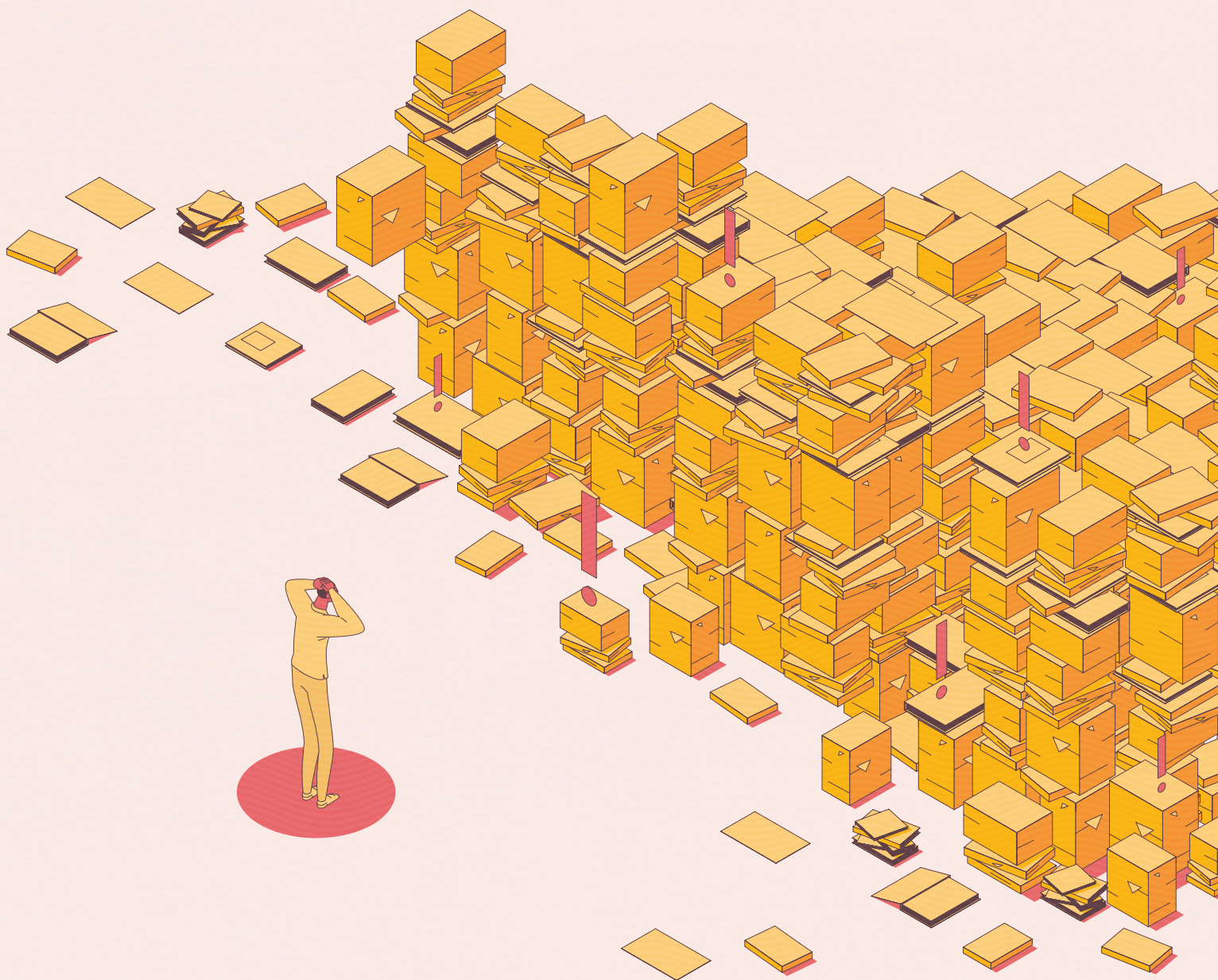


"Reflecting on our strides in the past year alone is remarkable. Without a doubt, an exhilarating future lies ahead."

