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PerspectivesReport

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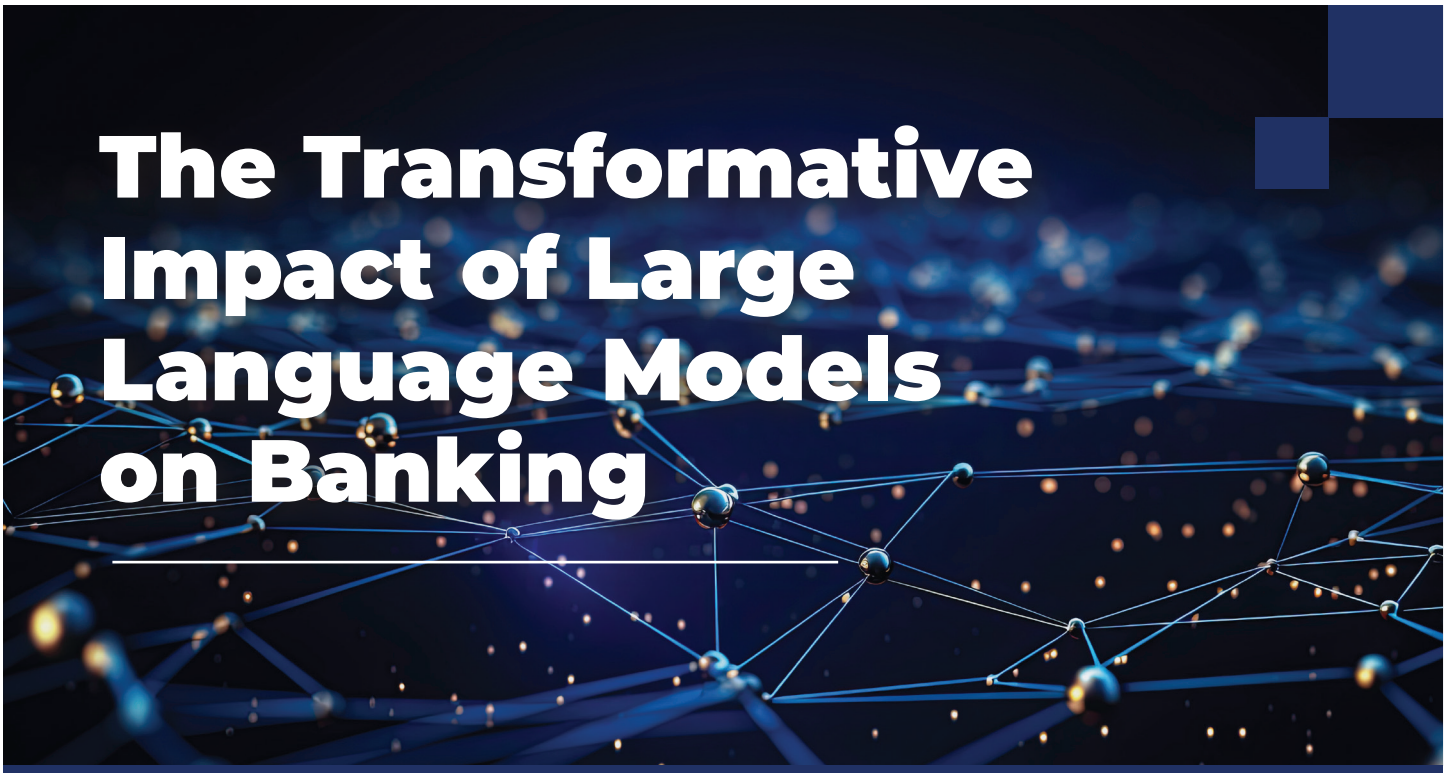


The Transformative Impact of Large Language Models on Banking

Abstract

The landscape of artificial intelligence (AI) within the banking sector is experiencing a seismic shift, propelled by the rapid evolution and democratization of technologies like Large Language Models (LLMs). This white paper explores the historical context of AI in banking, the transformative potential of AI and LLMs, the strategic implications for financial institutions (FIs), and the management of associated risks.

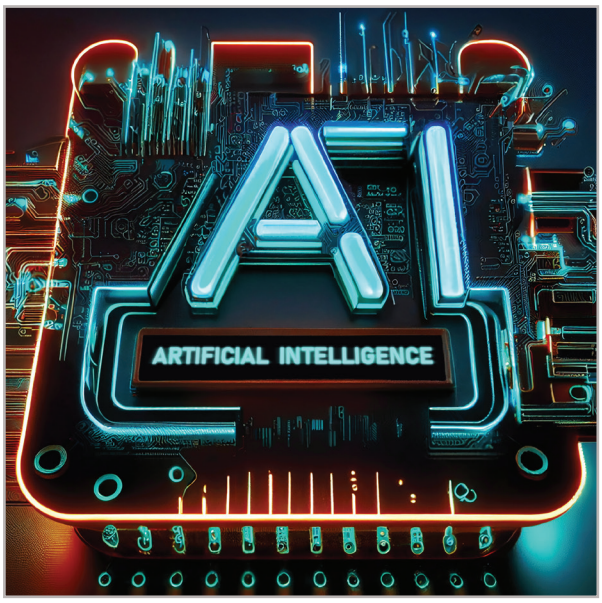
Executive Summary of Key Insights:

- AI technologies aren't new to banking, but LLMs are, and they're transformational for both large and small FIs.
- The biggest disruptions from LLMs are second order effects and still to come - don't think automobiles, think highways.
- Where the bar for performance is lower, LLMs are adopted sooner.
- FIs are starting with internal assistant LLM implementations and moving quickly to knowledge base and specialized use cases.
- FIs should focus on outcomes to temper AI hype.
- FIs are adopting LLMs via employees and vendors whether they want to or not - and flat prohibition creates shadow IT.