Daragh Morrissey
Director of AI,
Microsoft Worldwide
Financial Services

Director of AI at Microsoft Worldwide Financial Services. His passion is enabling Microsoft customers to innovate through adoption of technology and culture transformation. He's presented at industry events such as SIBOS, Money 20/20, Singapore FinTech Festival and global Microsoft events.





END OF DATA OVERLOAD

For over 75 years, a global asset management company has helped its clients to achieve their financial goals. Millions of customers – individuals and institutions – from over 150 countries trust the firm with their investments.

The company prides itself on its track record of developing innovative products and tools. It aims to empower employees to always do the right thing for its clients.

Leads within the company's sales and distribution team had recently found themselves with a very human problem, too much information and too little time to consume it.

While these market leaders had access to copious amounts of structured data – abundant in a highly regulated industry like asset management – this data was spread across a range of siloed solutions, increasing their research time significantly. Every minute they spent hunting and processing information across SQL databases, many of which were underutilized because of their complexity, was precious time wasted, not selling funds and creating value for the customer.

Recognizing that things needed to change, the company turned to Fractal for advice on how Generative AI (GenAI) might be able to help its employees by taking on some of the heavy lifting around data access.

Fractal's cross-functional team with expertise in engineering, data science and design – built a Unified GenAI-powered virtual assistant. The team knew that creating effective solutions was only one half of the solution. Improving decision-making leading to better efficiency relied on the tools being adopted by the sales leads.

To address the client's skepticism about GenAI, Fractal developed a proof of concept (PoC) for a solution, let's call it Nova: a secure, versatile, intelligent assistant trained in the company's data and expertise. Focused on creating a great user experience, it simplifies workflows

by providing easy and specific access to information on the company's funds & performance, finds documents and assists with everyday tasks.

In a market where companies are struggling to make effective use case of GenAI, Fractal's solution to create strategic design through the Unified GenAI virtual assistant, enabled the company to experiment. The hope was to improve efficiency and productivity through greater adoption and better decision-making enablement for the company's market leaders.

The PoC, which took around three weeks, was a success. The Fractal team worked simultaneously on the development of Nova and a conversational generative AI bot that helped investors in creating and optimising Goal-Oriented Portfolios. This bot used behavioural science principles for the bot to communicate effectively, the Django REST framework for the backend web application programming interface (API) and the ReactJS framework for the frontend user interface. To enhance human-computer interaction via a vital comprehension layer and to accommodate growing datasets over time, Fractal used a range of GenAI models and services from Microsoft, including Azure OpenAI large language models (LLMs), Azure AI Document Intelligence, and Azure AI Search.

With continuous and open conversations with the client, the engagements took Fractal around six months to design and deploy the first phase of the solution, three months each for Alpha and Beta stages. The solution is already proving effective. The company now armed with a new confidence that GenAI is indeed a profitable avenue, has paved the way to develop many more user-centric use cases that stem from the right combination of AI, Engineering and Design. Search recall scores,

which measure the effectiveness of the Azure AI Search in the entire system, are already reaching 90–95%, demonstrating that, in most cases, the service will return the exact matching information source relevant to answering the question. Meanwhile, the answering rate – the number of instances when the LLM can answer the question – is around 90%.

The client expects engagement with GenAI applications to increase over time, bringing simplified processes, improved access to information, and reduced overall cognitive load associated with existing day-to-day tasks.

“Recognizing that things needed to change, the company turned to Fractal for advice on how GenAI might be able to help its employees by taking on some of the heavy lifting around data access.”



AI GUIDES CREATIVE SOLUTIONS

The Real Reasons Your Teams Fail with AI-Driven Solutions

A new study has found that innovation is hampered if teams treat AI like a search engine.

We speak to Jeremy Utley and Kian Gohar, who led the research, to discover how businesses can unlock better results.

Many companies that have started using AI for problem-solving are failing to get the most out of it, according to a new study by Kian Gohar, founder of Geolab, and Jeremy Utley, adjunct professor at Stanford's School of Engineering. They found that while AI is supposed to help teams innovate, the opposite is often true because most people don't know how best to use the tool. Teams can achieve much more by treating AI as a fellow brainstorming colleague rather than a one-and-done solution button.

You have recently completed research into how corporate teams use AI for problem-solving. What made you explore this topic?

Kian Gohar: We always try to help companies and organizations find the most effective solutions to their problems. When GenAI became widely available, it dawned on us that this could be a very interesting technical tool for facilitating better ideas. So, we designed this research initiative to examine the role of GenAI in supporting ideation for teams trying to solve a problem.

The results were not quite what you expected. Can you explain?

Jeremy Utley: We expected that, with GenAI, teams would be more innovative, they would generate more ideas, and those ideas would be more diverse. Our question was, how much more innovative would they be? Ten times? 100 times? So, we were amazed when those teams using AI performed worse. It just didn't amplify innovation outcomes like we thought it would.

When you look back at other research, it makes sense. What afflicts problem solvers is this kind of cognitive bias that Abraham and Edith Luchins

called the Einstellung effect back in the 1940s. The crux of it is that, as human beings, we tend to settle for good enough as quickly as possible. There's a reason that creativity often doesn't happen in the conference room, and it's because there's a deep human longing to answer a question and move on. However, we know that a volume of solutions is what yields breakthroughs.

Whereas one would think that AI would liberate us from the shackles of this human cognitive bias, we often found that it only amplified the underlying cognitive bias. A human team might take 30 minutes to get to a point where they have brainstormed a good idea and then maybe refine and develop it further. The AI-assisted teams, however, considered they had a pretty good idea within about five minutes, and then they would settle with that good enough idea. They didn't then leverage the AI to amplify the possibilities. It simply amplified their underlying bias.

You concluded that corporate teams could get more out of AI by treating it like a conversation partner rather than a search engine. What advice would you give to people or businesses to action this?

“We should see our brains as our private large language model instead of treating AI as an oracle that we outsource to.”

Jeremy Utley: We developed a model we've coined 'FIXIT'. The 'F' stands for 'focused'. So, set a focused problem—be precise instead of abstract. Don't try to boil the ocean. The first 'I' stands for 'individual'. We need to safeguard human creativity by striving for individual ideation first. We should see our brains as our private large language model instead of treating AI as an oracle that we outsource to. Take the responsibility to ideate individually first; you will get much better input and, as a result, much better output. The 'X' stands for 'context'. Provide context to train the AI. You can even use it as a thought partner if you don't know what context to give AI. So, you could say, 'Would you ask me four or five questions about this problem so that you have sufficient context to help me solve it?' That's something you would never ask Google, and it illustrates how AI is a radically different orientation.

The second 'I' stands for 'interactive'. Have interactive conversations with AI as a thought partner. The regenerate button is one of the most important elements of a GenAI solution. It's essentially asking it to try again. We suggest you hit that button three or four times anytime you ask a question, just to survey the landscape of responses. That's because it's nondeterministic and, unlike Google, it won't give you the same results every single time.

They might be similar, or they might be radically different. We aren't used to interacting iteratively with technology. Part of the reason is that technology has trained us wrong. We may well program technology, but it is also programming us—it's programmed us to expect that the first result will be

the best result. Finally, the 'T' stands for 'team'. Team incubation facilitates decision-making.

Kian Gohar: The user interface looks like a search engine when you go into a generative AI solution. We have been conditioned for decades to interact with search in a particular way. You type something in, and you ask for the perfect answer. It's what we call the tyranny of the search. In our research, we found a few teams that consistently got better responses and ideas from AI compared to all the other AI-assisted teams. It became clear to us that their workflow was very different from the others. They gave their query context and had a back-and-forth conversation with it. That led us to realize that you can get significantly better ideas if you approach AI differently.

You say that businesses need worse ideas to succeed. Can you explain what you mean by this?

Jeremy Utley: It's a bit of a provocative statement. We mean that it is important to increase the variation in your thinking. At a recent music awards ceremony, Taylor Swift said: *"I really want young people to know that it's the hundreds of thousands of dumb ideas that I've had that have led me to my good ideas."* When you're willing to have bad ideas, you increase the variance of thought and open the door to many more possibilities. And this is where good ideas often stem from.