History of AI: Accelerating Change

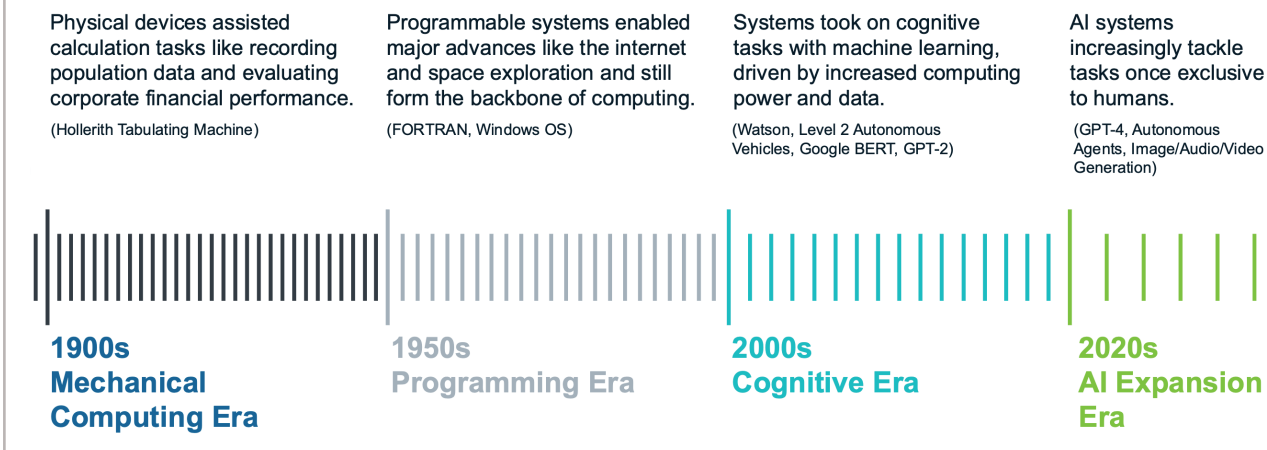
AI has been around in different forms in the banking industry for decades. LLM-based AI tools like ChatGPT are new to the scene as of Q4 2022, and most of the capabilities they offer aren't new - for years, FIs could and did build or buy narrow AI systems to do sentiment analysis on customer complaints, or automate data cleanup, or search code for errors and vulnerabilities. What LLMs have done is democratize many of the capabilities which before used to be the sole province of large FIs, making them inexpensive and easy to implement, and it's changing what the table stakes are in the industry.

Sufficient democratization initiates paradigm shifts – consider the shift from mainframes to PCs, from flip phones to smartphones, from ARPAnet to the internet. While it may be hard to imagine a step-change as foundational as the PC, the parallels are apt: LLMs are something which, with time, will permeate virtually every industry, transforming it to a greater or lesser degree, and providing a new architecture upon which thousands of new technologies will be built. It's easy to look at the isolated or bolted-on LLM solutions of today and think of them as just another tool, but that's failing to understand the second-order effects – the future that having a collective ecosystem of interlocking AI solutions will enable. The race to own this AI infrastructure of the future is playing out live between the tech giants.



FIs are struggling to keep up with trends – digital transformation, UX modernization, online banking, digital currencies, and others, and AI is only accelerating the pace of change. With that said, it's important to note that even if AI progresses exponentially in capabilities, human products, processes, and institutions won't – despite the hundreds of new startups and AI products we've seen this past year, it will take time for winners and losers to emerge, and for the market to feel the full impact of the technology.

Figure 1: Progression of Technological Intelligence



Defining AI

Artificial intelligence is a very loaded term which refers to a wide variety of different capabilities and solutions. The technical definition is broader, but usually when you see AI mentioned these days, it's referring to technology which is using machine learning in some way – that is to say, isn't rigidly programmed by humans, but instead looks at data in order to configure some aspect of its own function.

At a ground level, AI is much more often capabilities rather than full solutions. Furthermore, those capabilities are distinct - the technologies behind RPA, optical character recognition, natural language processing, and LLMs are largely different in architecture, despite all being commonly grouped under the umbrella of AI. With some exceptions, the different forms of AI aren't substitutes for each other or direct upgrades; they're distinct techniques with their own strengths and weaknesses. LLMs are another arrow in the quiver, the best and latest, but not a panacea or the only form of AI that FIs need.

It's also important to recognize that AI is more about how a piece of software functions than what it does - a member feedback analysis solution can use a list of rules, a machine-learning derived algorithm, or a hybrid of both, but what ultimately matters to the business is the quality of the output. In this way, you can think of AI almost as a component of infrastructure. The upshot of this is something that executives and boards should already know well – investments and projects should be determined by the value they're bringing to the institution. FIs should resist the urge to start new AI projects solely out of fear of falling behind.

This especially applies when looking at partnerships with startups – there will be a lot of churn in the market for at least the next couple of years, and picking winners will be as difficult as picking losers is costly – more than half of the startups which launched in the wake of ChatGPT's release will likely fold or be acquired within the next four years.

Figure 2: Key Definitions of AI

Artificial Intelligence (AI) as a field is about creating machines (including software) which can perform tasks that would normally require human intelligence.

Large Language Models (LLMs) are a form of AI system designed to understand and generate human language, and show substantially better and more generalized performance than prior approaches on a wide variety of primarily text-based tasks.

Open AI's ChatGPT/GPT-4, Google's Gemini, Anthropic's Claude, and Meta's LLaMA are standalone LLM-based products - though they're being rapidly built into other software (e.g., ITSMs, email, knowledge base, contact center) to unlock new capabilities.

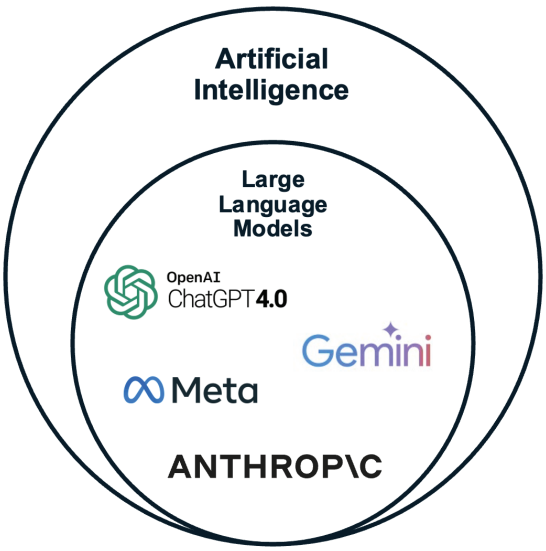
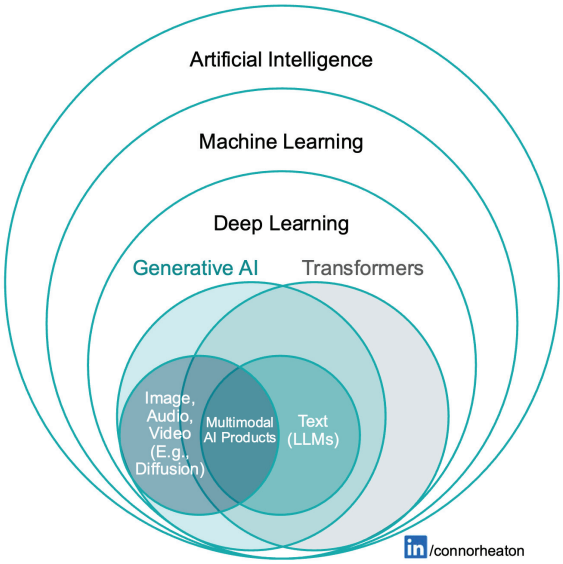


Figure 3: Relationship Between Generative AI and Large Language Models

Not all generative AI tools use LLMs, but all LLMs are a form of generative AI. Generative AI is a broad and loosely defined category, referring to the class of AI models that emulate the structure and characteristics of training data in order to generate derived synthetic content. This can include images, videos, audio, text, and other digital content. Large Language Models are the foremost tool currently used to generate text specifically (including any text-based data – code, files, etc.).

The other tools commonly labeled generative AI focus on non-text content - pictures, video, audio. This is the type of solution typically used to produce art, picture diagrams, slides, songs, sound effects, and even video clips, e.g., Dall-E, Midjourney, Canva.



Understanding ChatGPT and LLMs

ChatGPT is an LLM-based product offering a text interface which can field questions, have a conversation, process data, generate images, graphs, files, and search the internet.

If ChatGPT the product is a car, the LLM behind the interface is the engine. The LLM is the brain that decides the output, but it's components of the product which interpret the format of that output, remember conversation history, let the user tune how creative the model is, and do everything that isn't creating an output based on an input. And the LLM can be embedded just about anywhere – in the backend of a meeting recording tool to produce meeting minutes, in an analytics package to take a first pass at translating a question into an SQL query, in a PDF reader to field questions about a document's content.

When evaluating the impact of LLMs, it's important to consider everywhere that the engine can be used as part of software - not just browser-based tools like ChatGPT.

While Large Language Models are AI systems designed to understand and generate human language, their capabilities have proven to be much broader, extending into imitation of human thought and planning. This is because language is flexible, underpinning directly or indirectly almost every type of knowledge work.