Firms like Microsoft are offering AI-driven 'copilots' for their software. Do you expect us to see more of this and is this the right approach?

Kian Gohar: AI is in an intermediate phase right now. In the next two years, we will stop using standalone generative AI platforms and embed them into every software platform we use. It's like the early days of the internet – it took us a decade or so to get good at it and to create more intuitive web browsers. We will see the same thing happen with AI. The copilot technologies that are just entering the market are an intermediary step. It will be very interesting to see how people adopt these technologies inside their organizations, and we will focus some of our upcoming research on this subject.

Kian Gohar: Getting the most from AI has a huge generational component. If you're in your 20s or 30s, you are likely willing to use these technologies daily. However, those in their 40s use them far less often, and those in their 50s and 60s fear using these sorts of technologies. It's a problem. You can't just write off half of your workforce.

Jeremy Utley: Organizations miss out if older employees don't feel fluent. We're seeing this generational gap emerge, and it's a troubling sign because the outputs you get from AI are only as good as the inputs you can feed it.

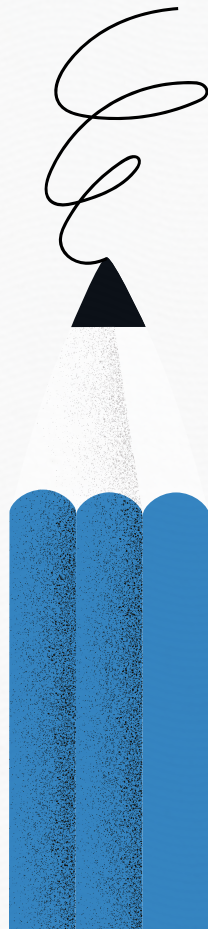
How can organizations meet this generation gap?

Jeremy Utley: Education is important here. It is essential to train all employees on AI to benefit from these productivity tools. Kian and I are working on a coaching tool that provides users with a daily AI drill. It gives some suggested prompts

for typing into a generative AI solution. Users get small chunks of experience that add up. To use a personal example, I was talking with my elderly grandma. She had a deep, important question about her personal life, so we used GenAI to discuss it. She was blown away. Over the next week, she asked me, “Do you think we could use GenAI to help me find a substitute for cream of mushroom soup in the green bean casserole recipe?” and “Do you think we could use GenAI to help us come up with family photo options?” It turns out the answer to pretty much any question is ‘yes’.

Kian Gohar: Our work is focused on behavior change and transformation at an organizational team level. While you can talk about something theoretically until you’re blue in the face, people won’t change their behaviors. People know they shouldn’t be eating sugar or drinking diet soda, but until they change their behavior, they won’t change their lives. This is the point of our drill coach. We can talk about why it’s important, but you won’t get good at it unless you start practicing it daily. It lowers the bar, and then, over time, people will develop muscle memory to use AI consistently.

“AI is in an intermediate phase right now. In the next two years, we will stop using standalone generative AI platforms and embed them into every software platform we use.”



Kian Gohar
Adjunct Professor
Stanford University

Professor and “Ideaflow”
co-author, named 2023
Thinkers 50 leader.



Jeremy Utley
Founder and CEO,
Geolab

Bestselling author, futurist
and CEO of a leadership
development firm.





TAKING RESPONSIBILITY FOR AI ASSISTANCE

**Executive leadership coach
Marshall Goldsmith visited
India to spread the word
about his new AI-powered
virtual assistant, MarshallBOT.**

Renowned executive coach and educator Marshall Goldsmith visited India in May 2024 to share his insights on leadership and introduce his revolutionary virtual assistant, MarshallBOT. Taking center stage at two major events in Bangalore—the NASSCOM GCC Conclave and AIM Data Engineering Summit—Goldsmith also made his presence felt in Mumbai, speaking at the ET HR Summit and visiting Fractal’s global headquarters.



In a notable fireside chat titled “Yesterday’s Strategies Won’t Define Tomorrow’s Success,” Goldsmith was joined by Srikanth Velamakanni, Co-Founder, Group Chief Executive, and Vice Chairman of Fractal. The duo delved into the origins of MarshallBOT, discussing its purpose and how it tailors Goldsmith’s core concepts to meet the unique needs of users.