Innovation Cycle and Impact on Jobs

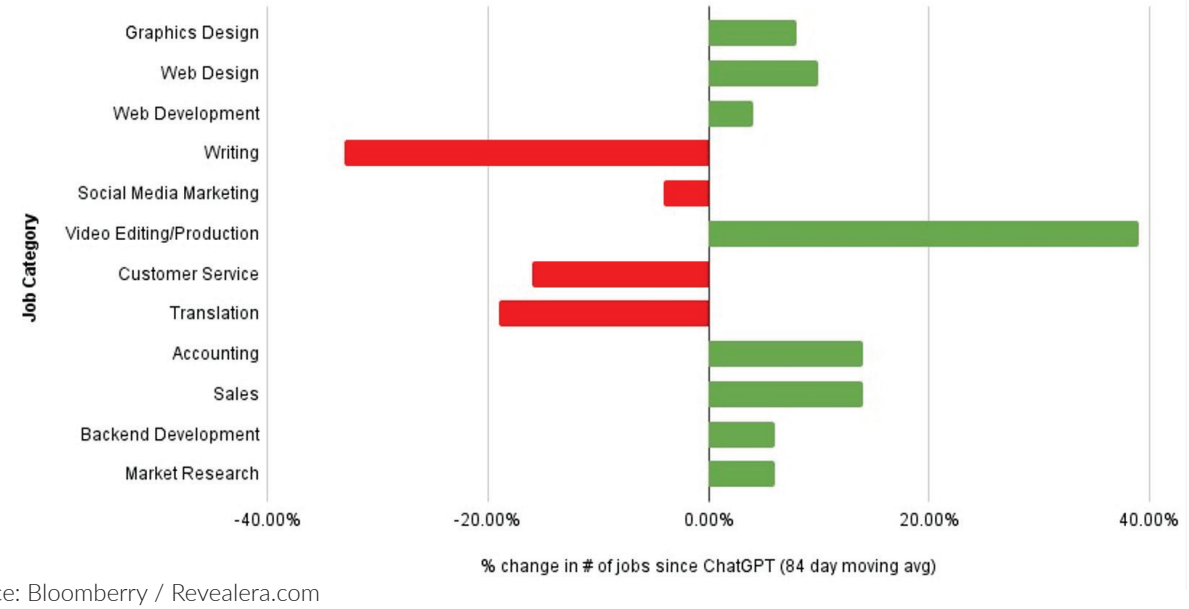
In practical terms, FIs can think of LLMs as bringing new automation capabilities – they unlock tasks which previously would have been impossible or costly to automate, and can make many existing automation technologies faster and better. This is broader than what many leaders typically think of as automation – e.g., AI sentiment analysis can be considered automation of manual human analysis.

At least in banking, and at least in the short term, AI largely won't eliminate jobs – but it will impact them, and precipitate a redefinition of roles and business processes. The impact of new automation technology, from the loom to the automobile to Microsoft Excel, has certain commonalities. New technologies make certain types of work faster and easier, and over time business and society reshape themselves around them. Telephone switchboard operators no longer exist, but we do still have telecommunications provider customer service representatives. Some institutions which have installed ITMs have reduced branch staff, others have shifted their roles to focus on consultation and relationship building, rather than transactions. Innovation, and particularly innovation in automation, tends to follow a pattern of paradigm shift - where some newly democratized technology makes more automation possible - followed by years of industry integrating the new capabilities and adapting operations to make best use of them. Eventually, the technology approaches its full potential within the current environment, and capturing more value or automating more labor becomes less effective or more costly.

The initial uptake is slow, with the early value coming primarily from businesses and industries where the new technology is turnkey and highly valuable. It accelerates as the technology matures, and importantly, as businesses adapt their operations around the tools, and second-order ecosystem effects start to multiply the impact. To understand second order effects, think about the move from horses to automobiles – a first order effect is no longer needing to stock hay; a second order effect is a national highway system.

When productivity increases, businesses have the choice to keep more profit, cut jobs to reduce costs, and/or to grow more aggressively.

Figure 4: **Change in # of Upwork Jobs Since ChatGPT was Released**



Source: Bloomberry / Revealera.com

Businesses will do some of each; some departments make cuts, especially where the departments are large enough that the productivity gains from AI are clearly felt – we saw this across the tech world in 2023 with giants downsizing their development staff. Some positions will be lost, but this will be far less common; even with the new capabilities introduced by LLMs, it's rare for the totality of a role to be automatable, especially given the importance of expert human oversight for most use cases. That's not to say this isn't happening – the most common instances of full replacement are in high-volume, low-customization freelancers like copywriters and ad artists, whose clients found that generative AI met their needs adequately, and stock media suppliers. Freelance marketplaces like Fiverr have been flooded with freelancers using AI to offer quick, low cost outputs through extensive use of AI. The same thing is happening now with music.

But most industries and roles aren't so turnkey. Historically, the business environment takes more than a decade to become aware of and adapt to new automation technologies, even in this digital age – many businesses still aren't aware of robotic process automation, despite it being around in polished, productized form for many years, and available in some capacity for decades. Excel didn't initially replace a lot of accountants, stock brokers, or auditors, particularly when it was first launched, because most businesses just used it to supplement calculators and paper ledgers, if even that. But in the end, it completely revolutionized how accounting, and ultimately business, was done, paving the way for thousands of new solutions of all kinds built on top of or interacting with it. But this process took years and years as businesses restructured their operations around the new tools, and as the tools added more functionality.

And LLMs are likely to follow this same pattern. We have radical new capabilities with broad-ranging implications, but it will take time for the ecosystem of automation tools, capabilities, and roles built around LLMs to evolve. We're still very much in the early days of this technology. Through new integrations, purpose-built solutions, and business process re-engineering, LLMs are very likely to get substantially better at everything they can do today, and businesses are going to get better at using them. The IMF predicts that generative AI will ultimately affect almost 40% of

Disruption Deadline

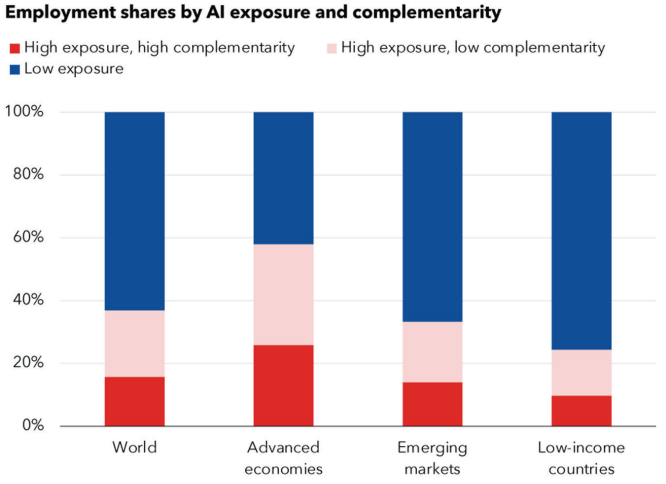
The automation adoption cycle is also a cautionary tale – it takes the market a long time to transition off of obsolete technology, especially in conservative sectors like finance, but ultimately the world moves on, those who don't adapt are acquired and modernized by those who do.

Consider the case of taxis and rideshare apps like Uber and Lyft. Due to the application of a combination of new technologies like widespread GPS and algorithmic pricing, rideshare apps overtook traditional taxis in less than a decade.

LLMs are not about to replace FIs, but will likely increase the technological edge that FinTechs and neobanks already have.

AI's impact on jobs

Most jobs are exposed to AI in advanced economies, with smaller shares in emerging markets and low-income countries.



Source: International Labour Organization (ILO) and IMF staff calculations
Note: Share of employment within each country group is calculated as the working-age-population-weighted average.

IMF

all jobs globally, and 60% in advanced economies. With sectors like banking having existing digital infrastructure, the impacted proportion will likely be even larger. Again, this isn't wholesale replacement, but it is likely assistive or partial automation, and at large companies may create room to reduce headcount.

Where jobs are lost, there may be offset from new roles supporting AI products and initiatives. AI opens vast new possibilities, and between thousands of startups making new products, and established companies adapting and expanding their offerings to take advantage of AI capabilities, there will be a lot of demand for AI-savvy talent in traditional business roles. For most roles and industries, the watchword here is "adapt", not "disappear".

Accordingly, businesses and workers should be seeking to keep up with the pace of change – and keeping an eye to the horizon for what's next.

Use Cases and Value Frameworks

There are a number of emerging use cases for FIs, including:

- **Helpdesk and IT Service Management:** Stripe, the payments company, was an early adopter of LLMs for helpdesk ticket routing and summary.
- **Financial Advice and Investment Strategy:** JP Morgan Chase has been another huge early adopter, and one of the use cases it's building is IndexGPT, a conversational AI financial advisor which can recommend both specific equities and broader strategies.
- **Customer Service:** Klarna, a Swedish provider of buy-now-pay-later (BNPL) solutions, launched a customer-facing chatbot using LLMs which reportedly handled 2.3 million conversations across 23 markets and 35 languages in its first month of global operation, providing capacity equivalent to 700 full-time agents and estimated to generate a $40 million profit improvement for Klarna in 2024.
- **Marketing:** Credit Agricole, France's second-largest bank, has been using generative AI vendors to produce copy for marketing emails and digital advertisements.
- **Translation:** IBM's Code Assistant for IBM Z, released in late 2023, is a gen AI-driven refactoring product that translates COBOL, the circa-1959 legacy coding language still fundamental to many banks' IT systems, into modern Java.
- **Reporting, Policy Creation, and Knowledge Management:** FIs of all sizes are exploring LLMs for tasks like reporting, policy creation, and knowledge management, and seeing the value in generalized support tools which can help to fill the gaps around existing vendor solutions.

Over the past year and a half, many vendors have been adding LLMs into their offerings – from solutions as ubiquitous as Adobe's PDF Reader, to Salesforce and ServiceNow, to specialized lending software. This is both a boon and a risk for FIs – they're getting access to new, cutting-edge AI capabilities, but often at the cost of additional risk, especially when employees don't understand the pitfalls.

What Kinds of Tasks Stock LLMs Do Well

LLMs excel at several categories of tasks without requiring extensive special training or detailed prompting:

- **Scaled Personalization:** LLMs can utilize contextual data, such as that from a CRM, to craft personalized content for any number of individuals. This capability is particularly beneficial for marketing and communications campaigns.
- **Search and Summary:** LLMs are highly effective at condensing information into tailored summaries. This functionality is a significant concern for companies like Google regarding its ad revenue, and for advertisers worried about future implications.

- **Internal Knowledge Management:** LLMs can manage a range of data sets, from a single PDF to vast libraries of documents, providing a robust and flexible query capability that enhances internal knowledge management.

- **Unstructured Data Analysis:** LLMs are adept at interpreting inconsistently labeled or messy data without needing explicit instructions, which makes them valuable for analyzing unstructured data.

- **Development:** LLMs have the capability to write and refine code, potentially developing functional applications with minimal human intervention, greatly speeding up various aspects of custom software development.