“This has totally gone beyond any dream I ever had,” said Goldsmith. “Historically, I wanted to give away everything I know to everyone around the world for free. It’s a nice vision, and I tried to do it for 20 years with no success. I just had failure after failure.”

“In 2022, I reached out to Marshall and told him that tech has changed a lot in the last couple of years, and we think that we can build a Marshall Goldsmith AI that can answer questions at the standard you are seeking,” said Velamakanni.

“Marshall spent countless hours doing supervised fine-tuning of this system. Marshall wanted to ensure that there weren’t any wrong answers and zero hallucinations.”

MarshallBOT, created in collaboration with Fractal, serves as a digital extension of Goldsmith, making his expertise accessible to all. The model has been trained with years of research, articles, and coaching sessions from Goldsmith, alongside insights from other business experts such as Danish author Martin Lindstrom and Allan Mullaly, former CEO of Ford. Users gain free, 24/7 personalized coaching tailored to their unique



challenges and goals, with clear actionable steps to follow. Additionally, all chat history is stored, allowing users to revisit past topics and advice. For instance, a query like “What would you advise someone looking to improve their leadership skills?” would yield a detailed response with key action points and support, enabling users to ask follow-up questions as needed. MarshallBOT isn’t just a resource for those seeking coaching; it also aids other business coaches in discovering new techniques and advice to share with their clients. Goldsmith believes MarshallBOT stands apart from other AI assistants, such as ChatGPT or Bard, due to its personal touch, offering responses grounded in Goldsmith’s own perspective.

“One thing I love about MarshallBOT is that it is my bias,” he said. “You ask it a question, and it gives you an answer. I’m not saying it’s a perfect answer, but it’s my answer, and at least there is a credible human being taking responsibility for it.”

While in India, Goldsmith also discussed his award-winning book, *What Got You Here Won’t Get You There*, which emphasizes the need for behavioral changes in leaders. He also discussed the role of AI in the future of work, practicing mindfulness and self-awareness.

When asked about the meaning behind the book’s title, Goldsmith said: *“It means two things. One, you’re successful because of, and in spite of, fixed things, and two, the world is changing. This means that what got me to where I am today, is not going to get me there tomorrow.”*



“MarshallBOT, created in collaboration with Fractal, serves as a digital extension of Goldsmith, making his expertise accessible to all.”

Thanks to our contributors

AI: The New Teller



Gaurav Sharma
Client Partner,
Fractal



Himanshu Jain
Vice President of Data
and Analytics, HSBC

Banking on AI



Daragh Morrissey
Director of AI,
Microsoft Worldwide
Financial Services

AI guides creative solutions



Kian Gohar
Adjunct Professor
Stanford University



Jeremy Utley
Founder, CEO
Geolab

A portrait of Dr. Marshall Goldsmith, an older man with a white beard and balding head, smiling. He is wearing a dark green polo shirt. The background is dark with some blue light streaks in the upper left corner.

Finally, for all!

I know, it's lonely at the top.
Being a leader can feel like
sailing a ship all by oneself.

Guiding & coaching top leaders
of large organizations has been
my life's work.

However, I could not be there
everywhere and for all.

Crafted by **Fractal**, my **AI Avatar**
is infused with my knowledge,
experience, nuances and even
my voice to authentically answer
management related questions
leaders have.

Now accessible to all. At scale.
Forever.

Visit: **MarshallGoldsmith.ai**

Dr. Marshall Goldsmith is recognized as one of
the Top Ten Business Thinkers in the World and
the top-rated executive coach. His books have
been New York Times and Wall Street Journal
#1 Bestsellers and award winners, world over.

AI For Good. AI For All.

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The intricate dance between finance and generative AI is revolutionizing industries in profound ways. Envision predictive insights uncovering hidden patterns, decisions automated with pinpoint accuracy, and innovation reaching unprecedented heights. This potent synergy is redefining traditional financial practices, ushering in a bold new era of smart economics and boundless potential.







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