Two Sources of Value Generation

It's helpful to think of value generation through LLMs in two distinct categories:

1. **The Specialized Tool Approach:** Finding the highest value problems which can now be tackled with LLMs and doing a combination of custom development, working with vendors, and models trained or finetuned on proprietary data. This approach tends to follow a traditional project structure and look more like scaled single use-case automation. It also tends to favor larger FIs, but as time goes on and the cost of compute continues to drop, specialized solutions should become cheaper and easier to integrate. In short, the specialized tool framework involves narrow, focused, high-performing AI solutions.

2. **The Multitool Approach:** Using broad, generally capable AI tools to improve performance on a wide variety of tasks by a smaller amount. This will typically involve using stock or mostly stock models and plugins – not yet integrating with your systems or training on your data. This is where a lot of the value of LLMs is in the short term, especially for FIs with less scale. The multitool approach is almost all assistive automation, rather than unattended – the characteristics of LLMs make them much more suited to facilitating human labor than replacing it wholesale for most domains, for now. The core idea is to enable employees to make use of LLMs in their daily work to be better and more efficient.

These approaches are complimentary, and most institutions will be doing a mix of both.

AI Makes Employees Better

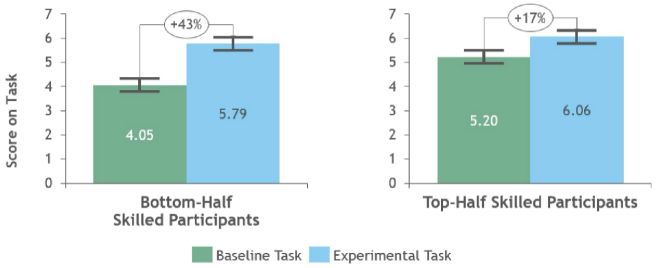
LLMs are excellent for increasing quality of work. A study experimented with having BCG consultants use AI for a variety of real-world work tasks, and showed significant effects, with participants completing some tasks 25% faster and with 40% higher quality than unaided consultants (see *Figure 5*).

Figure 5: AI Makes Employees Better

	(1) Percent Compl.
GPT + Overview	0.111***
	(0.020)
GPT Only	0.090***
	(0.021)
Assessment	
Female	
English Native	
Low Tenure	
Location	
Tech Openness	
Percent Compl. (Assess)	
Controls	
R2	0.083
GPT = GPT + Overview	0.282
Control Mean	0.824
Observations	385

	(1) Timing
GPT + Overview	-1129.143***
	(135.181)
GPT Only	-1388.415***
	(150.204)
Assessment	
Female	
English Native	
Low Tenure	
Location	
Tech Openness	
Timing (Assessment)	
Controls	
R2	0.196
GPT = GPT + Overview	0.137
Control Mean 1	5023
Observations	385

Participants using AI finished **12.2%** more work tasks and completed tasks **25.1%** faster.



Participants using AI also produced **40%** higher quality results than those who didn't, and those with the lowest scores at the start of the study saw the biggest jump in performance using AI.

Harvard Business School , Wharton, MIT, BCG
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4573321&utm

Moreover, the increase in quality was most pronounced in less knowledgeable and experienced employees. In other words, it was most helpful for bringing lower performers up to par. This enables streamlining coaching and making new hires effective more quickly – imagine if newly hired contact center agents could produce responses as correct and comprehensive as representatives who had been there for years, after only 2 weeks of training. With this approach, it's critical to have appropriate guardrails via policy, monitoring, and education.

LLM Risks and Limits

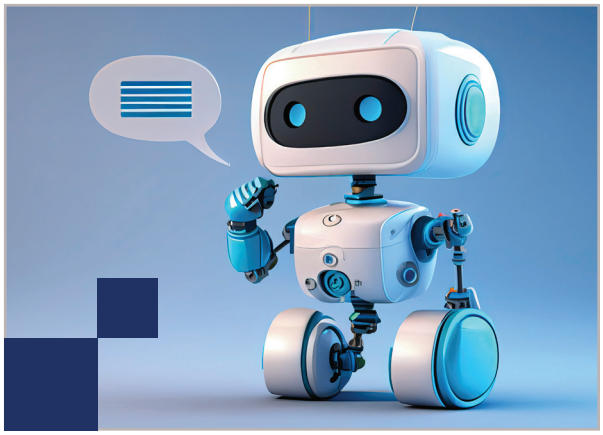
The capabilities of LLMs aren't magic, as much as they may seem sufficiently advanced as to be indistinguishable sometimes. There are several key risks arising from quirks in how LLMs function:

- **Hallucinations:** Fundamentally, LLMs are pattern matching and predicting what they should output based on the data used to train them, and generating the output from whole cloth; they're not searching a database and returning the same value every time. This means that sometimes they'll return plausible-sounding but false information, bad advice, incorrect interpretations, and other outputs which humans would consider clearly incorrect for the task in question.

- **LLM-based chatbots are vulnerable to interesting forms of adversarial attack**, like how internet pranksters managed to get a Chevrolet dealership's ChatGPT-based bot to agree to sell a 2024 Chevy Tahoe for $1. Naturally, this behavior poses compliance risks and reputational risks, and makes it critical to have some amount of expert oversight, at least for most use cases.

- **Data Privacy and Security:** Everything people enter into most publicly available Large Language Models is logged and saved and potentially used for training of the model, meaning that if there's ever a data breach, or if bad actors manage to mine a model for its training data, your data is compromised. This sort of mining appears to be inconsistent and difficult, with exploits being addressed fairly swiftly, but even the potential to extract PII poses regulatory risks.

- **Bias:** HR departments are keen adopters of LLMs for tasks like processing resumes, but HR use cases carry some of the highest risks. The big commercial models are trained on huge swaths of the internet, and are inherently biased by their datasets. Knowing why the LLM produced a given output, termed "interpretability", is extremely difficult, and not practical in the case of these huge models with over a trillion parameters. For example, suppose a recruiter feeds a dozen resumes into the GPT-4 API for review. It tells the recruiter to pick candidate A and provides good-sounding reasons, but those reasons aren't necessarily true. It could be steered by factors like gaps for parental leave, or the inferred age of the applicant – and if there's an audit or lawsuit, there is effectively no way for the FI to justify that decision. Until interpretability improves, using LLMs to automate decisions like hiring is very high risk. There are ways to mitigate these risks, including anonymization, strict human review, education, and oversight, but FIs should proceed only with appropriate controls.



Flat AI Prohibition Doesn't Work

Due to these risks, many businesses, around 1/3 according to some surveys, have banned the use of ChatGPT and other LLMs in their organizations, usually with a blanket restriction with no exceptions or education provided to employees. An early survey of consultants following the release of ChatGPT showed that almost half had used it for work, and of those, nearly 70% had done so secretly. It's likely that someone, somewhere in every FI has been experimenting with using LLMs to improve or expedite their work, regardless of policy – FIs are adopting LLMs whether they want to or not. Furthermore, the adoption isn't just coming from existing employees - graduates are entering everyone's hiring pools accustomed to using ChatGPT. A 2023 study showed that 22% of students were using ChatGPT at least once a week. People who used LLMs in college, either legitimately, to help them learn, or less legitimately, to write their essays (and probably cover letters) aren't likely to stop using those tools just because corporate policy forbids it. It isn't safe to ignore LLMs and hope employees aren't using them, because increasingly, they will be.

However, this is, partially, a good thing – those people using ChatGPT are the innovators, the ones who will be more able to learn and adapt to rapid change. It's best to enable them to identify opportunities to use technology to do their jobs better, but to do so while minimizing risk to the enterprise. For this reason, it's critical to establish a nuanced AI policy that allows constrained, safe use of LLMs, to make sure that no PII or proprietary data is leaked, and that employees are using the tools in the right way and understand the limitations. Ideally, FIs should also launch their own internal instances of LLMs which are safe for use with proprietary data. In essence, FIs should be seeking to adopt carefully. It's also important not to stop after just publishing a policy, but to do the change management to implement it.

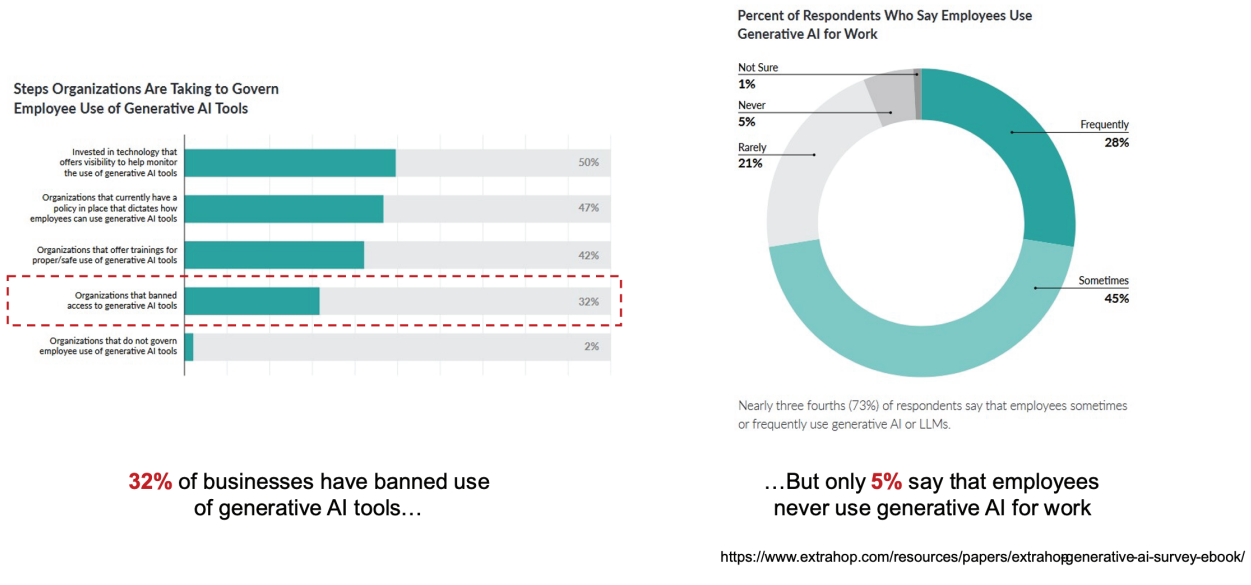
Change Management

Policy is useless if employees never read it or understand the context. A lot of FIs stumble on implementing new systems, of all kinds, because they don't do enough work to prepare the ground, communicate, train, and deliberately plan the rollout with their employees. With internal LLM implementations, thought needs to be given to access rules. There are a variety of approaches here - limiting access based on role, requiring some set of training to be passed prior to allowing access, narrowly delimiting the use cases and data which can be used, and other mechanisms. This helps to control where and how LLMs are being used, and can act as a sort of pilot group to see what may need to be adjusted prior to a more global implementation.

Regulation

Many FIs are waiting for definitive regulation to base their policy on, but that's too slow, both from

Figure 6: AI Policy - Flat AI Prohibition Doesn't Work



the perspective of risk and the perspective of value realization. There is little specific law for FIs around AI at the time of publishing, though a lot is in process; the closest is guidance from the CFPB around the role of AI in adverse actions like loan application rejections, requiring lenders to have specific and accurate reasons for the decisions. Much of the regulatory environment is being shaped by non-binding guidance articulating how existing rules apply to AI. Currently, the best resource for FIs on this is probably the Treasury Department's Managing Artificial Intelligence-Specific Cybersecurity Risks in the Financial Services Sector report.

Importantly, a lack of specific new laws doesn't mean that no action is necessary - auditors and examiners may find institutions inadequately prepared if they haven't followed guidance and taken steps to evaluate and mitigate risk around AI.

Figure 7: **AI Regulation is Nascent**

- There's a rapidly growing body of guidance and thinking, but very little actual law
- Regulators anticipate releasing new guidance in Q1, and in the meantime individual examiners may find FIs inadequately prepared

Key Guidance

1. **CFPB Guidance on Credit Denials by Lenders Using Artificial Intelligence** – Lenders must provide specific and accurate reasons for adverse actions.
2. **AI Executive Order** – Agencies and regulatory bodies tasked with developing standards and rules for their domains, and internally adopting AI themselves. *E.g., §4.3.A.II – "The Secretary of the Treasury shall issue a public report on best practices for FIs to manage AI-specific cybersecurity risks [by end March 2024]"*
3. **NIST Artificial Intelligence Risk Management Framework 1.0.** - A voluntary, sector and use case agnostic guide for safer construction and use of AI.
4. **EU AI Act** – Bans certain applications of AI, dictates obligations for high-risk systems, and proposes guardrails. **Approved pending final adoption, first impacts early as Sept 2024**
5. **Data Privacy Act of 2023** – Proposed amendment to GLBA setting restrictions on nonpublic personal information use, increased disclosure requirements, and expansion of regulated entities

Takeaways

Knowledge Takeaways

- AI is not new. The banking sector has long been using AI tools for fighting fraud, BSA compliance, automatic loan approvals, client service, automated marketing, and other areas.
- LLMs are new, and they've done 3 important things: make advanced AI capabilities more affordable and usable, increased the range of automatable tasks, and formed the foundation for a whole ecosystem of AI-enabled solutions.
- For FIs, LLMs can help in many domains, particularly development, marketing, member service, helpdesk, and knowledge management.
- The impact of LLMs on banking will continue expanding as the ecosystem develops. FIs have started adapting processes and data environments to use LLMs more effectively, and the ecosystem of products will evolve to become more capable, specialized, and integrated.
- FIs are starting with implementation of general internal assistant LLMs and advancing quickly to specialized use cases.
- The bar for performance isn't perfection - it's just better than human, and where that bar is lower, AI will be adopted sooner.

Takeaways (Cont.)

- FIs are adopting AI and LLMs whether they intend to or not via vendors and employees. Every organization without a nuanced, well-implemented policy likely has employees using AI in a less than fully safe way.

Action Takeaways

- It's vital to get a handle on this adoption, which FIs can do by:
  1. Creating a thoughtful, balanced, and regularly updated AI policy
  2. Reviewing your vendor agreements and partnerships
  3. Building internal expertise through careful, responsible adoption

- When looking at bigger use cases and AI vendors, focus on outcomes. Set and measure KPIs to justify and evaluate projects.

- Data is more valuable than ever. Integrate systems, build data pipelines, and establish a single source of truth for key data.

- Conduct horizon scanning and scenario planning, factoring in capabilities which AI will make commonplace or more accessible, and consider the implications for strategy.

- Build strong capabilities in vendor sourcing and third party risk management. The ability to select the right vendors to partner with at the right time will become even more of a competitive advantage than it is today.

- Invest in change agility – the capability of your organization to adapt quickly. The current pace of disruption means that new opportunities and threats will continue to surface. For example, LLMs may make custom development so inexpensive that FIs find it more efficient to build some of their own software rather than relying on vendors. FIs which don't have sufficient organizational nimbleness to stand up an agile development team would struggle to capitalize on that opportunity.

While it's still too early to predict exactly how much automation the LLM architecture will enable, it's likely that LLMs are going to be embedded in so much of knowledge work in the future that investing now in understanding their strengths, limitations, and potential will pay dividends well beyond the immediate gains. Financial institutions should be seeking to adopt AI responsibly, controlling risks and realizing benefits safely, before their employees and vendors take the decision out of their hands.

Strategic Insights & Trusted Advice

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About Sievewright & Associates, an SRM Company

Sievewright & Associates is focused exclusively on serving the needs of Credit Unions and the business and technology partners they work with.

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